



Sen. Heather A. Steans

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LRB101 04919 RLC 61359 a

1 AMENDMENT TO HOUSE BILL 1438

2 AMENDMENT NO. _____. Amend House Bill 1438 by replacing
3 everything after the enacting clause with the following:

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

1 alcohol.

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

6 (1) persons will have to show proof of age before
7 purchasing cannabis;

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

11 (3) driving under the influence of cannabis shall
12 remain illegal;

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

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

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

21 (c) The General Assembly further finds and declares that it
22 is necessary to ensure consistency and fairness in the
23 application of this Act throughout the State and that,
24 therefore, the matters addressed by this Act are, except as
25 specified in this Act, matters of statewide concern.

26 (d) The General Assembly further finds and declares that

1 this Act shall not diminish the State's duties and commitment
2 to seriously ill patients registered under the Compassionate
3 Use of Medical Cannabis Pilot Program Act, nor alter the
4 protections granted to them.

5 (e) The General Assembly supports and encourages labor
6 neutrality in the cannabis industry and further finds and
7 declares that employee workplace safety shall not be diminished
8 and employer workplace policies shall be interpreted broadly to
9 protect employee safety.

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

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

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

20 "Advertise" means to engage in promotional activities
21 including, but not limited to: newspaper, radio, Internet and
22 electronic media, and television advertising; the distribution
23 of fliers and circulars; and the display of window and interior
24 signs.

25 "BLS Region" means a region in Illinois used by the United

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

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

1 Industrial Hemp Act. "Cannabis" also means concentrate and
2 cannabis-infused products.

3 "Cannabis business establishment" means a cultivation
4 center, craft grower, processing organization, dispensing
5 organization, or transporting organization.

6 "Cannabis concentrate" means a product derived from
7 cannabis that is produced by extracting cannabinoids from the
8 plant through the use of propylene glycol, glycerin, butter,
9 olive oil or other typical cooking fats; water, ice, or dry
10 ice; or butane, propane, CO₂, ethanol, or isopropanol. The use
11 of any other solvent is expressly prohibited unless and until
12 it is approved by the Department of Agriculture.

13 "Cannabis container" means a sealed, traceable, container,
14 or package used for the purpose of containment of cannabis or
15 cannabis-infused product during transportation.

16 "Cannabis flower" means marijuana, hashish, and other
17 substances that are identified as including any parts of the
18 plant Cannabis sativa and including derivatives or subspecies,
19 such as indica, of all strains of cannabis; including raw kief,
20 leaves, and buds, but not resin that has been extracted from
21 any part of such plant; nor any compound, manufacture, salt,
22 derivative, mixture, or preparation of such plant, its seeds,
23 or resin.

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

1 "Cannabis plant monitoring system" or "plant monitoring
2 system" means a system that includes, but is not limited to,
3 testing and data collection established and maintained by the
4 cultivation center, craft grower, or processing organization
5 and that is available to the Department of Revenue, the
6 Department of Agriculture, the Department of Financial and
7 Professional Regulation, and the Department of State Police for
8 the purposes of documenting each cannabis plant and monitoring
9 plant development throughout the life cycle of a cannabis plant
10 cultivated for the intended use by a customer from seed
11 planting to final packaging.

12 "Cannabis testing facility" means an entity registered by
13 the Department of Agriculture to test cannabis for potency and
14 contaminants.

15 "Clone" means a plant section from a female cannabis plant
16 not yet rootbound, growing in a water solution or other
17 propagation matrix, that is capable of developing into a new
18 plant.

19 "Community College Cannabis Vocational Training Pilot
20 Program faculty participant" means a person who is 21 years of
21 age or older, licensed by the Department of Agriculture, and is
22 employed or contracted by an Illinois community college to
23 provide student instruction using cannabis plants at an
24 Illinois Community College.

25 "Community College Cannabis Vocational Training Pilot
26 Program faculty participant Agent Identification Card" means a

1 document issued by the Department of Agriculture that
2 identifies a person as Community College Cannabis Vocational
3 Training Pilot Program faculty participant.

4 "Conditional Adult Use Dispensing Organization License"
5 means a license awarded to top-scoring applicants for an Adult
6 Use Dispensing Organization License that reserves the right to
7 an adult use dispensing organization license if the applicant
8 meets certain conditions described in this Act, but does not
9 entitle the recipient to begin purchasing or selling cannabis
10 or cannabis-infused products.

11 "Conditional Adult Use Cultivation Center License" means a
12 license awarded to top-scoring applicants for an Adult Use
13 Cultivation Center License that reserves the right to an Adult
14 Use Cultivation Center License if the applicant meets certain
15 conditions as determined by the Department of Agriculture by
16 rule, but does not entitle the recipient to begin growing,
17 processing, or selling cannabis or cannabis-infused products.

18 "Craft grower" means a facility operated by an organization
19 or business that is licensed by the Department of Agriculture
20 to cultivate, dry, cure, and package cannabis and perform other
21 necessary activities to make cannabis available for sale at a
22 dispensing organization or use at a processing organization. A
23 craft grower may contain up to 5,000 square feet of canopy
24 space on its premises for plants in the flowering state. The
25 Department of Agriculture may authorize an increase or decrease
26 of flowering stage cultivation space in increments of 3,000

1 square feet by rule based on market need, craft grower
2 capacity, and the licensee's history of compliance or
3 noncompliance, with a maximum space of 14,000 square feet for
4 cultivating plants in the flowering stage, which must be
5 cultivated in all stages of growth in an enclosed and secure
6 area. A craft grower may share premises with a processing
7 organization or a dispensing organization, or both, provided
8 each licensee stores currency and cannabis or cannabis-infused
9 products in a separate secured vault to which the other
10 licensee does not have access or all licensees sharing a vault
11 share more than 50% of the same ownership.

12 "Craft grower agent" means a principal officer, board
13 member, employee, or other agent of a craft grower who is 21
14 years of age or older.

15 "Craft Grower Agent Identification Card" means a document
16 issued by the Department of Agriculture that identifies a
17 person as a craft grower agent.

18 "Cultivation center" means a facility operated by an
19 organization or business that is licensed by the Department of
20 Agriculture to cultivate, process, transport (unless otherwise
21 limited by this Act), and perform other necessary activities to
22 provide cannabis and cannabis-infused products to cannabis
23 business establishments.

24 "Cultivation center agent" means a principal officer,
25 board member, employee, or other agent of a cultivation center
26 who is 21 years of age or older.

1 "Cultivation Center Agent Identification Card" means a
2 document issued by the Department of Agriculture that
3 identifies a person as a cultivation center agent.

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

5 "Dispensary" means a facility operated by a dispensing
6 organization at which activities licensed by this Act may
7 occur.

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

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

24 "Dispensing organization agent identification card" means
25 a document issued by the Department of Financial and
26 Professional Regulation that identifies a person as a

1 dispensing organization agent.

2 "Disproportionately Impacted Area" means a census tract or
3 comparable geographic area that satisfies the following
4 criteria as determined by the Department of Commerce and
5 Economic Opportunity, that:

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

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

9 (B) 75% or more of the children in the area
10 participate in the federal free lunch program
11 according to reported statistics from the State Board
12 of Education; or

13 (C) at least 20% of the households in the area
14 receive assistance under the Supplemental Nutrition
15 Assistance Program; or

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

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

26 "Early Approval Adult Use Cultivation Center License"

1 means a license that permits a medical cannabis cultivation
2 center licensed under the Compassionate Use of Medical Cannabis
3 Pilot Program Act as of the effective date of this Act to begin
4 cultivating, infusing, packaging, transporting (unless
5 otherwise provided in this Act), and selling cannabis to
6 cannabis business establishments for resale to purchasers as
7 permitted by this Act as of January 1, 2020.

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

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

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

1 cultivate, process, store, or distribute cannabis.

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

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

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

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

25 "Flowering stage" means the stage of cultivation where and
26 when a cannabis plant is cultivated to produce plant material

1 for cannabis products. This includes mature plants as follows:

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

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

9 "Individual" means a natural person.

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

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

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

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

11 "Limited access area" means a building, room, or other area
12 under the control of a cannabis dispensing organization
13 licensed under this Act and upon the licensed premises with
14 access limited to purchasers, dispensing organization owners
15 and other dispensing organization agents, or service
16 professionals conducting business with the dispensing
17 organization.

18 "Member of an impacted family" means an individual who has
19 a parent, legal guardian, child, spouse, or dependent, or was a
20 dependent of an individual who, prior to the effective date of
21 this Act, was arrested for, convicted of, or adjudicated
22 delinquent for any offense that is eligible for expungement
23 under this Act.

24 "Mother plant" means a cannabis plant that is cultivated or
25 maintained for the purpose of generating clones, and that will
26 not be used to produce plant material for sale to an infuser or

1 dispensing organization.

2 "Ordinary public view" means within the sight line with
3 normal visual range of a person, unassisted by visual aids,
4 from a public street or sidewalk adjacent to real property, or
5 from within an adjacent property.

6 "Ownership and control" means ownership of at least 51% of
7 the business, including corporate stock if a corporation, and
8 control over the management and day-to-day operations of the
9 business and an interest in the capital, assets, and profits
10 and losses of the business proportionate to percentage of
11 ownership.

12 "Person" means a natural individual, firm, partnership,
13 association, joint stock company, joint venture, public or
14 private corporation, limited liability company, or a receiver,
15 executor, trustee, guardian, or other representative appointed
16 by order of any court.

17 "Possession limit" means the amount of cannabis under
18 Section 10-10 that may be possessed at any one time by a person
19 21 years of age or older or who is a registered qualifying
20 medical cannabis patient or caregiver under the Compassionate
21 Use of Medical Cannabis Pilot Program Act.

22 "Principal officer" includes a cannabis business
23 establishment applicant or licensed cannabis business
24 establishment's board member, owner with more than 1% interest
25 of the total cannabis business establishment or more than 5%
26 interest of the total cannabis business establishment of a

1 publicly traded company, president, vice president, secretary,
2 treasurer, partner, officer, member, manager member, or person
3 with a profit sharing, financial interest, or revenue sharing
4 arrangement. The definition includes a person with authority to
5 control the cannabis business establishment, a person who
6 assumes responsibility for the debts of the cannabis business
7 establishment and who is further defined in this Act.

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

15 "Processing organization" or "processor" means a facility
16 operated by an organization or business that is licensed by the
17 Department of Agriculture to either extract constituent
18 chemicals or compounds to produce cannabis concentrate or
19 incorporate cannabis or cannabis concentrate into a product
20 formulation to produce a cannabis product.

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

23 "Processing organization agent identification card" means
24 a document issued by the Department of Agriculture that
25 identifies a person as a processing organization agent.

26 "Purchaser" means a person 21 years of age or older who

1 acquires cannabis for a valuable consideration. "Purchaser"
2 does not include a cardholder under the Compassionate Use of
3 Medical Cannabis Pilot Program Act.

4 "Qualified Social Equity Applicant" means a Social Equity
5 Applicant who has been awarded a conditional license under this
6 Act to operate a cannabis business establishment.

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

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

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

13 (3) school records;

14 (4) a voter registration card;

15 (5) an Illinois driver's license, an Illinois
16 Identification Card, or an Illinois Person with a
17 Disability Identification Card;

18 (6) a paycheck stub;

19 (7) a utility bill; or

20 (8) any other proof of residency or other information
21 necessary to establish residence as provided by rule.

22 "Smoking" means the inhalation of smoke caused by the
23 combustion of cannabis.

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

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

1 control by one or more individuals who have resided for at
2 least 5 of the preceding 10 years in a Disproportionately
3 Impacted Area;

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

6 (i) have been arrested for, convicted of, or
7 adjudicated delinquent for any offense that is
8 eligible for expungement under this Act; or

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

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

13 (i) currently reside in a Disproportionately
14 Impacted Area; or

15 (ii) have been arrested for, convicted of, or
16 adjudicated delinquent for any offense that is
17 eligible for expungement under this Act or member of an
18 impacted family.

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

24 "Tincture" means a cannabis-infused solution, typically
25 comprised of alcohol, glycerin, or vegetable oils, derived
26 either directly from the cannabis plant or from a processed

1 cannabis extract. A tincture is not an alcoholic liquor as
2 defined in the Liquor Control Act of 1934. A tincture shall
3 include a calibrated dropper or other similar device capable of
4 accurately measuring servings.

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

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

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

17 "Unit of local government" means any county, city, village,
18 or incorporated town.

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

24 (1) if the cannabis plant is in an area that has not
25 been intentionally deprived of light for a period of time
26 intended to produce flower buds and induce maturation, it

1 has no more than 2 stigmas visible at each internode of the
2 cannabis plant; or

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

6 ARTICLE 5.

7 AUTHORITY

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

15 Section 5-10. Department of Agriculture. The Department of
16 Agriculture shall administer and enforce provisions of this Act
17 relating to the oversight and registration of cultivation
18 centers, craft growers, infuser organizations, and
19 transporting organizations and agents, including the issuance
20 of identification cards and establishing limits on potency or
21 serving size for cannabis or cannabis products. The Department
22 of Agriculture may suspend or revoke the license of, or impose
23 other penalties upon cultivation centers, craft growers,

1 infuser organizations, transporting organizations, and their
2 principal officers, Agents-in-Charge, and agents for
3 violations of this Act and any rules adopted under this Act.

4 Section 5-15. Department of Financial and Professional
5 Regulation. The Department of Financial and Professional
6 Regulation shall enforce the provisions of this Act relating to
7 the oversight and registration of dispensing organizations and
8 agents, including the issuance of identification cards for
9 dispensing organization agents. The Department of Financial
10 and Professional Regulation may suspend or revoke the license
11 of, or impose other penalties upon, dispensing organizations
12 for violations of this Act and any rules adopted under this
13 Act.

14 Section 5-20. Background checks.

15 (a) Through the Department of State Police, the licensing
16 or issuing Department shall conduct a criminal history record
17 check of the prospective principal officers, board members, and
18 agents of a cannabis business establishment applying for a
19 license or identification card under this Act.

20 Each cannabis business establishment prospective principal
21 officer, board member, or agent shall submit his or her
22 fingerprints to the Department of State Police in the form and
23 manner prescribed by the Department of State Police.

24 Such fingerprints shall be transmitted through a live scan

1 fingerprint vendor licensed by the Department of Financial and
2 Professional Regulation. These fingerprints shall be checked
3 against the fingerprint records now and hereafter filed in the
4 Department of State Police and Federal Bureau of Investigation
5 criminal history records databases. The Department of State
6 Police shall charge a fee for conducting the criminal history
7 record check, which shall be deposited into the State Police
8 Services Fund and shall not exceed the actual cost of the State
9 and national criminal history record check. The Department of
10 State Police shall furnish, pursuant to positive
11 identification, all Illinois conviction information and shall
12 forward the national criminal history record information to:

13 (i) the Department of Agriculture, with respect to a
14 cultivation center, craft grower, infuser organization, or
15 transporting organization; or

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

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

1 Section 5-25. Department of Public Health to make health
2 warning recommendations.

3 (a) The Department of Public Health shall make
4 recommendations to the Department of Agriculture and the
5 Department of Financial and Professional Regulation on
6 appropriate health warnings for dispensaries and advertising,
7 which may apply to all cannabis products, including item-type
8 specific labeling or warning requirements, regulate the
9 facility where cannabis-infused products are made, regulate
10 cannabis-infused products as provided in subsection (e) of
11 Section 55-5, and facilitate the Adult Use Cannabis Health
12 Advisory Committee.

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

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

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

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

6 (4) A pharmacologist.

7 (5) A pulmonologist.

8 (6) An emergency room physician.

9 (7) An emergency medical technician, paramedic, or
10 other first responder.

11 (8) A nurse practicing in a school-based setting.

12 (9) A psychologist.

13 (10) A neonatologist.

14 (11) An obstetrician-gynecologist.

15 (12) A drug epidemiologist.

16 (13) A medical toxicologist.

17 (14) An addiction psychiatrist.

18 (15) A pediatrician.

19 (16) A representative of a statewide professional
20 public health organization.

21 (17) A representative of a statewide hospital/health
22 system association.

23 (18) An individual registered as a patient in the
24 Compassionate Use of Medical Cannabis Pilot Program.

25 (19) An individual registered as a caregiver in the
26 Compassionate Use of Medical Cannabis Pilot Program.

1 (20) A representative of an organization focusing on
2 cannabis-related policy.

3 (21) A representative of an organization focusing on
4 the civil liberties of individuals who reside in Illinois.

5 (22) A representative of the criminal defense or civil
6 aid community of attorneys serving Disproportionately
7 Impacted Areas.

8 (23) A representative of licensed cannabis business
9 establishments.

10 (24) A Social Equity Applicant.

11 (c) The Committee shall provide a report by September 30,
12 2021, and every year thereafter, to the General Assembly. The
13 Department of Public Health shall make the report available on
14 its website.

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

1 Section 5-45. Illinois Cannabis Regulation Oversight
2 Officer.

3 (a) The position of Illinois Cannabis Regulation Oversight
4 Officer is created within the Department of Financial and
5 Professional Regulation under the Secretary of Financial and
6 Professional Regulation. The Illinois Cannabis Regulation
7 Oversight Officer shall be appointed by the Governor with the
8 advice and consent of the Senate. The term of office of the
9 Officer shall expire on the third Monday of January in
10 odd-numbered years provided that he or she shall hold office
11 until a successor is appointed and qualified. In case of
12 vacancy in office during the recess of the Senate, the Governor
13 shall make a temporary appointment until the next meeting of
14 the Senate, when the Governor shall nominate some person to
15 fill the office, and any person so nominated who is confirmed
16 by the Senate shall hold office during the remainder of the
17 term and until his or her successor is appointed and qualified.

18 (b) The Illinois Cannabis Regulation Oversight Officer
19 may:

20 (1) maintain a staff;

21 (2) make recommendations for policy, statute, and rule
22 changes;

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

25 (4) compile or assist in the compilation of any reports

1 required by this Act;

2 (5) ensure the coordination of efforts between various
3 State agencies involved in regulating and taxing the sale
4 of cannabis in Illinois; and

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

8 (c) The Illinois Cannabis Regulation Oversight Officer
9 shall not:

10 (1) participate in the issuance of any business
11 licensing or the making of awards; or

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

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

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

1 recommendations to the Department of Financial and
2 Professional Regulation, the Department of Agriculture, the
3 Department of Commerce and Economic Opportunity, the General
4 Assembly, and the Governor.

5 (f) The Illinois Cannabis Regulation Oversight Officer may
6 compile, collect, or otherwise gather data necessary for the
7 administration of this Act and to carry out the Officer's duty
8 relating to the recommendation of policy changes. The Illinois
9 Cannabis Regulation Oversight Officer may direct the
10 Department of Agriculture, Department of Financial and
11 Professional Regulation, Department of Public Health,
12 Department of Human Services, and Department of Commerce and
13 Economic Opportunity to assist in the compilation, collection,
14 and data gathering authorized pursuant to this subsection. The
15 Illinois Cannabis Regulation Oversight Officer shall compile
16 all of the data into a single report and submit the report to
17 the Governor and the General Assembly and publish the report on
18 its website.

19 ARTICLE 7.

20 SOCIAL EQUITY IN THE CANNABIS INDUSTRY

21 Section 7-1. Findings.

22 The General Assembly finds that the medical cannabis
23 industry, established in 2014 through the Compassionate Use of
24 Medical Cannabis Pilot Program Act, has shown that additional

1 efforts are needed to reduce barriers to ownership. Through
2 that program, 55 licenses for dispensing organizations and 20
3 licenses for cultivation centers have been issued. Those
4 licenses are held by only a small number of businesses, the
5 ownership of which does not sufficiently meet the General
6 Assembly's interest in business ownership that reflects the
7 population of the State of Illinois and that demonstrates the
8 need to reduce barriers to entry for individuals and
9 communities most adversely impacted by the enforcement of
10 cannabis-related laws.

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

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

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

1 (e) Furthermore, the General Assembly finds and declares
2 that certain communities have disproportionately suffered the
3 harms of enforcement of cannabis-related laws. Those
4 communities face greater difficulties accessing traditional
5 banking systems and capital for establishing businesses.

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

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

15 (h) Therefore, in the interest of remedying the harms
16 resulting from the disproportionate enforcement of
17 cannabis-related laws, the General Assembly finds and declares
18 that a social equity program should offer, among other things,
19 financial assistance and license application benefits to
20 individuals most directly and adversely impacted by the
21 enforcement of cannabis-related laws who are interested in
22 starting cannabis business establishments.

23 Section 7-10. Cannabis Business Development Fund.

24 (a) There is created in the State treasury a special fund,
25 which shall be held separate and apart from all other State

1 moneys, to be known as the Cannabis Business Development Fund.
2 The Cannabis Business Development Fund shall be exclusively
3 used for the following purposes:

4 (1) to provide low-interest rate loans to Social Equity
5 Applicants to pay for ordinary and necessary expenses to
6 start and operate a cannabis business establishment
7 permitted by this Act;

8 (2) to provide grants to Qualified Social Equity
9 Applicants to pay for ordinary and necessary expenses to
10 start and operate a cannabis business establishment
11 permitted by this Act;

12 (3) to compensate the Department of Commerce and
13 Economic Opportunity for any costs related to the provision
14 of low-interest loans and grants to Qualified Social Equity
15 Applicants;

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

18 (5) (blank);

19 (6) to conduct any study or research concerning the
20 participation of minorities, women, veterans, or people
21 with disabilities in the cannabis industry, including,
22 without limitation, barriers to such individuals entering
23 the industry as equity owners of cannabis business
24 establishments;

25 (7) (blank); and

26 (8) to assist with job training and technical

1 assistance for residents in Disproportionately Impacted
2 Areas.

3 (b) All moneys collected under Sections 15-15 and 15-20 for
4 Early Approval Adult Use Dispensing Organization Licenses
5 issued before January 1, 2021 and remunerations made as a
6 result of transfers of permits awarded to Qualified Social
7 Equity Applicants shall be deposited into the Cannabis Business
8 Development Fund.

9 (c) As soon as practical after July 1, 2019, the
10 Comptroller shall order and the Treasurer shall transfer
11 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund
12 to the Cannabis Business Development Fund.

13 (d) Notwithstanding any other law to the contrary, the
14 Cannabis Business Development Fund is not subject to sweeps,
15 administrative charge-backs, or any other fiscal or budgetary
16 maneuver that would in any way transfer any amounts from the
17 Cannabis Business Development Fund into any other fund of the
18 State.

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

20 (a) The Department of Commerce and Economic Opportunity
21 shall establish grant and loan programs, subject to
22 appropriations from the Cannabis Business Development Fund,
23 for the purposes of providing financial assistance, loans,
24 grants, and technical assistance to Social Equity Applicants.

25 (b) The Department of Commerce and Economic Opportunity has

1 the power to:

2 (1) provide Cannabis Social Equity loans and grants
3 from appropriations from the Cannabis Business Development
4 Fund to assist Social Equity Applicants in gaining entry
5 to, and successfully operating in, the State's regulated
6 cannabis marketplace;

7 (2) enter into agreements that set forth terms and
8 conditions of the financial assistance, accept funds or
9 grants, and engage in cooperation with private entities and
10 agencies of State or local government to carry out the
11 purposes of this Section;

12 (3) fix, determine, charge, and collect any premiums,
13 fees, charges, costs and expenses, including application
14 fees, commitment fees, program fees, financing charges, or
15 publication fees in connection with its activities under
16 this Section;

17 (4) coordinate assistance under these loan programs
18 with activities of the Illinois Department of Financial and
19 Professional Regulation, the Illinois Department of
20 Agriculture, and other agencies as needed to maximize the
21 effectiveness and efficiency of this Act;

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

24 (6) take whatever actions are necessary or appropriate
25 to protect the State's interest in the event of bankruptcy,
26 default, foreclosure, or noncompliance with the terms and

1 conditions of financial assistance provided under this
2 Section, including the ability to recapture funds if the
3 recipient is found to be noncompliant with the terms and
4 conditions of the financial assistance agreement;

5 (7) establish application, notification, contract, and
6 other forms, procedures, or rules deemed necessary and
7 appropriate; and

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

10 (c) Loans made under this Section:

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

14 (2) shall be in such principal amount and form and
15 contain such terms and provisions with respect to security,
16 insurance, reporting, delinquency charges, default
17 remedies, and other matters as the Department shall
18 determine appropriate to protect the public interest and to
19 be consistent with the purposes of this Section. The terms
20 and provisions may be less than required for similar loans
21 not covered by this Section.

22 (d) Grants made under this Section shall be awarded on a
23 competitive and annual basis under the Grant Accountability and
24 Transparency Act. Grants made under this Section shall further
25 and promote the goals of this Act, including promotion of
26 Social Equity Applicants, job training and workforce

1 development, and technical assistance to Social Equity
2 Applicants.

3 (e) Beginning January 1, 2021 and each year thereafter, the
4 Department shall annually report to the Governor and the
5 General Assembly on the outcomes and effectiveness of this
6 Section that shall include the following:

7 (1) the number of persons or businesses receiving
8 financial assistance under this Section;

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

12 (3) the location of the project engaged in by the
13 person or business; and

14 (4) if applicable, the number of new jobs and other
15 forms of economic output created as a result of the
16 financial assistance.

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

21 Section 7-20. Fee waivers.

22 (a) For Social Equity Applicants, the Department of
23 Financial and Professional Regulation and the Department of
24 Agriculture shall waive 50% of any nonrefundable license
25 application fees, any nonrefundable fees associated with

1 purchasing a license to operate a cannabis business
2 establishment, and any surety bond or other financial
3 requirements, provided a Social Equity Applicant meets the
4 following qualifications at the time the payment is due:

5 (1) the applicant, including all individuals and
6 entities with 10% or greater ownership and all parent
7 companies, subsidiaries, and affiliates, has less than a
8 total of \$750,000 of income in the previous calendar year;
9 and

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

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

20 (c) If the Department of Financial and Professional
21 Regulation or the Department of Agriculture determines that an
22 applicant who applied as a Social Equity Applicant is not
23 eligible for such status, the applicant shall be provided an
24 additional 10 days to provide alternative evidence that he or
25 she qualifies as a Social Equity Applicant. Alternatively, the
26 applicant may pay the remainder of the waived fee and be

1 considered as a non-Social Equity Applicant. If the applicant
2 cannot do either, then the Departments may keep the initial
3 application fee and the application shall not be graded.

4 Section 7-25. Transfer of license awarded to Social Equity
5 Applicant.

6 (a) In the event a Social Equity Applicant seeks to
7 transfer, sell, or grant a cannabis business establishment
8 license within 5 years after it was issued to a person or
9 entity that does not qualify as a Social Equity Applicant, the
10 transfer agreement shall require the new license holder to pay
11 the Cannabis Business Development Fund an amount equal to:

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

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

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

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

1 Section 7-30. Reporting. By January 1, 2021, and on January
2 1 of every year thereafter, or upon request by the Illinois
3 Cannabis Regulation Oversight Officer, each cannabis business
4 establishment licensed under this Act shall report to the
5 Illinois Cannabis Regulation Oversight Officer, on a form to be
6 provided by the Illinois Cannabis Regulation Oversight
7 Officer, information that will allow it to assess the extent of
8 diversity in the medical and adult use cannabis industry and
9 methods for reducing or eliminating any identified barriers to
10 entry, including access to capital. The information to be
11 collected shall be designed to identify the following:

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

15 (2) the total number and percentage of employees in the
16 cannabis industry who meet the criteria in (3)(i) or
17 (3)(ii) in the definition of Social Equity Applicant or who
18 are minorities, women, veterans, or people with
19 disabilities;

20 (3) the total number and percentage of contractors and
21 subcontractors in the cannabis industry that meet the
22 definition of a Social Equity Applicant or who are owned by
23 minorities, women, veterans, or people with disabilities,
24 if known to the cannabis business establishment; and

25 (4) recommendations on reducing or eliminating any
26 identified barriers to entry, including access to capital,

1 in the cannabis industry.

2 ARTICLE 10.

3 PERSONAL USE OF CANNABIS

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

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

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

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

19 (3) controlling property if actions that are
20 authorized by this Act occur on the property in accordance
21 with this Act.

22 (a-1) Beginning January 1, 2020, notwithstanding any other
23 provision of law, and except as otherwise provided in this Act,
24 possessing, consuming, using, purchasing, obtaining, or

1 transporting an amount of cannabis purchased or produced in
2 accordance with this Act that does not exceed the possession
3 limit under subsection (a) of Section 10-10 shall not be a
4 basis for seizure or forfeiture of assets under State law.

5 (b) Cultivating cannabis for personal use is subject to the
6 following limitations:

7 (1) An Illinois resident 21 years of age or older who
8 is a registered qualifying patient under the Compassionate
9 Use of Medical Cannabis Pilot Program Act may cultivate
10 cannabis plants, with a limit of 5 plants that are more
11 than 5 inches tall, per household without a cultivation
12 center or craft grower license. In this Section, "resident"
13 means a person who has been domiciled in the State of
14 Illinois for a period of 30 days before cultivation.

15 (2) Cannabis cultivation must take place in an
16 enclosed, locked space.

17 (3) Adult registered qualifying patients may purchase
18 cannabis seeds from a dispensary for the purpose of home
19 cultivation. Seeds may not be given or sold to any other
20 person.

21 (4) Cannabis plants shall not be stored or placed in a
22 location where they are subject to ordinary public view, as
23 defined in this Act. A registered qualifying patient who
24 cultivates cannabis under this Section shall take
25 reasonable precautions to ensure the plants are secure from
26 unauthorized access, including unauthorized access by a

1 person under 21 years of age.

2 (5) Cannabis cultivation may occur only on residential
3 property lawfully in possession of the cultivator or with
4 the consent of the person in lawful possession of the
5 property. An owner or lessor of residential property may
6 prohibit the cultivation of cannabis by a lessee.

7 (6) (Blank).

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

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

17 (9) A registered qualifying patient who cultivates
18 more than the allowable number of cannabis plants, or who
19 sells or gives away cannabis plants, cannabis, or
20 cannabis-infused products produced under this Section, is
21 liable for penalties as provided by law, including the
22 Cannabis Control Act, in addition to loss of home
23 cultivation privileges as established by rule.

24 Section 10-10. Possession limit.

25 (a) Except if otherwise authorized by this Act, for a

1 person who is 21 years of age or older and a resident of this
2 State, the possession limit is as follows:

3 (1) 30 grams of cannabis flower;

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

6 (3) 5 grams of cannabis concentrate; and

7 (4) for registered qualifying patients, any cannabis
8 produced by cannabis plants grown under subsection (b) of
9 Section 10-5, provided any amount of cannabis produced in
10 excess of 30 grams of raw cannabis or its equivalent must
11 remain secured within the residence or residential
12 property in which it was grown.

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

15 (1) 15 grams of cannabis flower;

16 (2) 2.5 grams of cannabis concentrate; and

17 (3) 250 milligrams of THC contained in a
18 cannabis-infused product.

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

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

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

2 (a) Nothing in this Act is intended to permit the transfer
3 of cannabis, with or without remuneration, to a person under 21
4 years of age, or to allow a person under 21 years of age to
5 purchase, possess, use, process, transport, grow, or consume
6 cannabis except where authorized by the Compassionate Use of
7 Medical Cannabis Pilot Program Act or by the Community College
8 Cannabis Vocational Pilot Program.

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

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

21 (d) It is unlawful for any parent or guardian to knowingly
22 permit his or her residence, any other private property under
23 his or her control, or any vehicle, conveyance, or watercraft
24 under his or her control to be used by an invitee of the
25 parent's child or the guardian's ward, if the invitee is under

1 the age of 21, in a manner that constitutes a violation of this
2 Section. A parent or guardian is deemed to have knowingly
3 permitted his or her residence, any other private property
4 under his or her control, or any vehicle, conveyance, or
5 watercraft under his or her control to be used in violation of
6 this Section if he or she knowingly authorizes or permits
7 consumption of cannabis by underage invitees. Any person who
8 violates this subsection (d) is guilty of a Class A misdemeanor
9 and the person's sentence shall include, but shall not be
10 limited to, a fine of not less than \$500. If a violation of
11 this subsection (d) directly or indirectly results in great
12 bodily harm or death to any person, the person violating this
13 subsection is guilty of a Class 4 felony. In this subsection
14 (d), where the residence or other property has an owner and a
15 tenant or lessee, the trier of fact may infer that the
16 residence or other property is occupied only by the tenant or
17 lessee.

18 Section 10-20. Identification; false identification;
19 penalty.

20 (a) To protect personal privacy, the Department of
21 Financial and Professional Regulation shall not require a
22 purchaser to provide a dispensing organization with personal
23 information other than government-issued identification to
24 determine the purchaser's age, and a dispensing organization
25 shall not obtain and record personal information about a

1 purchaser without the purchaser's consent. A dispensing
2 organization shall use an electronic reader or electronic
3 scanning device to scan a purchaser's government-issued
4 identification, if applicable, to determine the purchaser's
5 age and the validity of the identification. Any identifying or
6 personal information of a purchaser obtained or received in
7 accordance with this Section shall not be retained, used,
8 shared or disclosed for any purpose except as authorized by
9 this Act.

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

15 (1) purchasing, attempting to purchase, or otherwise
16 obtaining or attempting to obtain cannabis or any cannabis
17 product; or

18 (2) gaining access to a cannabis business
19 establishment.

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

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

26 (e) No agent or employee of the licensee shall be

1 disciplined or discharged for selling or furnishing cannabis or
2 cannabis products to a person under 21 years of age if the
3 agent or employee demanded and was shown, before furnishing
4 cannabis or cannabis products to a person under 21 years of
5 age, adequate written evidence of age and identity of the
6 person. This subsection (e) does not apply if the agent or
7 employee accepted the written evidence knowing it to be false
8 or fraudulent. Adequate written evidence of age and identity of
9 the person is a document issued by a federal, State, county, or
10 municipal government, or subdivision or agency thereof,
11 including, but not limited to, a motor vehicle operator's
12 license, a registration certificate issued under the Military
13 Selective Service Act, or an identification card issued to a
14 member of the Armed Forces. Proof that the licensee or his or
15 her employee or agent was shown and reasonably relied upon such
16 written evidence in any transaction forbidden by this Section
17 is an affirmative defense in any criminal prosecution therefor
18 or to any proceedings for the suspension or revocation of any
19 license based thereon.

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

22 (a) A purchaser who is 21 years of age or older is not
23 subject to arrest, prosecution, denial of any right or
24 privilege, or other punishment including, but not limited to,
25 any civil penalty or disciplinary action taken by an

1 occupational or professional licensing board, based solely on
2 the use of cannabis if (1) the purchaser possesses an amount of
3 cannabis that does not exceed the possession limit under
4 Section 10-10 and, if the purchaser is licensed, certified, or
5 registered to practice any trade or profession under any Act
6 and (2) the use of cannabis does not impair that person when he
7 or she is engaged in the practice of the profession for which
8 he or she is licensed, certified, or registered.

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

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

26 (d) No person employed by the State of Illinois shall be

1 subject to criminal or civil penalties for taking any action in
2 good faith in reliance on this Act when acting within the scope
3 of his or her employment. Representation and indemnification
4 shall be provided to State employees as set forth in Section 2
5 of the State Employee Indemnification Act.

6 (e) No law enforcement or correctional agency, nor any
7 person employed by a law enforcement or correctional agency,
8 shall be subject to criminal or civil liability, except for
9 willful and wanton misconduct, as a result of taking any action
10 within the scope of the official duties of the agency or person
11 to prohibit or prevent the possession or use of cannabis by a
12 person incarcerated at a correctional facility, jail, or
13 municipal lockup facility, on parole or mandatory supervised
14 release, or otherwise under the lawful jurisdiction of the
15 agency or person.

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

20 Section 10-30. Discrimination prohibited.

21 (a) Neither the presence of cannabinoid components or
22 metabolites in a person's bodily fluids nor possession of
23 cannabis-related paraphernalia, nor conduct related to the use
24 of cannabis or the participation in cannabis-related
25 activities lawful under this Act by a custodial or noncustodial

1 parent, grandparent, legal guardian, foster parent, or other
2 person charged with the well-being of a child, shall form the
3 sole or primary basis or supporting basis for any action or
4 proceeding by a child welfare agency or in a family or juvenile
5 court, any adverse finding, adverse evidence, or restriction of
6 any right or privilege in a proceeding related to adoption of a
7 child, acting as a foster parent of a child, or a person's
8 fitness to adopt a child or act as a foster parent of a child,
9 or serve as the basis of any adverse finding, adverse evidence,
10 or restriction of any right of privilege in a proceeding
11 related to guardianship, conservatorship, trusteeship, the
12 execution of a will, or the management of an estate, unless the
13 person's actions in relation to cannabis created an
14 unreasonable danger to the safety of the minor or otherwise
15 show the person to not be competent as established by clear and
16 convincing evidence. This subsection applies only to conduct
17 protected under this Act.

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

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

25 Section 10-35. Limitations and penalties.

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

4 (1) undertaking any task under the influence of
5 cannabis when doing so would constitute negligence,
6 professional malpractice, or professional misconduct;

7 (2) possessing cannabis:

8 (A) in a school bus, unless permitted for a
9 qualifying patient or caregiver pursuant to the
10 Compassionate Use of Medical Cannabis Pilot Program
11 Act;

12 (B) on the grounds of any preschool or primary or
13 secondary school, unless permitted for a qualifying
14 patient or caregiver pursuant to the Compassionate Use
15 of Medical Cannabis Pilot Program Act;

16 (C) in any correctional facility;

17 (D) in a vehicle not open to the public unless the
18 cannabis is in a reasonably secured, sealed container
19 and reasonably inaccessible while the vehicle is
20 moving; or

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

24 (3) using cannabis:

25 (A) in a school bus, unless permitted for a
26 qualifying patient or caregiver pursuant to the

1 Compassionate Use of Medical Cannabis Pilot Program
2 Act;

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

7 (C) in any correctional facility;

8 (D) in any motor vehicle;

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

12 (F) in any public place; or

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

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

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

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

26 (7) transferring cannabis to any person contrary to

1 this Act or the Compassionate Use of Medical Cannabis Pilot
2 Program Act;

3 (8) the use of cannabis by a law enforcement officer,
4 corrections officer, probation officer, or firefighter
5 while on duty; or

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

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

16 (b) Nothing in this Act shall be construed to prevent the
17 arrest or prosecution of a person for reckless driving or
18 driving under the influence of cannabis if probable cause
19 exists.

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

23 (d) Nothing in this Act shall require an individual or
24 business entity to violate the provisions of federal law,
25 including colleges or universities that must abide by the
26 Drug-Free Schools and Communities Act Amendments of 1989, that

1 require campuses to be drug free.

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

3 (a) The General Assembly finds that in order to address the
4 disparities described below, aggressive approaches and
5 targeted resources to support local design and control of
6 community-based responses to these outcomes are required. To
7 carry out this intent, the Restore, Reinvest, and Renew (R3)
8 Program is created for the following purposes:

9 (1) to directly address the impact of economic
10 disinvestment, violence, and the historical overuse of
11 criminal justice responses to community and individual
12 needs by providing resources to support local design and
13 control of community-based responses to these impacts;

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

16 (3) to protect communities from gun violence through
17 targeted investments and intervention programs, including
18 economic growth and improving family violence prevention,
19 community trauma treatment rates, gun injury victim
20 services, and public health prevention activities;

21 (4) to promote employment infrastructure and capacity
22 building related to the social determinants of health in
23 the eligible community areas.

24 (b) In this Section, "Authority" means the Illinois
25 Criminal Justice Information Authority in coordination with

1 the Justice, Equity, and Opportunity Initiative of the
2 Lieutenant Governor's Office.

3 (c) Eligibility of R3 Areas. Within 180 days after the
4 effective date of this Act, the Authority shall identify as
5 eligible, areas in this State by way of historically recognized
6 geographic boundaries, to be designated by the Restore,
7 Reinvest, and Renew Program Board as R3 Areas and therefore
8 eligible to apply for R3 funding. Local groups within R3 Areas
9 will be eligible to apply for State funding through the
10 Restore, Reinvest, and Renew Program Board. Qualifications for
11 designation as an R3 Area are as follows:

12 (1) Based on an analysis of data, communities in this
13 State that are high need, underserved, disproportionately
14 impacted by historical economic disinvestment, and ravaged
15 by violence as indicated by the highest rates of gun
16 injury, unemployment, child poverty rates, and commitments
17 to and returns from the Illinois Department of Corrections.

18 (2) The Authority shall send to the Legislative Audit
19 Commission and make publicly available its analysis and
20 identification of eligible R3 Areas and shall recalculate
21 the eligibility data every 4 years. On an annual basis, the
22 Authority shall analyze data and indicate if data covering
23 any R3 Area or portion of an Area has, for 4 consecutive
24 years, substantially deviated from the average of
25 statewide data on which the original calculation was made
26 to determine the Areas, including disinvestment, violence,

1 gun injury, unemployment, child poverty rates, or
2 commitments to or returns from the Illinois Department of
3 Corrections.

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

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

19 (1) The ex officio members are:

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

22 (B) The Attorney General, or his or her
23 designee.

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

26 (D) The Director of Public Health, or his or

1 her designee.

2 (E) The Director of Corrections, or his or her
3 designee.

4 (F) The Executive Director of the Illinois
5 Criminal Justice Information Authority, or his or
6 her designee.

7 (G) The Director of Employment Security, or
8 his or her designee.

9 (H) The Secretary of Human Services, or his or
10 her designee.

11 (I) A member of the Senate, designated by the
12 President of the Senate.

13 (J) A member of the House of Representatives,
14 designated by the Speaker of the House of
15 Representatives.

16 (K) A member of the Senate, designated by the
17 Minority Leader of the Senate.

18 (L) A member of the House of Representatives,
19 designated by the Minority Leader of the House of
20 Representatives.

21 (2) Within 90 days after the R3 Areas have been
22 designated by the Restore, Reinvest, and Renew Program
23 Board, the following members shall be appointed to the
24 Board by the R3 board chair:

25 (A) public officials of municipal geographic
26 jurisdictions in the State that include an R3 Area, or

1 their designees;

2 (B) 4 community-based providers or community
3 development organization representatives who provide
4 services to treat violence and address the social
5 determinants of health, or promote community
6 investment, including, but not limited to, services
7 such as job placement and training, educational
8 services, workforce development programming, and
9 wealth building. The community-based organization
10 representatives shall work primarily in jurisdictions
11 that include an R3 Area and no more than 2
12 representatives shall work primarily in Cook County.
13 At least one of the community-based providers shall
14 have expertise in providing services to an immigrant
15 population;

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

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

19 (E) One female who has previously been
20 incarcerated and is over the age of 24 at time of
21 appointment;

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

25 As used in this paragraph (2), "an individual who has
26 been previously incarcerated" means a person who has been

1 convicted of or pled guilty to one or more felonies, who
2 was sentenced to a term of imprisonment, and who has
3 completed his or her sentence. Board members shall serve
4 without compensation and may be reimbursed for reasonable
5 expenses incurred in the performance of their duties from
6 funds appropriated for that purpose. Once all its members
7 have been appointed as outlined in items (A) through (F) of
8 this paragraph (2), the Board may exercise any power,
9 perform any function, take any action, or do anything in
10 furtherance of its purposes and goals upon the appointment
11 of a quorum of its members. The Board terms of the non-ex
12 officio and General Assembly Board members shall end 4
13 years from the date of appointment.

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

16 (1) develop a process to solicit applications from
17 eligible R3 Areas;

18 (2) develop a standard template for both planning and
19 implementation activities to be submitted by R3 Areas to
20 the State;

21 (3) identify resources sufficient to support the full
22 administration and evaluation of the R3 Program, including
23 building and sustaining core program capacity at the
24 community and State levels;

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

1 (5) develop a performance measurement system that
2 focuses on positive outcomes;

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

5 (7) deliver an annual report to the General Assembly
6 and to the Governor to be posted on the Governor's Office
7 and General Assembly websites and provide to the public an
8 annual report on its progress.

9 (g) R3 Area grants.

10 (1) Grant funds shall be awarded by the Illinois
11 Criminal Justice Information Authority, in coordination
12 with the R3 board, based on the likelihood that the plan
13 will achieve the outcomes outlined in subsection (a) and
14 consistent with the requirements of the Grant
15 Accountability and Transparency Act. The R3 Program shall
16 also facilitate the provision of training and technical
17 assistance for capacity building within and among R3 Areas.

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

21 (3) The Restore, Reinvest, and Renew Program Board and
22 the R3 Area grantees shall, within a period of no more than
23 120 days from the completion of planning activities
24 described in this Section, finalize an agreement on the
25 plan for implementation. Implementation activities may:

26 (A) have a basis in evidence or best practice

1 research or have evaluations demonstrating the
2 capacity to address the purpose of the program in
3 subsection (a);

4 (B) collect data from the inception of planning
5 activities through implementation, with data
6 collection technical assistance when needed, including
7 cost data and data related to identified meaningful
8 short-term, mid-term, and long-term goals and metrics;

9 (C) report data to the Restore, Reinvest, and Renew
10 Program Board biannually; and

11 (D) report information as requested by the R3
12 Program Board.

13 Section 10-50. Employment; employer liability.

14 (a) Nothing in this Act shall prohibit an employer from
15 adopting reasonable zero tolerance or drug free workplace
16 policies, or employment policies concerning drug testing,
17 smoking, consumption, storage, or use of cannabis in the
18 workplace or while on call provided that the policy is applied
19 in a nondiscriminatory manner.

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

24 (c) Nothing in this Act shall limit or prevent an employer
25 from disciplining an employee or terminating employment of an

1 employee for violating an employer's employment policies or
2 workplace drug policy.

3 (d) An employer may consider an employee to be impaired or
4 under the influence of cannabis if the employer has a good
5 faith belief that an employee manifests specific, articulable
6 symptoms while working that decrease or lessen the employee's
7 performance of the duties or tasks of the employee's job
8 position, including symptoms of the employee's speech,
9 physical dexterity, agility, coordination, demeanor,
10 irrational or unusual behavior, or negligence or carelessness
11 in operating equipment or machinery; disregard for the safety
12 of the employee or others, or involvement in any accident that
13 results in serious damage to equipment or property; disruption
14 of a production or manufacturing process; or carelessness that
15 results in any injury to the employee or others. If an employer
16 elects to discipline an employee on the basis that the employee
17 is under the influence or impaired by cannabis, the employer
18 must afford the employee a reasonable opportunity to contest
19 the basis of the determination.

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

22 (1) actions, including but not limited to subjecting an
23 employee or applicant to reasonable drug and alcohol
24 testing under the employer's workplace drug policy,
25 including an employee's refusal to be tested or to
26 cooperate in testing procedures or disciplining or

1 termination of employment, based on the employer's good
2 faith belief that an employee used or possessed cannabis in
3 the employer's workplace or while performing the
4 employee's job duties or while on call in violation of the
5 employer's employment policies;

6 (2) actions, including discipline or termination of
7 employment, based on the employer's good faith belief that
8 an employee was impaired as a result of the use of
9 cannabis, or under the influence of cannabis, while at the
10 employer's workplace or while performing the employee's
11 job duties or while on call in violation of the employer's
12 workplace drug policy; or

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

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

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

26 (h) As used in this Section, "workplace" means the

1 employer's premises, including any building, real property,
2 and parking area under the control of the employer or area used
3 by an employee while in performance of the employee's job
4 duties, and vehicles, whether leased, rented, or owned.
5 "Workplace" may be further defined by the employer's written
6 employment policy, provided that the policy is consistent with
7 this Section.

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

15 ARTICLE 15.

16 LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

17 Section 15-5. Authority.

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

20 (b) It is the duty of the Department to administer and
21 enforce the provisions of this Act relating to the licensure
22 and oversight of dispensing organizations and dispensing
23 organization agents unless otherwise provided in this Act.

24 (c) No person shall operate a dispensing organization for

1 the purpose of serving purchasers of cannabis or cannabis
2 products without a license issued under this Article by the
3 Department. No person shall be an officer, director, manager,
4 or employee of a dispensing organization without having been
5 issued a dispensing organization agent card by the Department.

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

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

10 (2) Examine, inspect, and investigate the premises,
11 operations, and records of dispensing organization
12 applicants and licensees.

13 (3) Conduct investigations of possible violations of
14 this Act pertaining to dispensing organizations and
15 dispensing organization agents.

16 (4) Conduct hearings on proceedings to refuse to issue
17 or renew licenses or to revoke, suspend, place on
18 probation, reprimand, or otherwise discipline a license
19 under this Article or take other nondisciplinary action.

20 (5) Adopt rules required for the administration of this
21 Article.

22 Section 15-10. Medical cannabis dispensing organization
23 exemption. This Article does not apply to medical cannabis
24 dispensing organizations registered under the Compassionate
25 Use of Medical Cannabis Pilot Program Act, except where

1 otherwise specified.

2 Section 15-15. Early Approval Adult Use Dispensing
3 Organization License.

4 (a) Any medical cannabis dispensing organization holding a
5 valid registration under the Compassionate Use of Medical
6 Cannabis Pilot Program Act as of the effective date of this Act
7 may, within 60 days of the effective date of this Act, apply to
8 the Department for an Early Approval Adult Use Dispensing
9 Organization License to serve purchasers at any medical
10 cannabis dispensing location in operation on the effective date
11 of this Act, pursuant to this Section.

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

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

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

24 (3) Certification that the applicant will comply with
25 the requirements contained in the Compassionate Use of

1 Medical Cannabis Pilot Program Act except as provided in
2 this Act;

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

4 (5) The physical address of the dispensing
5 organization;

6 (6) The name, address, social security number, and date
7 of birth of each principal officer and board member of the
8 dispensing organization, each of whom must be at least 21
9 years of age;

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

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

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

22 (B) Make a grant of 3% of total sales from June 1,
23 2018 to June 1, 2019, or \$100,000, whichever is less,
24 to a cannabis industry training or education program at
25 an Illinois community college as defined in the Public
26 Community College Act;

1 (C) Make a donation of \$100,000 or more to a
2 program that provides job training services to persons
3 recently incarcerated or that operates in a
4 Disproportionately Impacted Area;

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

1 subsection; or

2 (E) Participate in a sponsorship program for at
3 least 2 years approved by the Department of Commerce
4 and Economic Opportunity in which an Early Approval
5 Adult Use Dispensing Organization License holder
6 agrees to provide an interest-free loan of at least
7 \$200,000 to a Social Equity Applicant. The sponsor
8 shall not take an ownership stake in any cannabis
9 business establishment receiving sponsorship services
10 to comply with this subsection.

11 (c) The license fee required by paragraph (1) of subsection
12 (b) of this Section shall be in addition to any license fee
13 required for the renewal of a registered medical cannabis
14 dispensing organization license.

15 (d) Applicants must submit all required information,
16 including the requirements in subsection (b) of this Section,
17 to the Department. Failure by an applicant to submit all
18 required information may result in the application being
19 disqualified.

20 (e) If the Department receives an application that fails to
21 provide the required elements contained in subsection (b), the
22 Department shall issue a deficiency notice to the applicant.
23 The applicant shall have 10 calendar days from the date of the
24 deficiency notice to submit complete information. Applications
25 that are still incomplete after this opportunity to cure may be
26 disqualified.

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

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

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

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

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

22 (h) A dispensing organization holding a medical cannabis
23 dispensing organization license issued under the Compassionate
24 Use of Medical Cannabis Pilot Program Act must maintain an
25 adequate supply of cannabis and cannabis-infused products for
26 purchase by qualifying patients, caregivers, provisional

1 patients, and Opioid Alternative Pilot Program participants.
2 For the purposes of this subsection, "adequate supply" means a
3 monthly inventory level that is comparable in type and quantity
4 to those medical cannabis products provided to patients and
5 caregivers on an average monthly basis for the 6 months before
6 the effective date of this Act.

7 (i) If there is a shortage of cannabis or cannabis-infused
8 products, a dispensing organization holding both a dispensing
9 organization license under the Compassionate Use of Medical
10 Cannabis Pilot Program Act and this Act shall prioritize
11 serving qualifying patients, caregivers, provisional patients,
12 and Opioid Alternative Pilot Program participants before
13 serving purchasers.

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

22 (k) An Early Approval Adult Use Dispensing Organization
23 License is valid until March 31, 2021. A dispensing
24 organization that obtains an Early Approval Adult Use
25 Dispensing Organization License shall receive written or
26 electronic notice 90 days before the expiration of the license

1 that the license will expire, and inform the license holder
2 that it may renew its Early Approval Adult Use Dispensing
3 Organization License. The Department shall renew the Early
4 Approval Adult Use Dispensing Organization License within 60
5 days of the renewal application being deemed complete if:

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

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

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

18 (1) The Early Approval Adult Use Dispensing Organization
19 License renewed pursuant to subsection (k) of this Section
20 shall expire March 31, 2022. The Early Approval Adult Use
21 Dispensing Organization Licensee shall receive written or
22 electronic notice 90 days before the expiration of the license
23 that the license will expire, and inform the license holder
24 that it may apply for an Adult Use Dispensing Organization
25 License. The Department shall grant an Adult Use Dispensing
26 Organization License within 60 days of an application being

1 deemed complete if the applicant has met all of the criteria in
2 Section 15-36.

3 (m) If a dispensary fails to submit an application for an
4 Adult Use Dispensing Organization License before the
5 expiration of the Early Approval Adult Use Dispensing
6 Organization License pursuant to subsection (k) of this
7 Section, the dispensing organization shall cease serving
8 purchasers and cease all operations until it receives an Adult
9 Use Dispensing Organization License.

10 (n) A dispensing organization agent who holds a valid
11 dispensing organization agent identification card issued under
12 the Compassionate Use of Medical Cannabis Pilot Program Act and
13 is an officer, director, manager, or employee of the dispensing
14 organization licensed under this Section may engage in all
15 activities authorized by this Article to be performed by a
16 dispensing organization agent.

17 (o) All fees collected pursuant to this Section shall be
18 deposited into the Cannabis Regulation Fund, unless otherwise
19 specified.

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

22 (a) If the Department suspends or revokes the Early
23 Approval Adult Use Dispensing Organization License of a
24 dispensing organization that also holds a medical cannabis
25 dispensing organization license issued under the Compassionate

1 Use of Medical Cannabis Pilot Program Act, the Department may
2 consider the suspension or revocation as grounds to take
3 disciplinary action against the medical cannabis dispensing
4 organization license.

5 (a-5) If, within 360 days of the effective date of this
6 Act, a dispensing organization is unable to find a location
7 within the BLS Regions prescribed in subsection (a) of this
8 Section in which to operate an Early Approval Adult Use
9 Dispensing Organization at a secondary site because no
10 jurisdiction within the prescribed area allows the operation of
11 an Adult Use Cannabis Dispensing Organization, the Department
12 of Financial and Professional Regulation may waive the
13 geographic restrictions of subsection (a) of this Section and
14 specify another BLS Region into which the dispensary may be
15 placed.

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

1 district to which the medical cannabis dispensing organization
2 is assigned under the administrative rules for dispensing
3 organizations under the Compassionate Use of Medical Cannabis
4 Pilot Program Act.

5 (c) A medical cannabis dispensing organization seeking
6 issuance of an Early Approval Adult Use Dispensing Organization
7 License at a secondary site to serve purchasers at a secondary
8 site as prescribed in subsection (b) of this Section shall
9 submit an application on forms provided by the Department. The
10 application must meet or include the following qualifications:

11 (1) a payment of a nonrefundable application fee of
12 \$30,000;

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

15 (3) submission of the application by the same person or
16 entity that holds the medical cannabis dispensing
17 organization registration;

18 (4) the legal name of the medical cannabis dispensing
19 organization;

20 (5) the physical address of the medical cannabis
21 dispensing organization and the proposed physical address
22 of the secondary site;

23 (6) a copy of the current local zoning ordinance
24 Sections relevant to dispensary operations and
25 documentation of the approval, the conditional approval or
26 the status of a request for zoning approval from the local

1 zoning office that the proposed dispensary location is in
2 compliance with the local zoning rules;

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

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

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

11 (A) if the property is not owned by the applicant,
12 a written statement from the property owner and
13 landlord, if any, certifying consent that the
14 applicant may operate a dispensary on the premises; or

15 (B) if the property is owned by the applicant,
16 confirmation of ownership;

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

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

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

22 (B) a description of the process of dispensing
23 cannabis;

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

26 (A) a description of the delivery process by which

1 cannabis will be received from a transporting
2 organization, including receipt of manifests and
3 protocols that will be used to avoid diversion, theft,
4 or loss at the dispensary acceptance point; and

5 (B) the process or controls that will be
6 implemented to monitor the dispensary, secure the
7 premises, agents, patients, and currency, and prevent
8 the diversion, theft, or loss of cannabis; and

9 (C) the process to ensure that access to the
10 restricted access areas is restricted to, registered
11 agents, service professionals, transporting
12 organization agents, Department inspectors, and
13 security personnel;

14 (13) a proposed inventory control plan that complies
15 with this Section;

16 (14) the name, address, social security number, and
17 date of birth of each principal officer and board member of
18 the dispensing organization; each of those individuals
19 shall be at least 21 years of age;

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

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

25 (d) Before receiving an Early Approval Adult Use Dispensing
26 Organization License at a secondary site, a dispensing

1 organization shall indicate the Social Equity Inclusion Plan
2 that the applicant plans to achieve before the expiration of
3 the Early Approval Adult Use Dispensing Organization License
4 from the list below:

5 (1) make a contribution of 3% of total sales from June
6 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to
7 the Cannabis Business Development Fund. This is in addition
8 to the fee required by paragraph (16) of subsection (c) of
9 this Section;

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

15 (3) make a donation of \$100,000 or more to a program
16 that provides job training services to persons recently
17 incarcerated or that operates in a Disproportionately
18 Impacted Area;

19 (4) participate as a host in a cannabis business
20 establishment incubator program approved by the Department
21 of Commerce and Economic Opportunity, and in which an Early
22 Approval Adult Use Dispensing Organization License at a
23 secondary site holder agrees to provide a loan of at least
24 \$100,000 and mentorship to incubate a licensee that
25 qualifies as a Social Equity Applicant for at least a year.
26 In this paragraph (4), "incubate" means providing direct

1 financial assistance and training necessary to engage in
2 licensed cannabis industry activity similar to that of the
3 host licensee. The Early Approval Adult Use Dispensing
4 Organization License holder or the same entity holding any
5 other licenses issued under this Act shall not take an
6 ownership stake of greater than 10% in any business
7 receiving incubation services to comply with this
8 subsection. If an Early Approval Adult Use Dispensing
9 Organization License at a secondary site holder fails to
10 find a business to incubate in order to comply with this
11 subsection before its Early Approval Adult Use Dispensing
12 Organization License at a secondary site expires, it may
13 opt to meet the requirement of this subsection by
14 completing another item from this subsection before the
15 expiration of its Early Approval Adult Use Dispensing
16 Organization License at a secondary site to avoid a
17 penalty; or

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

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

5 (f) Applicants must submit all required information,
6 including the requirements in subsection (c) of this Section,
7 to the Department. Failure by an applicant to submit all
8 required information may result in the application being
9 disqualified.

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

17 (h) Once all required information and documents have been
18 submitted, the Department will review the application. The
19 Department may request revisions and retains final approval
20 over dispensary features. Once the application is complete and
21 meets the Department's approval, the Department shall
22 conditionally approve the license. Final approval is
23 contingent on the build-out and Department inspection.

24 (i) Upon submission of the Early Approval Adult Use
25 Dispensing Organization at a secondary site application, the
26 applicant shall request an inspection and the Department may

1 inspect the Early Approval Adult Use Dispensing Organization's
2 secondary site to confirm compliance with the application and
3 this Act.

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

7 (k) If an applicant passes the inspection under this
8 Section, the Department shall issue the Early Approval Adult
9 Use Dispensing Organization License at a secondary site within
10 10 business days unless:

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

16 (2) The Secretary of Financial and Professional
17 Regulation determines there is reason, based on documented
18 compliance violations, the licensee is not entitled to an
19 Early Approval Adult Use Dispensing Organization License
20 at its secondary site.

21 (l) Once the Department has issued a license, the
22 dispensing organization shall notify the Department of the
23 proposed opening date.

24 (m) A registered medical cannabis dispensing organization
25 that obtains an Early Approval Adult Use Dispensing
26 Organization License at a secondary site may begin selling

1 cannabis, cannabis-infused products, paraphernalia, and
2 related items to purchasers under the rules of this Act no
3 sooner than January 1, 2020.

4 (n) If there is a shortage of cannabis or cannabis-infused
5 products, a dispensing organization holding both a dispensing
6 organization license under the Compassionate Use of Medical
7 Cannabis Pilot Program Act and this Article shall prioritize
8 serving qualifying patients and caregivers before serving
9 purchasers.

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

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

25 (2) the Department has not suspended or revoked the
26 Early Approval Adult Use Dispensing Organization License

1 or a medical cannabis dispensing organization license held
2 by the same person or entity for violating this Act or
3 rules adopted under this Act or the Compassionate Use of
4 Medical Cannabis Pilot Program Act or rules adopted under
5 that Act; and

6 (3) the dispensing organization has completed a Social
7 Equity Inclusion Plan as required by paragraph (16) of
8 subsection (c) of this Section.

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

18 (q) If a dispensing organization fails to submit an
19 application for renewal of an Early Approval Adult Use
20 Dispensing Organization License or for an Adult Use Dispensing
21 Organization License before the expiration dates provided in
22 subsections (o) and (p) of this Section, the dispensing
23 organization shall cease serving purchasers until it receives a
24 renewal or an Adult Use Dispensing Organization License.

25 (r) A dispensing organization agent who holds a valid
26 dispensing organization agent identification card issued under

1 the Compassionate Use of Medical Cannabis Pilot Program Act and
2 is an officer, director, manager, or employee of the dispensing
3 organization licensed under this Section may engage in all
4 activities authorized by this Article to be performed by a
5 dispensing organization agent.

6 (s) If the Department suspends or revokes the Early
7 Approval Adult Use Dispensing Organization License of a
8 dispensing organization that also holds a medical cannabis
9 dispensing organization license issued under the Compassionate
10 Use of Medical Cannabis Pilot Program Act, the Department may
11 consider the suspension or revocation as grounds to take
12 disciplinary action against the medical cannabis dispensing
13 organization.

14 (t) All fees or fines collected from an Early Approval
15 Adult Use Dispensary Organization License at a secondary site
16 holder as a result of a disciplinary action in the enforcement
17 of this Act shall be deposited into the Cannabis Regulation
18 Fund and be appropriated to the Department for the ordinary and
19 contingent expenses of the Department in the administration and
20 enforcement of this Section.

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

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

25 (b) The Department shall make the application for a

1 Conditional Adult Use Dispensing Organization License
2 available no later than October 1, 2019 and shall accept
3 applications no later than January 1, 2020.

4 (c) To ensure the geographic dispersion of Conditional
5 Adult Use Dispensing Organization License holders, the
6 following number of licenses shall be awarded in each BLS
7 Region as determined by each region's percentage of the State's
8 population:

9 (1) Bloomington: 1

10 (2) Cape Girardeau: 1

11 (3) Carbondale-Marion: 1

12 (4) Champaign-Urbana: 1

13 (5) Chicago-Naperville-Elgin: 47

14 (6) Danville: 1

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

16 (8) Decatur: 1

17 (9) Kankakee: 1

18 (10) Peoria: 3

19 (11) Rockford: 2

20 (12) St. Louis: 4

21 (13) Springfield: 1

22 (14) Northwest Illinois nonmetropolitan: 3

23 (15) West Central Illinois nonmetropolitan: 3

24 (16) East Central Illinois nonmetropolitan: 2

25 (17) South Illinois nonmetropolitan: 2

26 (d) An applicant seeking issuance of a Conditional Adult

1 Use Dispensing Organization License shall submit an
2 application on forms provided by the Department. An applicant
3 must meet the following requirements:

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

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

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

12 (4) A statement that the dispensing organization
13 agrees to respond to the Department's supplemental
14 requests for information;

15 (5) From each principal officer, a statement
16 indicating whether that person:

17 (A) has previously held or currently holds an
18 ownership interest in a cannabis business
19 establishment in Illinois; or

20 (B) has held an ownership interest in a dispensing
21 organization or its equivalent in another state or
22 territory of the United States that had the dispensing
23 organization registration or license suspended,
24 revoked, placed on probationary status, or subjected
25 to other disciplinary action;

26 (6) Disclosure of whether any principal officer has

1 ever filed for bankruptcy or defaulted on spousal support
2 or child support obligation;

3 (7) A resume for each principal officer, including
4 whether that person has an academic degree, certification,
5 or relevant experience with a cannabis business
6 establishment or in a related industry;

7 (8) A description of the training and education that
8 will be provided to dispensing organization agents;

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

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

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

14 (B) A description of the process of dispensing
15 cannabis;

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

18 (A) The process or controls that will be
19 implemented to monitor the dispensary, secure the
20 premises, agents, and currency, and prevent the
21 diversion, theft, or loss of cannabis; and

22 (B) The process to ensure that access to the
23 restricted access areas is restricted to, registered
24 agents, service professionals, transporting
25 organization agents, Department inspectors, and
26 security personnel;

1 (12) A proposed inventory control plan that complies
2 with this Section;

3 (13) A proposed floor plan, a square footage estimate,
4 and a description of proposed security devices, including,
5 without limitation, cameras, motion detectors, servers,
6 video storage capabilities, and alarm service providers;

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

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

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

18 (17) Written summaries of any information regarding
19 instances in which a business or not-for-profit that a
20 prospective board member previously managed or served on
21 were fined or censured, or any instances in which a
22 business or not-for-profit that a prospective board member
23 previously managed or served on had its registration
24 suspended or revoked in any administrative or judicial
25 proceeding;

26 (18) A plan for community engagement;

1 (19) Procedures to ensure accurate recordkeeping and
2 security measures that are in accordance with this Article
3 and Department rules;

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

6 (21) A description of the features that will provide
7 accessibility to purchasers as required by the Americans
8 with Disabilities Act;

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

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

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

15 (25) A description of the enclosed, locked facility
16 where cannabis will be stored by the dispensing
17 organization;

18 (26) Signed statements from each dispensing
19 organization agent stating that he or she will not divert
20 cannabis;

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

23 (28) A diversity plan that includes a narrative of at
24 least 2,500 words that establishes a goal of diversity in
25 ownership, management, employment, and contracting to
26 ensure that diverse participants and groups are afforded

1 equality of opportunity;

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

7 (30) Other information deemed necessary by the
8 Illinois Cannabis Regulation Oversight Officer to conduct
9 the disparity and availability study referenced in
10 subsection (e) of Section 5-45.

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

1 location is not within 1,500 feet of an existing dispensing
2 organization. If an applicant is unable to find a suitable
3 physical address in the opinion of the Department within 180
4 days of the issuance of the Conditional Adult Use Dispensing
5 Organization License, the Department may extend the period for
6 finding a physical address another 180 days if the Conditional
7 Adult Use Dispensing Organization License holder demonstrates
8 concrete attempts to secure a location and a hardship. If the
9 Department denies the extension or the Conditional Adult Use
10 Dispensing Organization License holder is unable to find a
11 location or become operational within 360 days of being awarded
12 a conditional license, the Department shall rescind the
13 conditional license and award it to the next highest scoring
14 applicant in the BLS Region for which the license was assigned,
15 provided the applicant receiving the license: (i) confirms a
16 continued interest in operating a dispensing organization;
17 (ii) can provide evidence that the applicant continues to meet
18 the financial requirements provided in subsection (c) of this
19 Section; and (iii) has not otherwise become ineligible to be
20 awarded a dispensing organization license. If the new awardee
21 is unable to accept the Conditional Adult Use Dispensing
22 Organization License, the Department shall award the
23 Conditional Adult Use Dispensing Organization License to the
24 next highest scoring applicant in the same manner. The new
25 awardee shall be subject to the same required deadlines as
26 provided in this subsection.

1 (e-5) If, within 180 days of being awarded a Conditional
2 Adult Use Dispensing Organization license, a dispensing
3 organization is unable to find a location within the BLS Region
4 in which it was awarded a Conditional Adult Use Dispensing
5 Organization license because no jurisdiction within the BLS
6 Region allows for the operation of an Adult Use Dispensing
7 Organization, the Department of Financial and Professional
8 Regulation may authorize the Conditional Adult Use Dispensing
9 Organization License holder to transfer its license to a BLS
10 Region specified by the Department.

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

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

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

1 (g) The Department shall conduct a background check of the
2 prospective organization agents in order to carry out this
3 Article. The Department of State Police shall charge the
4 applicant a fee 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 Each person applying as a dispensing organization agent shall
8 submit a full set of fingerprints to the Department of State
9 Police for the purpose of obtaining a State and federal
10 criminal records check. These fingerprints shall be checked
11 against the fingerprint records now and hereafter, to the
12 extent allowed by law, filed in the Department of State Police
13 and Federal Bureau of Identification criminal history records
14 databases. The Department of State Police shall furnish,
15 following positive identification, all Illinois conviction
16 information to the Department.

17 Section 15-30. Selection criteria for conditional licenses
18 awarded under Section 15-25.

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

24 (b) If the Department receives an application that fails to
25 provide the required elements contained in this Section, the

1 Department shall issue a deficiency notice to the applicant.
2 The applicant shall have 10 calendar days from the date of the
3 deficiency notice to resubmit the incomplete information.
4 Applications that are still incomplete after this opportunity
5 to cure will not be scored and will be disqualified.

6 (c) The Department will award up to 250 points to complete
7 applications based on the sufficiency of the applicant's
8 responses to required information. Applicants will be awarded
9 points based on a determination that the application
10 satisfactorily includes the following elements:

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

12 The plan includes an employee training plan that
13 demonstrates that employees will understand the rules
14 and laws to be followed by dispensary employees, have
15 knowledge of any security measures and operating
16 procedures of the dispensary, and are able to advise
17 purchasers on how to safely consume cannabis and use
18 individual products offered by the dispensary.

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

20 (A) The security plan accounts for the prevention
21 of the theft or diversion of cannabis. The security
22 plan demonstrates safety procedures for dispensary
23 agents and purchasers, and safe delivery and storage of
24 cannabis and currency. It demonstrates compliance with
25 all security requirements in this Act and rules.

26 (B) A plan for recordkeeping, tracking, and

1 monitoring inventory, quality control, and other
2 policies and procedures that will promote standard
3 recordkeeping and discourage unlawful activity. This
4 plan includes the applicant's strategy to communicate
5 with the Department and the Department of State Police
6 on the destruction and disposal of cannabis. The plan
7 must also demonstrate compliance with this Act and
8 rules.

9 (C) The security plan shall also detail which
10 private security contractor licensed under Section
11 10-5 of the Private Detective, Private Alarm, Private
12 Security, Fingerprint Vendor, and Locksmith Act of
13 2004 the dispensary will contract with in order to
14 provide adequate security at its facility.

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

17 (A) The business plan shall describe, at a minimum,
18 how the dispensing organization will be managed on a
19 long-term basis. This shall include a description of
20 the dispensing organization's point-of-sale system,
21 purchases and denials of sale, confidentiality, and
22 products and services to be offered. It will
23 demonstrate compliance with this Act and rules.

24 (B) The operating plan shall include, at a minimum,
25 best practices for day-to-day dispensary operation and
26 staffing. The operating plan may also include

1 information about employment practices, including
2 information about the percentage of full-time
3 employees who will be provided a living wage.

4 (C) The proposed floor plan is suitable for public
5 access, the layout promotes safe dispensing of
6 cannabis, is compliant with the Americans with
7 Disabilities Act and the Environmental Barriers Act,
8 and facilitates safe product handling and storage.

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

10 (A) The applicant's principal officers must
11 demonstrate experience and qualifications in business
12 management or experience with the cannabis industry.
13 This includes ensuring optimal safety and accuracy in
14 the dispensing and sale of cannabis.

15 (B) The applicant's principal officers must
16 demonstrate knowledge of various cannabis product
17 strains or varieties and describe the types and
18 quantities of products planned to be sold. This
19 includes confirmation of whether the dispensing
20 organization plans to sell cannabis paraphernalia or
21 edibles.

22 (C) Knowledge and experience may be demonstrated
23 through experience in other comparable industries that
24 reflect on applicant's ability to operate a cannabis
25 business establishment.

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

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

3 (6) Labor and employment practices (5 points): The
4 applicant may describe plans to provide a safe, healthy,
5 and economically beneficial working environment for its
6 agents, including, but not limited to, codes of conduct,
7 health care benefits, educational benefits, retirement
8 benefits, living wage standards, and entering a labor peace
9 agreement with employees.

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

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

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

23 (10) A diversity plan (5 points): that includes a
24 narrative of not more than 2,500 words that establishes a
25 goal of diversity in ownership, management, employment,
26 and contracting to ensure that diverse participants and

1 groups are afforded equality of opportunity.

2 (d) The Department may also award up to 2 bonus points for
3 a plan to engage with the community. The applicant may
4 demonstrate a desire to engage with its community by
5 participating in one or more of, but not limited to, the
6 following actions: (i) establishment of an incubator program
7 designed to increase participation in the cannabis industry by
8 persons who would qualify as Social Equity Applicants; (ii)
9 providing financial assistance to substance abuse treatment
10 centers; (iii) educating children and teens about the potential
11 harms of cannabis use; or (iv) other measures demonstrating a
12 commitment to the applicant's community. Bonus points will only
13 be awarded if the Department receives applications that receive
14 an equal score for a particular region.

15 (e) The Department may verify information contained in each
16 application and accompanying documentation to assess the
17 applicant's veracity and fitness to operate a dispensing
18 organization.

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

21 (1) Who is unqualified to perform the duties required
22 of the applicant;

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

25 (3) Who has been found guilty of a violation of this
26 Act, or whose medical cannabis dispensing organization,

1 medical cannabis cultivation organization, or Early
2 Approval Adult Use Dispensing Organization License, or
3 Early Approval Adult Use Dispensing Organization License
4 at a secondary site, or Early Approval Cultivation Center
5 License was suspended, restricted, revoked, or denied for
6 just cause, or the applicant's cannabis business
7 establishment license was suspended, restricted, revoked,
8 or denied in any other state; or

9 (4) Who has engaged in a pattern or practice of unfair
10 or illegal practices, methods, or activities in the conduct
11 of owning a cannabis business establishment or other
12 business.

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

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

21 (i) Should the applicant be awarded a license, the
22 information and plans provided in the application, including
23 any plans submitted for bonus points, shall become a condition
24 of the Conditional Adult Use Dispensing Organization Licenses,
25 except as otherwise provided by this Act or rule. Dispensing
26 organizations have a duty to disclose any material changes to

1 the application. The Department shall review all material
2 changes disclosed by the dispensing organization, and may
3 re-evaluate its prior decision regarding the awarding of a
4 license, including, but not limited to, suspending or revoking
5 a license. Failure to comply with the conditions or
6 requirements in the application may subject the dispensing
7 organization to discipline, up to and including suspension or
8 revocation of its authorization or license by the Department.

9 (j) If an applicant has not begun operating as a dispensing
10 organization within one year of the issuance of the Conditional
11 Adult Use Dispensing Organization License, the Department may
12 revoke the Conditional Adult Use Dispensing Organization
13 License and award it to the next highest scoring applicant in
14 the BLS Region if a suitable applicant indicates a continued
15 interest in the license or begin a new selection process to
16 award a Conditional Adult Use Dispensing Organization License.

17 (k) The Department shall deny an application if granting
18 that application would result in a single person or entity
19 having a direct or indirect financial interest in more than 10
20 Early Approval Adult Use Dispensing Organization Licenses,
21 Conditional Adult Use Dispensing Organization Licenses, or
22 Adult Use Dispensing Organization Licenses. Any entity that is
23 awarded a license that results in a single person or entity
24 having a direct or indirect financial interest in more than 10
25 licenses shall forfeit the most recently issued license and
26 suffer a penalty to be determined by the Department, unless the

1 entity declines the license at the time it is awarded.

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

4 (a) In addition to any of the licenses issued in Sections
5 15-15, Section 15-20, or Section 15-25 of this Act, by December
6 21, 2021, the Department shall issue up to 110 Conditional
7 Adult Use Dispensing Organization Licenses, pursuant to the
8 application process adopted under this Section. Prior to
9 issuing such licenses, the Department may adopt rules through
10 emergency rulemaking in accordance with subsection (gg) of
11 Section 5-45 of the Illinois Administrative Procedure Act. The
12 General Assembly finds that the adoption of rules to regulate
13 cannabis use is deemed an emergency and necessary for the
14 public interest, safety, and welfare. Such rules may:

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

19 (A) Purchaser wait times;

20 (B) Travel time to the nearest dispensary for
21 potential purchasers;

22 (C) Percentage of cannabis sales occurring in
23 Illinois not in the regulated market using data from
24 the Substance Abuse and Mental Health Services
25 Administration, National Survey on Drug Use and

1 Health, Illinois Behavioral Risk Factor Surveillance
2 System, and tourism data from the Illinois Office of
3 Tourism to ascertain total cannabis consumption in
4 Illinois compared to the amount of sales in licensed
5 dispensing organizations;

6 (D) Whether there is an adequate supply of cannabis
7 and cannabis-infused products to serve registered
8 medical cannabis patients;

9 (E) Population increases or shifts;

10 (F) Density of dispensing organizations in a
11 region;

12 (G) The Department's capacity to appropriately
13 regulate additional licenses;

14 (H) The findings and recommendations from the
15 disparity and availability study commissioned by the
16 Illinois Cannabis Regulation Oversight Officer in
17 subsection (e) of Section 5-45 to reduce or eliminate
18 any identified barriers to entry in the cannabis
19 industry; and

20 (I) Any other criteria the Department deems
21 relevant.

22 (2) Modify or change the licensing application process
23 to reduce or eliminate the barriers identified in the
24 disparity and availability study commissioned by the
25 Illinois Cannabis Regulation Oversight Officer and make
26 modifications to remedy evidence of discrimination.

1 (b) After January 1, 2022, the Department may by rule
2 modify or raise the number of Adult Use Dispensing Organization
3 Licenses assigned to each region, and modify or change the
4 licensing application process to reduce or eliminate barriers
5 based on the criteria in subsection (a). At no time shall the
6 Department issue more than 500 Adult Use Dispensary
7 Organization Licenses.

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

9 (a) A person is only eligible to receive an Adult Use
10 Dispensing Organization if the person has been awarded a
11 Conditional Adult Use Dispensing Organization License pursuant
12 to this Act or has renewed its license pursuant to subsection
13 (k) of Section 15-15 or subsection (p) of Section 15-20.

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

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

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

24 (3) the Conditional Adult Use Dispensing Organization
25 License holder has met all the requirements in the Act and

1 rules.

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

6 (1) employed by, is an agent of, or participates in the
7 management of a dispensing organization or registered
8 medical cannabis dispensing organization;

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

11 (3) an entity controlled by or affiliated with a
12 principal officer of a dispensing organization or
13 registered medical cannabis dispensing organization;

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

22 (d) The Department shall deny an application if granting
23 that application would result in a person or entity obtaining
24 direct or indirect financial interest in more than 10 Early
25 Approval Adult Use Dispensing Organization Licenses,
26 Conditional Adult Use Dispensing Organization Licenses, Adult

1 Use Dispensing Organization Licenses, or any combination
2 thereof. If a person or entity is awarded a Conditional Adult
3 Use Dispensing Organization License that would cause the person
4 or entity to be in violation of this subsection, he, she, or it
5 shall choose which license application it wants to abandon and
6 such licenses shall become available to the next qualified
7 applicant in the region in which the abandoned license was
8 awarded.

9 Section 15-40. Dispensing organization agent
10 identification card; agent training.

11 (a) The Department shall:

12 (1) Verify the information contained in an application
13 or renewal for a dispensing organization agent
14 identification card submitted under this Article, and
15 approve or deny an application or renewal, within 30 days
16 of receiving a completed application or renewal
17 application and all supporting documentation required by
18 rule;

19 (2) Issue a dispensing organization agent
20 identification card to a qualifying agent within 15
21 business days of approving the application or renewal;

22 (3) Enter the registry identification number of the
23 dispensing organization where the agent works;

24 (4) Within one year from the effective date of this
25 Act, allow for an electronic application process and

1 provide a confirmation by electronic or other methods that
2 an application has been submitted; and

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

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

8 (c) The dispensing organization agent identification cards
9 shall contain the following:

10 (1) The name of the cardholder;

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

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

16 (4) A photograph of the cardholder.

17 (d) The dispensing organization agent identification cards
18 shall be immediately returned to the dispensing organization
19 upon termination of employment.

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

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

26 (g) An applicant shall be denied a dispensing organization

1 agent identification card if he or she fails to complete the
2 training provided for in this Section.

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

6 (i) Cannabis retail sales training requirements.

7 (1) Within 90 days of September 1, 2019, or 90 days of
8 employment, whichever is later, all owners, managers,
9 employees, and agents involved in the handling or sale of
10 cannabis or cannabis-infused product employed by an adult
11 use dispensing organization or medical cannabis dispensing
12 organization as defined in Section 10 of the Compassionate
13 Use of Medical Cannabis Pilot Program Act shall attend and
14 successfully complete a Responsible Vendor Program.

15 (2) Each owner, manager, employee, and agent of an
16 adult use dispensing organization or medical cannabis
17 dispensing organization shall successfully complete the
18 program annually.

19 (3) Responsible Vendor Program Training modules shall
20 include at least 2 hours of instruction time approved by
21 the Department including:

22 (i) Health and safety concerns of cannabis use,
23 including the responsible use of cannabis, its
24 physical effects, onset of physiological effects,
25 recognizing signs of impairment, and appropriate
26 responses in the event of overconsumption.

1 (ii) Training on laws and regulations on driving
2 while under the influence.

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

5 (iv) Quantity limitations on sales to purchasers.
6 Training shall cover all relevant Illinois laws and
7 rules.

8 (v) Acceptable forms of identification. Training
9 shall include:

10 (I) How to check identification; and

11 (II) Common mistakes made in verification;

12 (vi) Safe storage of cannabis;

13 (vii) Compliance with all inventory tracking
14 system regulations;

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

16 (ix) Health and safety standards;

17 (x) Maintenance of records;

18 (xi) Security and surveillance requirements;

19 (xii) Permitting inspections by State and local
20 licensing and enforcement authorities;

21 (xiii) Privacy issues;

22 (xiv) Packaging and labeling requirement for sales
23 to purchasers; and

24 (xv) Other areas as determined by rule.

25 (k) Upon the successful completion of the Responsible
26 Vendor Program, the provider shall deliver proof of completion

1 either through mail or electronic communication to the
2 dispensing organization, which shall retain a copy of the
3 certificate.

4 (l) The license of a dispensing organization or medical
5 cannabis dispensing organization whose owners, managers,
6 employees, or agents fail to comply with this Section may be
7 suspended or revoked under Section 15-145 or may face other
8 disciplinary action.

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

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

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

26 (p) The Department shall not unreasonably deny approval of

1 a training module that meets all the requirements of paragraph
2 (3) of subsection (i). A denial of approval shall include a
3 detailed description of the reasons for the denial.

4 (q) Any person approved to provide the training required by
5 paragraph (3) of subsection (i) shall submit an application for
6 re-approval between August 1 and August 15 of each odd-numbered
7 year and include a non-refundable application fee of \$2,000 to
8 be deposited into the Cannabis Regulation Fund or a fee as may
9 be set by rule.

10 Section 15-45. Renewal.

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

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

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

1 paying any amounts owed to the State of Illinois.

2 (d) Renewal fees are:

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

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

7 (e) If a dispensing organization fails to renew its license
8 before expiration, the dispensing organization shall cease
9 operations until the license is renewed.

10 (f) If a dispensing organization agent fails to renew his
11 or her registration before its expiration, he or she shall
12 cease to perform duties authorized by this Article at a
13 dispensing organization until his or her registration is
14 renewed.

15 (g) Any dispensing organization that continues to operate
16 or dispensing agent that continues to perform duties authorized
17 by this Article at a dispensing organization that fails to
18 renew its license is subject to penalty as provided in this
19 Article, or any rules that may be adopted pursuant to this
20 Article.

21 (h) The Department shall not renew a license if the
22 applicant is delinquent in filing any required tax returns or
23 paying any amounts owed to the State of Illinois. The
24 Department shall not renew a dispensing agent identification
25 card if the applicant is delinquent in filing any required tax
26 returns or paying any amounts owed to the State of Illinois.

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

2 (a) Each dispensing organization applicant and licensee
3 shall file and maintain a Table of Organization, Ownership and
4 Control with the Department. The Table of Organization,
5 Ownership and Control shall contain the information required by
6 this Section in sufficient detail to identify all owners,
7 directors, and principal officers, and the title of each
8 principal officer or business entity that, through direct or
9 indirect means, manages, owns, or controls the applicant or
10 licensee.

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

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

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

24 (c) If a business entity identified in subsection (b) is a
25 publicly traded company, the following information shall be

1 provided in the Table of Organization, Ownership and Control:

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

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

11 (d) A dispensing organization with a parent company or
12 companies, or partially owned or controlled by another entity
13 must disclose to the Department the relationship and all
14 owners, board members, officers, or individuals with control or
15 management of those entities. A dispensing organization shall
16 not shield its ownership or control from the Department.

17 (e) All principal officers must submit a complete online
18 application with the Department within 14 days of the
19 dispensing organization being licensed by the Department or
20 within 14 days of Department notice of approval as a new
21 principal officer.

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

24 (g) A dispensing organization separating with a principal
25 officer must do so under this Act. The principal officer must
26 communicate the separation to the Department within 5 business

1 days.

2 (h) A principal officer not in compliance with the
3 requirements of this Act shall be removed from his or her
4 position with the dispensing organization or shall otherwise
5 terminate his or her affiliation. Failure to do so may subject
6 the dispensing organization to discipline, suspension, or
7 revocation of its license by the Department.

8 (i) It is the responsibility of the dispensing organization
9 and its principal officers to promptly notify the Department of
10 any change of the principal place of business address, hours of
11 operation, change in ownership or control, or a change of the
12 dispensing organization's primary or secondary contact
13 information. Any changes must be made to the Department in
14 writing.

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

1 responsibility shall be provided by one of the following:

2 (1) Establishing and maintaining an escrow or surety
3 account in a financial institution in the amount of
4 \$50,000, with escrow terms, approved by the Department,
5 that it shall be payable to the Department in the event of
6 circumstances outlined in this Act and rules.

7 (A) A financial institution may not return money in
8 an escrow or surety account to the dispensing
9 organization that established the account or a
10 representative of the organization unless the
11 organization or representative presents a statement
12 issued by the Department indicating that the account
13 may be released.

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

24 (2) Providing a surety bond in the amount of \$50,000,
25 naming the dispensing organization as principal of the
26 bond, with terms, approved by the Department, that the bond

1 defaults to the Department in the event of circumstances
2 outlined in this Act and rules. Bond terms shall include:

3 (A) The business name and registration number on
4 the bond must correspond exactly with the business name
5 and registration number in the Department's records.

6 (B) The bond must be written on a form approved by
7 the Department.

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

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

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

19 (a) A license shall be issued to the specific dispensing
20 organization identified on the application and for the specific
21 location proposed. The license is valid only as designated on
22 the license and for the location for which it is issued.

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

25 (c) A dispensing organization shall provide written notice

1 of the removal of a principal officer within 5 business days
2 after removal. The notice shall include the written agreement
3 of the principal officer being removed, unless otherwise
4 approved by the Department, and allocation of ownership shares
5 after removal in an updated ownership chart.

6 (d) A dispensing organization shall provide a written
7 request to the Department for the addition of principal
8 officers. A dispensing organization shall submit proposed
9 principal officer applications on forms approved by the
10 Department.

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

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

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

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

1 (i) With the addition or removal of principal officers, the
2 Department will review the ownership structure to determine
3 whether the change in ownership has had the effect of a
4 transfer of the license. The dispensing organization shall
5 supply all ownership documents requested by the Department.

6 (j) A dispensing organization may apply to the Department
7 to approve a sale of the dispensing organization. A request to
8 sell the dispensing organization must be on application forms
9 provided by the Department. A request for an approval to sell a
10 dispensing organization must comply with the following:

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

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

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

21 (4) New principal officers shall each complete the
22 proposed new principal officer application;

23 (5) If the Department approves the application
24 materials and proposed new principal officer applications,
25 it will perform an inspection before approving the sale and
26 issuing the dispensing organization license;

1 (6) If a new license is approved, the Department will
2 issue a new license number and certificate to the new
3 dispensing organization.

4 (k) The dispensing organization shall provide the
5 Department with the personal information for all new dispensing
6 organizations agents as required in this Article and all new
7 dispensing organization agents shall be subject to the
8 requirements of this Article. A dispensing organization agent
9 must obtain an agent identification card from the Department
10 before beginning work at a dispensary.

11 (l) Before remodeling, expansion, reduction, or other
12 physical, noncosmetic alteration of a dispensary, the
13 dispensing organization must notify the Department and confirm
14 the alterations are in compliance with this Act and any rules
15 that may be adopted pursuant to this Act.

16 Section 15-65. Administration.

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

1 organizations shall ensure the written policies and procedures
2 provide for the following:

3 (1) Mandatory and voluntary recalls of cannabis
4 products. The policies shall be adequate to deal with
5 recalls due to any action initiated at the request of the
6 Department and any voluntary action by the dispensing
7 organization to remove defective or potentially defective
8 cannabis from the market or any action undertaken to
9 promote public health and safety, including:

10 (i) A mechanism reasonably calculated to contact
11 purchasers who have, or likely have, obtained the
12 product from the dispensary, including information on
13 the policy for return of the recalled product;

14 (ii) A mechanism to identify and contact the adult
15 use cultivation center, craft grower, or infuser that
16 manufactured the cannabis;

17 (iii) Policies for communicating with the
18 Department, the Department of Agriculture, and the
19 Department of Public Health within 24 hours of
20 discovering defective or potentially defective
21 cannabis; and

22 (iv) Policies for destruction of any recalled
23 cannabis product;

24 (2) Responses to local, State, or national
25 emergencies, including natural disasters, that affect the
26 security or operation of a dispensary;

1 (3) Segregation and destruction of outdated, damaged,
2 deteriorated, misbranded, or adulterated cannabis. This
3 procedure shall provide for written documentation of the
4 cannabis disposition;

5 (4) Ensure the oldest stock of a cannabis product is
6 distributed first. The procedure may permit deviation from
7 this requirement, if such deviation is temporary and
8 appropriate;

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

25 (6) Maintenance of business records consistent with
26 industry standards, including bylaws, consents, manual or

1 computerized records of assets and liabilities, audits,
2 monetary transactions, journals, ledgers, and supporting
3 documents, including agreements, checks, invoices,
4 receipts, and vouchers. Records shall be maintained in a
5 manner consistent with this Act and shall be retained for 5
6 years;

7 (7) Inventory control, including:

8 (i) Tracking purchases and denials of sale;

9 (ii) Disposal of unusable or damaged cannabis as
10 required by this Act and rules; and

11 (8) Purchaser education and support, including:

12 (i) Whether possession of cannabis is illegal
13 under federal law;

14 (ii) Current educational information issued by the
15 Department of Public Health about the health risks
16 associated with the use or abuse of cannabis;

17 (iii) Information about possible side effects;

18 (iv) Prohibition on smoking cannabis in public
19 places; and

20 (v) Offering any other appropriate purchaser
21 education or support materials.

22 (c) A dispensing organization shall maintain copies of the
23 policies and procedures on the dispensary premises and provide
24 copies to the Department upon request. The dispensing
25 organization shall review the dispensing organization policies
26 and procedures at least once every 12 months from the issue

1 date of the license and update as needed due to changes in
2 industry standards or as requested by the Department.

3 (d) A dispensing organization shall ensure that each
4 principal officer and each dispensing organization agent has a
5 current agent identification card in the agent's immediate
6 possession when the agent is at the dispensary.

7 (e) A dispensing organization shall provide prompt written
8 notice to the Department, including the date of the event, when
9 a dispensing organization agent no longer is employed by the
10 dispensing organization.

11 (f) A dispensing organization shall promptly document and
12 report any loss or theft of cannabis from the dispensary to the
13 Department of State Police and the Department. It is the duty
14 of any dispensing organization agent who becomes aware of the
15 loss or theft to report it as provided in this Article.

16 (g) A dispensing organization shall post the following
17 information in a conspicuous location in an area of the
18 dispensary accessible to consumers:

19 (1) The dispensing organization's license;

20 (2) The hours of operation.

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

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

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

4 (A) "Edible cannabis-infused products were
5 produced in a kitchen that may also process common food
6 allergens."; and

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

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

23 (i) A dispensing organization shall prominently post
24 notices inside the dispensing organization that state
25 activities that are strictly prohibited and punishable by law,
26 including, but not limited to:

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

4 (2) Distribution to persons under the age of 21 is
5 prohibited;

6 (3) Transportation of cannabis or cannabis products
7 across state lines is prohibited.

8 Section 15-70. Operational requirements; prohibitions.

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

12 (b) A dispensing organization must include the legal name
13 of the dispensary on the packaging of any cannabis product it
14 sells.

15 (c) All cannabis, cannabis-infused products, and cannabis
16 seeds must be obtained from an Illinois registered adult use
17 cultivation center, craft grower, infuser, or another
18 dispensary.

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

22 (e) A dispensing organization shall inspect and count
23 product received by the adult use cultivation center before
24 dispensing it.

25 (f) A dispensing organization may only accept cannabis

1 deliveries into a restricted access area. Deliveries may not be
2 accepted through the public or limited access areas unless
3 otherwise approved by the Department.

4 (g) A dispensing organization shall maintain compliance
5 with State and local building, fire, and zoning requirements or
6 regulations.

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

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

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

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

22 (l) A dispensing organization shall ensure that any
23 building or equipment used by a dispensing organization for the
24 storage or sale of cannabis is maintained in a clean and
25 sanitary condition.

26 (m) The dispensary shall be free from infestation by

1 insects, rodents, or pests.

2 (n) A dispensing organization shall not:

3 (1) Produce or manufacture cannabis;

4 (2) Accept a cannabis product from an adult use
5 cultivation center, craft grower, infuser, dispensing
6 organization, or transporting organization unless it is
7 pre-packaged and labeled in accordance with this Act and
8 any rules that may be adopted pursuant to this Act;

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

11 (4) Sell cannabis or cannabis-infused products to a
12 purchaser unless the dispensary organization is licensed
13 under the Compassionate Use of Medical Cannabis Pilot
14 Program, and the individual is registered under the
15 Compassionate Use of Medical Cannabis Pilot Program or the
16 purchaser has been verified to be over the age of 21;

17 (5) Enter into an exclusive agreement with any adult
18 use cultivation center, craft grower, or infuser.
19 Dispensaries shall provide consumers an assortment of
20 products from various cannabis business establishment
21 licensees such that the inventory available for sale at any
22 dispensary from any single cultivation center, craft
23 grower, processor, or infuser entity shall not be more than
24 40% of the total inventory available for sale. For the
25 purpose of this subsection, a cultivation center, craft
26 grower, processor, or infuser shall be considered part of

1 the same entity if the licensees share at least one
2 principal officer. The Department may request that a
3 dispensary diversify its products as needed or otherwise
4 discipline a dispensing organization for violating this
5 requirement;

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

13 (7) Operate drive-through windows;

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

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

18 (10) Enter into agreements to allow persons who are not
19 dispensing organization agents to deliver cannabis or to
20 transport cannabis to purchasers.

21 (11) Operate a dispensary if its video surveillance
22 equipment is inoperative;

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

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

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

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

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

6 (17) Sell cannabis, cannabis concentrate, or
7 cannabis-infused products in combination or bundled with
8 each other or any other items for one price, and each item
9 of cannabis, concentrate, or cannabis-infused product must
10 be separately identified by quantity and price on the
11 receipt;

12 (18) Violate any other requirements or prohibitions
13 set by Department rules.

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

1 from any stockholders, officers, agents, or persons connected
2 with an adult use cultivation center, craft grower, infuser, or
3 transporting organization. This also excludes any received or
4 borrowed in exchange for preferential placement by the
5 dispensing organization, including preferential placement on
6 the dispensing organization's shelves, display cases, or
7 website.

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

22 Section 15-75. Inventory control system.

23 (a) A dispensing organization agent-in-charge shall have
24 primary oversight of the dispensing organization's cannabis
25 inventory verification system, and its point-of-sale system.

1 The inventory point-of-sale system shall be real-time,
2 web-based, and accessible by the Department at any time. The
3 point-of-sale system shall track, at a minimum the date of
4 sale, amount, price, and currency.

5 (b) A dispensing organization shall establish an account
6 with the State's verification system that documents:

7 (1) Each sales transaction at the time of sale and each
8 day's beginning inventory, acquisitions, sales, disposal,
9 and ending inventory.

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

13 (i) A description of the products, including the
14 quantity, strain, variety, and batch number of each
15 product received;

16 (ii) The name and registry identification number
17 of the licensed adult use cultivation center, craft
18 grower, or infuser providing the cannabis and
19 cannabis-infused products;

20 (iii) The name and registry identification number
21 of the licensed adult use cultivation center, craft
22 grower, infuser, or transportation agent delivering
23 the cannabis;

24 (iv) The name and registry identification number
25 of the dispensing organization agent receiving the
26 cannabis; and

1 (v) The date of acquisition.

2 (3) The disposal of cannabis, including:

3 (i) A description of the products, including the
4 quantity, strain, variety, batch number, and reason
5 for the cannabis being disposed;

6 (ii) The method of disposal; and

7 (iii) The date and time of disposal.

8 (c) Upon cannabis delivery, a dispensing organization
9 shall confirm the product's name, strain name, weight, and
10 identification number on the manifest matches the information
11 on the cannabis product label and package. The product name
12 listed and the weight listed in the State's verification system
13 shall match the product packaging.

14 (d) The agent-in-charge shall conduct daily inventory
15 reconciliation documenting and balancing cannabis inventory by
16 confirming the State's verification system matches the
17 dispensing organization's point-of-sale system and the amount
18 of physical product at the dispensary.

19 (1) A dispensing organization must receive Department
20 approval before completing an inventory adjustment. It
21 shall provide a detailed reason for the adjustment.
22 Inventory adjustment documentation shall be kept at the
23 dispensary for 2 years from the date performed.

24 (2) If the dispensing organization identifies an
25 imbalance in the amount of cannabis after the daily
26 inventory reconciliation due to mistake, the dispensing

1 organization shall determine how the imbalance occurred
2 and immediately upon discovery take and document
3 corrective action. If the dispensing organization cannot
4 identify the reason for the mistake within 2 calendar days
5 after first discovery, it shall inform the Department
6 immediately in writing of the imbalance and the corrective
7 action taken to date. The dispensing organization shall
8 work diligently to determine the reason for the mistake.

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

20 (4) The dispensing organization shall file an annual
21 compilation report with the Department, including a
22 financial statement that shall include, but not be limited
23 to, an income statement, balance sheet, profit and loss
24 statement, statement of cash flow, wholesale cost and
25 sales, and any other documentation requested by the
26 Department in writing. The financial statement shall

1 include any other information the Department deems
2 necessary in order to effectively administer this Act and
3 all rules, orders, and final decisions promulgated under
4 this Act. Statements required by this Section shall be
5 filed with the Department within 60 days after the end of
6 the calendar year. The compilation report shall include a
7 letter authored by a licensed certified public accountant
8 that it has been reviewed and is accurate based on the
9 information provided. The dispensing organization,
10 financial statement, and accompanying documents are not
11 required to be audited unless specifically requested by the
12 Department.

13 (e) A dispensing organization shall:

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

17 (2) Provide any documentation required to be
18 maintained in this Section to the Department for review
19 upon request; and

20 (3) If maintaining a bank account, retain for a period
21 of 5 years a record of each deposit or withdrawal from the
22 account.

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

1 Section 15-80. Storage requirements.

2 (a) Authorized on-premises storage. A dispensing
3 organization must store inventory on its premises. All
4 inventory stored on the premises must be secured in a
5 restricted access area and tracked consistently with the
6 inventory tracking rules.

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

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

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

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

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

20 (g) The dispensary storage areas shall be maintained in
21 accordance with the security requirements in this Act and
22 rules.

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

1 Section 15-85. Dispensing cannabis.

2 (a) Before a dispensing organization agent dispenses
3 cannabis to a purchaser, the agent shall:

4 (1) Verify the age of the purchaser by checking a
5 government-issued identification card by use of an
6 electronic reader or electronic scanning device to scan a
7 purchaser's government-issued identification, if
8 applicable, to determine the purchaser's age and the
9 validity of the identification;

10 (2) Verify the validity of the government-issued
11 identification card;

12 (3) Offer any appropriate purchaser education or
13 support materials;

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

16 (i) The dispensing organization agent's
17 identification number;

18 (ii) The dispensing organization's identification
19 number;

20 (iii) The amount, type (including strain, if
21 applicable) of cannabis or cannabis-infused product
22 dispensed;

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

24 (b) A dispensing organization shall refuse to sell cannabis
25 or cannabis-infused products to any person unless the person
26 produces a valid identification showing that the person is 21

1 years of age or older. A medical cannabis dispensing
2 organization may sell cannabis or cannabis-infused products to
3 a person who is under 21 years of age if the sale complies with
4 the provisions of the Compassionate Use of Medical Cannabis
5 Pilot Program Act and rules.

6 (c) For the purposes of this Section, valid identification
7 must:

8 (1) Be valid and unexpired;

9 (2) Contain a photograph and the date of birth of the
10 person.

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

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

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

21 (1) Compostable mixed waste: Compost, anaerobic
22 digester, or other facility with approval of the
23 jurisdictional health department.

24 (2) Noncompostable mixed waste: Landfill, incinerator,
25 or other facility with approval of the jurisdictional

1 health department.

2 (c) All waste and unusable product shall be weighed,
3 recorded, and entered into the inventory system before
4 rendering it unusable. All waste and unusable cannabis
5 concentrates and cannabis-infused products shall be recorded
6 and entered into the inventory system before rendering it
7 unusable. Verification of this event shall be performed by an
8 agent-in-charge and conducted in an area with video
9 surveillance.

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

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

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

19 (b) The agent-in-charge shall be a principal officer or a
20 full-time agent of the dispensing organization and shall manage
21 the dispensary. Managing the dispensary includes, but is not
22 limited to, responsibility for opening and closing the
23 dispensary, delivery acceptance, oversight of sales and
24 dispensing organization agents, recordkeeping, inventory,
25 dispensing organization agent training, and compliance with

1 this Act and rules. Participation in affairs also includes the
2 responsibility for maintaining all files subject to audit or
3 inspection by the Department at the dispensary.

4 (c) The agent-in-charge is responsible for promptly
5 notifying the Department of any change of information required
6 to be reported to the Department.

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

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

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

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

17 (g) The dispensing organization agent-in-charge
18 registration shall expire one year from the date it is issued.
19 The agent-in-charge's registration shall be renewed annually.
20 The Department shall review the dispensing organization's
21 compliance history when determining whether to grant the
22 request to renew.

23 (h) Upon termination of an agent-in-charge's employment,
24 the dispensing organization shall immediately reclaim the
25 dispensing agent identification card. The dispensing
26 organization shall promptly return the identification card to

1 the Department.

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

5 (1) Submission of misleading, incorrect, false, or
6 fraudulent information in the application or renewal
7 application;

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

9 (3) Fraudulent use of the agent-in-charge
10 identification card;

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

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

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

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

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

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

26 (10) Conviction of a felony offense in accordance with

1 Sections 2105-131, 2105-135, and 2105-205 of the
2 Department of Professional Regulation Law of the Civil
3 Administrative Code of Illinois or any incident listed in
4 this Act or rules following the issuance of an
5 agent-in-charge identification card;

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

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

10 Section 15-100. Security.

11 (a) A dispensing organization shall implement security
12 measures to deter and prevent entry into and theft of cannabis
13 or currency.

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

18 (c) The dispensing organization shall implement security
19 measures to protect the premises, purchasers, and dispensing
20 organization agents including, but not limited to the
21 following:

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

24 (2) Prevent individuals from remaining on the premises
25 if they are not engaging in activity permitted by this Act

1 or rules;

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

5 (4) Dispose of cannabis in accordance with this Act and
6 rules;

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

12 (6) When the dispensary is closed, store all cannabis
13 and currency in a reinforced vault room in the restricted
14 access area and in a manner as to prevent diversion, theft,
15 or loss;

16 (7) Keep the reinforced vault room and any other
17 equipment or cannabis storage areas securely locked and
18 protected from unauthorized entry;

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

22 (9) Keep all locks and security equipment in good
23 working order;

24 (10) Maintain an operational security and alarm system
25 at all times;

26 (11) Prohibit keys, if applicable, from being left in

1 the locks, or stored or placed in a location accessible to
2 persons other than specifically authorized personnel;

3 (12) Prohibit accessibility of security measures,
4 including combination numbers, passwords, or electronic or
5 biometric security systems to persons other than
6 specifically authorized dispensing organization agents;

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

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

12 (15) Develop emergency policies and procedures for
13 securing all product and currency following any instance of
14 diversion, theft, or loss of cannabis, and conduct an
15 assessment to determine whether additional safeguards are
16 necessary; and

17 (16) Develop sufficient additional safeguards in
18 response to any special security concerns, or as required
19 by the Department.

20 (d) The Department may request or approve alternative
21 security provisions that it determines are an adequate
22 substitute for a security requirement specified in this
23 Article. Any additional protections may be considered by the
24 Department in evaluating overall security measures.

25 (e) A dispensary organization may share premises with a
26 craft grower or an infuser organization, or both, provided each

1 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 (f) A dispensing organization shall provide additional
6 security as needed and in a manner appropriate for the
7 community where it operates.

8 (g) Restricted access areas.

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

14 (2) All restricted access areas shall be clearly
15 described in the floor plan of the premises, in the form
16 and manner determined by the Department, reflecting walls,
17 partitions, counters, and all areas of entry and exit. The
18 floor plan shall show all storage, disposal, and retail
19 sales areas.

20 (3) All restricted access areas must be secure, with
21 locking devices that prevent access from the limited access
22 areas.

23 (h) Security and alarm.

24 (1) A dispensing organization shall have an adequate
25 security plan and security system to prevent and detect
26 diversion, theft, or loss of cannabis, currency, or

1 unauthorized intrusion using commercial grade equipment
2 installed by an Illinois licensed private alarm contractor
3 or private alarm contractor agency that shall, at a
4 minimum, include:

5 (i) A perimeter alarm on all entry points and glass
6 break protection on perimeter windows;

7 (ii) Security shatterproof tinted film on exterior
8 windows;

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

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

23 (v) Security equipment to deter and prevent
24 unauthorized entrance into the dispensary, including
25 electronic door locks on the limited and restricted
26 access areas that include devices or a series of

1 devices to detect unauthorized intrusion that may
2 include a signal system interconnected with a radio
3 frequency method, cellular, private radio signals or
4 other mechanical or electronic device.

5 (2) All security system equipment and recordings shall
6 be maintained in good working order, in a secure location
7 so as to prevent theft, loss, destruction, or alterations.

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

16 (4) All security equipment shall be inspected and
17 tested at regular intervals, not to exceed one month from
18 the previous inspection, and tested to ensure the systems
19 remain functional.

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

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

26 (i) To monitor the dispensary, the dispensing organization

1 shall incorporate continuous electronic video monitoring
2 including the following:

3 (1) All monitors must be 19 inches or greater;

4 (2) Unobstructed video surveillance of all enclosed
5 dispensary areas, unless prohibited by law, including all
6 points of entry and exit that shall be appropriate for the
7 normal lighting conditions of the area under surveillance.
8 The cameras shall be directed so all areas are captured,
9 including, but not limited to, safes, vaults, sales areas,
10 and areas where cannabis is stored, handled, dispensed, or
11 destroyed. Cameras shall be angled to allow for facial
12 recognition, the capture of clear and certain
13 identification of any person entering or exiting the
14 dispensary area and in lighting sufficient during all times
15 of night or day;

16 (3) Unobstructed video surveillance of outside areas,
17 the storefront, and the parking lot, that shall be
18 appropriate for the normal lighting conditions of the area
19 under surveillance. Cameras shall be angled so as to allow
20 for the capture of facial recognition, clear and certain
21 identification of any person entering or exiting the
22 dispensary and the immediate surrounding area, and license
23 plates of vehicles in the parking lot;

24 (4) 24-hour recordings from all video cameras
25 available for immediate viewing by the Department upon
26 request. Recordings shall not be destroyed or altered and

1 shall be retained for at least 90 days. Recordings shall be
2 retained as long as necessary if the dispensing
3 organization is aware of the loss or theft of cannabis or a
4 pending criminal, civil, or administrative investigation
5 or legal proceeding for which the recording may contain
6 relevant information;

7 (5) The ability to immediately produce a clear, color
8 still photo from the surveillance video, either live or
9 recorded;

10 (6) A date and time stamp embedded on all video
11 surveillance recordings. The date and time shall be
12 synchronized and set correctly and shall not significantly
13 obscure the picture;

14 (7) The ability to remain operational during a power
15 outage and ensure all access doors are not solely
16 controlled by an electronic access panel to ensure that
17 locks are not released during a power outage;

18 (8) All video surveillance equipment shall allow for
19 the exporting of still images in an industry standard image
20 format, including .jpg, .bmp, and .gif. Exported video
21 shall have the ability to be archived in a proprietary
22 format that ensures authentication of the video and
23 guarantees that no alteration of the recorded image has
24 taken place. Exported video shall also have the ability to
25 be saved in an industry standard file format that can be
26 played on a standard computer operating system. All

1 recordings shall be erased or destroyed before disposal;

2 (9) The video surveillance system shall be operational
3 during a power outage with a 4-hour minimum battery backup;

4 (10) A video camera or cameras recording at each
5 point-of-sale location allowing for the identification of
6 the dispensing organization agent distributing the
7 cannabis and any purchaser. The camera or cameras shall
8 capture the sale, the individuals and the computer monitors
9 used for the sale;

10 (11) A failure notification system that provides an
11 audible and visual notification of any failure in the
12 electronic video monitoring system; and

13 (12) All electronic video surveillance monitoring must
14 record at least the equivalent of 8 frames per second and
15 be available as recordings to the Department and the
16 Department of State Police 24 hours a day via a secure
17 web-based portal with reverse functionality.

18 (j) The requirements contained in this Act are minimum
19 requirements for operating a dispensing organization. The
20 Department may establish additional requirements by rule.

21 Section 15-110. Recordkeeping.

22 (a) Dispensing organization records must be maintained
23 electronically for 3 years and be available for inspection by
24 the Department upon request. Required written records include,
25 but are not limited to, the following:

- 1 (1) Operating procedures;
- 2 (2) Inventory records, policies, and procedures;
- 3 (3) Security records;
- 4 (4) Audit records;
- 5 (5) Staff training plans and completion documentation;
- 6 (6) Staffing plan; and
- 7 (7) Business records, including but not limited to:
 - 8 (i) Assets and liabilities;
 - 9 (ii) Monetary transactions;
 - 10 (iii) Written or electronic accounts, including
11 bank statements, journals, ledgers, and supporting
12 documents, agreements, checks, invoices, receipts, and
13 vouchers; and
 - 14 (iv) Any other financial accounts reasonably
15 related to the dispensary operations.

16 (b) Storage and transfer of records. If a dispensary closes
17 due to insolvency, revocation, bankruptcy, or for any other
18 reason, all records must be preserved at the expense of the
19 dispensing organization for at least 3 years in a form and
20 location in Illinois acceptable to the Department. The
21 dispensing organization shall keep the records longer if
22 requested by the Department. The dispensing organization shall
23 notify the Department of the location where the dispensary
24 records are stored or transferred.

25 Section 15-120. Closure of a dispensary.

1 (a) If a dispensing organization decides not to renew its
2 license or decides to close its business, it shall promptly
3 notify the Department not less than 3 months before the
4 effective date of the closing date or as otherwise authorized
5 by the Department.

6 (b) The dispensing organization shall work with the
7 Department to develop a closure plan that addresses, at a
8 minimum, the transfer of business records, transfer of cannabis
9 products, and anything else the Department finds necessary.

10 Section 15-125. Fees. After January 1, 2022, the Department
11 may by rule modify any fee established under this Article.

12 Section 15-135. Investigations.

13 (a) Dispensing organizations are subject to random and
14 unannounced dispensary inspections and cannabis testing by the
15 Department, the Department of State Police, and local law
16 enforcement.

17 (b) The Department and its authorized representatives may
18 enter any place, including a vehicle, in which cannabis is
19 held, stored, dispensed, sold, produced, delivered,
20 transported, manufactured, or disposed of and inspect, in a
21 reasonable manner, the place and all pertinent equipment,
22 containers and labeling, and all things including records,
23 files, financial data, sales data, shipping data, pricing data,
24 personnel data, research, papers, processes, controls, and

1 facility, and inventory any stock of cannabis and obtain
2 samples of any cannabis or cannabis-infused product, any labels
3 or containers for cannabis, or paraphernalia.

4 (c) The Department may conduct an investigation of an
5 applicant, application, dispensing organization, principal
6 officer, dispensary agent, third party vendor, or any other
7 party associated with a dispensing organization for an alleged
8 violation of this Act or rules or to determine qualifications
9 to be granted a registration by the Department.

10 (d) The Department may require an applicant or holder of
11 any license issued pursuant to this Article to produce
12 documents, records, or any other material pertinent to the
13 investigation of an application or alleged violations of this
14 Act or rules. Failure to provide the required material may be
15 grounds for denial or discipline.

16 (e) Every person charged with preparation, obtaining, or
17 keeping records, logs, reports, or other documents in
18 connection with this Act and rules and every person in charge,
19 or having custody, of those documents shall, upon request by
20 the Department, make the documents immediately available for
21 inspection and copying by the Department, the Department's
22 authorized representative, or others authorized by law to
23 review the documents.

24 Section 15-140. Citations. The Department may issue
25 nondisciplinary citations for minor violations. Any such

1 citation issued by the Department may be accompanied by a fee.
2 The fee shall not exceed \$20,000 per violation. The citation
3 shall be issued to the licensee and shall contain the
4 licensee's name and address, the licensee's license number, a
5 brief factual statement, the Sections of the law allegedly
6 violated, and the fee, if any, imposed. The citation must
7 clearly state that the licensee may choose, in lieu of
8 accepting the citation, to request a hearing. If the licensee
9 does not dispute the matter in the citation with the Department
10 within 30 days after the citation is served, then the citation
11 shall become final and not subject to appeal. The penalty shall
12 be a fee or other conditions as established by rule.

13 Section 15-145. Grounds for discipline.

14 (a) The Department may deny issuance, refuse to renew or
15 restore, or may reprimand, place on probation, suspend, revoke,
16 or take other disciplinary or nondisciplinary action against
17 any license or agent identification card or may impose a fine
18 for any of the following:

19 (1) Material misstatement in furnishing information to
20 the Department;

21 (2) Violations of this Act or rules;

22 (3) Obtaining an authorization or license by fraud or
23 misrepresentation;

24 (4) A pattern of conduct that demonstrates
25 incompetence or that the applicant has engaged in conduct

1 or actions that would constitute grounds for discipline
2 under the Act;

3 (5) Aiding or assisting another person in violating any
4 provision of this Act or rules;

5 (6) Failing to respond to a written request for
6 information by the Department within 30 days;

7 (7) Engaging in unprofessional, dishonorable, or
8 unethical conduct of a character likely to deceive,
9 defraud, or harm the public;

10 (8) Adverse action by another United States
11 jurisdiction or foreign nation;

12 (9) A finding by the Department that the licensee,
13 after having his or her license placed on suspended or
14 probationary status, has violated the terms of the
15 suspension or probation;

16 (10) Conviction, entry of a plea of guilty, nolo
17 contendere, or the equivalent in a State or federal court
18 of a principal officer or agent-in-charge of a felony
19 offense in accordance with Sections 2105-131, 2105-135,
20 and 2105-205 of the Department of Professional Regulation
21 Law of the Civil Administrative Code of Illinois;

22 (11) Excessive use or addiction to alcohol, narcotics,
23 stimulants, or any other chemical agent or drug;

24 (12) A finding by the Department of a discrepancy in a
25 Department audit of cannabis;

26 (13) A finding by the Department of a discrepancy in a

1 Department audit of capital or funds;

2 (14) A finding by the Department of acceptance of
3 cannabis from a source other than an Adult Use Cultivation
4 Center, craft grower, infuser, or transporting
5 organization licensed by the Department of Agriculture, or
6 a dispensing organization licensed by the Department;

7 (15) An inability to operate using reasonable
8 judgment, skill, or safety due to physical or mental
9 illness or other impairment or disability, including,
10 without limitation, deterioration through the aging
11 process or loss of motor skills or mental incompetence;

12 (16) Failing to report to the Department within the
13 time frames established, or if not identified, 14 days, of
14 any adverse action taken against the dispensing
15 organization or an agent by a licensing jurisdiction in any
16 state or any territory of the United States or any foreign
17 jurisdiction, any governmental agency, any law enforcement
18 agency or any court defined in this Section;

19 (17) Any violation of the dispensing organization's
20 policies and procedures submitted to the Department
21 annually as a condition for licensure;

22 (18) Failure to inform the Department of any change of
23 address within 10 business days;

24 (19) Disclosing customer names, personal information,
25 or protected health information in violation of any State
26 or federal law;

1 (20) Operating a dispensary before obtaining a license
2 from the Department;

3 (21) Performing duties authorized by this Act prior to
4 receiving a license to perform such duties;

5 (22) Dispensing cannabis when prohibited by this Act or
6 rules;

7 (23) Any fact or condition that, if it had existed at
8 the time of the original application for the license, would
9 have warranted the denial of the license;

10 (24) Permitting a person without a valid agent
11 identification card to perform licensed activities under
12 this Act;

13 (25) Failure to assign an agent-in-charge as required
14 by this Article;

15 (26) Failure to provide the training required by
16 paragraph (3) of subsection (i) of Section 15-40 within the
17 provided timeframe

18 (27) Personnel insufficient in number or unqualified
19 in training or experience to properly operate the
20 dispensary business;

21 (28) Any pattern of activity that causes a harmful
22 impact on the community; and

23 (29) Failing to prevent diversion, theft, or loss of
24 cannabis.

25 (b) All fines and fees imposed under this Section shall be
26 paid within 60 days after the effective date of the order

1 imposing the fine or as otherwise specified in the order.

2 (c) A circuit court order establishing that an
3 agent-in-charge or principal officer holding an agent
4 identification card is subject to involuntary admission as that
5 term is defined in Section 1-119 or 1-119.1 of the Mental
6 Health and Developmental Disabilities Code shall operate as a
7 suspension of that card.

8 Section 15-150. Temporary suspension.

9 (a) The Secretary of Financial and Professional Regulation
10 may temporarily suspend a dispensing organization license or an
11 agent registration without a hearing if the Secretary finds
12 that public safety or welfare requires emergency action. The
13 Secretary shall cause the temporary suspension by issuing a
14 suspension notice in connection with the institution of
15 proceedings for a hearing.

16 (b) If the Secretary temporarily suspends a license or
17 agent registration without a hearing, the licensee or agent is
18 entitled to a hearing within 45 days after the suspension
19 notice has been issued. The hearing shall be limited to the
20 issues cited in the suspension notice, unless all parties agree
21 otherwise.

22 (c) If the Department does not hold a hearing with 45 days
23 after the date the suspension notice was issued, then the
24 suspended license or registration shall be automatically
25 reinstated and the suspension vacated.

1 (d) The suspended licensee or agent may seek a continuance
2 of the hearing date, during which time the suspension remains
3 in effect and the license or registration shall not be
4 automatically reinstated.

5 (e) Subsequently discovered causes of action by the
6 Department after the issuance of the suspension notice may be
7 filed as a separate notice of violation. The Department is not
8 precluded from filing a separate action against the suspended
9 licensee or agent.

10 Section 15-155. Consent to administrative supervision
11 order. In appropriate cases, the Department may resolve a
12 complaint against a licensee or agent through the issuance of a
13 consent order for administrative supervision. A license or
14 agent subject to a consent order shall be considered by the
15 Department to hold a license or registration in good standing.

16 Section 15-160. Notice; hearing.

17 (a) The Department shall, before disciplining an applicant
18 or licensee, at least 30 days before the date set for the
19 hearing: (i) notify the accused in writing of the charges made
20 and the time and place for the hearing on the charges; (ii)
21 direct him or her to file a written answer to the charges under
22 oath within 20 days after service; and (iii) inform the
23 applicant or licensee that failure to answer will result in a
24 default being entered against the applicant or licensee.

1 (b) At the time and place fixed in the notice, the hearing
2 officer appointed by the Secretary shall proceed to hear the
3 charges, and the parties or their counsel shall be accorded
4 ample opportunity to present any pertinent statements,
5 testimony, evidence, and arguments. The hearing officer may
6 continue the hearing from time to time. In case the person,
7 after receiving the notice, fails to file an answer, his or her
8 license may, in the discretion of the Secretary, having first
9 received the recommendation of the hearing officer, be
10 suspended, revoked, or placed on probationary status, or be
11 subject to whatever disciplinary action the Secretary
12 considers proper, including a fine, without hearing, if that
13 act or acts charged constitute sufficient grounds for that
14 action under this Act.

15 (c) The written notice and any notice in the subsequent
16 proceeding may be served by regular mail or email to the
17 licensee's or applicant's address of record.

18 Section 15-165. Subpoenas; oaths. The Department shall
19 have the power to subpoena and bring before it any person and
20 to take testimony either orally or by deposition, or both, with
21 the same fees and mileage and in the same manner as prescribed
22 by law in judicial proceedings in civil cases in courts in this
23 State. The Secretary or the hearing officer shall each have the
24 power to administer oaths to witnesses at any hearings that the
25 Department is authorized to conduct.

1 Section 15-170. Hearing; motion for rehearing.

2 (a) The hearing officer shall hear evidence in support of
3 the formal charges and evidence produced by the licensee. At
4 the conclusion of the hearing, the hearing officer shall
5 present to the Secretary a written report of his or her
6 findings of fact, conclusions of law, and recommendations.

7 (b) At the conclusion of the hearing, a copy of the hearing
8 officer's report shall be served upon the applicant or licensee
9 by the Department, either personally or as provided in this Act
10 for the service of a notice of hearing. Within 20 calendar days
11 after service, the applicant or licensee may present to the
12 Department a motion in writing for rehearing, which shall
13 specify the particular grounds for rehearing. The Department
14 may respond to the motion for rehearing within 20 calendar days
15 after its service on the Department. If no motion for rehearing
16 is filed, then, upon the expiration of the time specified for
17 filing such motion or upon denial of a motion for rehearing,
18 the Secretary may enter an order in accordance with the
19 recommendation of the hearing officer. If the applicant or
20 licensee orders from the reporting service and pays for a
21 transcript of the record within the time for filing a motion
22 for rehearing, the 20-day period within which a motion may be
23 filed shall commence upon the delivery of the transcript to the
24 applicant or licensee.

25 (c) If the Secretary disagrees in any regard with the

1 report of the hearing officer, the Secretary may issue an order
2 contrary to the report.

3 (d) Whenever the Secretary is not satisfied that
4 substantial justice has been done, the Secretary may order a
5 rehearing by the same or another hearing officer.

6 (e) At any point in any investigation or disciplinary
7 proceeding under in this Article, both parties may agree to a
8 negotiated consent order. The consent order shall be final upon
9 signature of the Secretary.

10 Section 15-175. Review under the Administrative Review
11 Law.

12 (a) All final administrative decisions of the Department
13 hereunder shall be subject to judicial review under the
14 provisions of the Administrative Review Law, and all amendment
15 and modifications thereof. The term "administrative decision"
16 is defined as in Section 3-101 of the Code of Civil Procedure.

17 (b) Proceedings for judicial review shall be commenced in
18 the circuit court of the county in which the party applying for
19 review resides, but if the party is not a resident of Illinois,
20 the venue shall be in Sangamon County.

21 (c) The Department shall not be required to certify any
22 record to the court, file any answer in court, or otherwise
23 appear in any court in a judicial review proceeding, unless and
24 until the Department has received from the plaintiff payment of
25 the costs of furnishing and certifying the record, which costs

1 shall be determined by the Department. Failure on the part of
2 the plaintiff to file a receipt in court shall be grounds for
3 dismissal of the action.

4 ARTICLE 20.

5 ADULT USE CULTIVATION CENTERS

6 Section 20-1. Definition. In this Article, "Department"
7 means the Department of Agriculture.

8 Section 20-5. Issuance of licenses. On or after July 1,
9 2021, the Department of Agriculture by rule may:

10 (1) Modify or change the number of cultivation center
11 licenses available, which shall at no time exceed 30
12 cultivation center licenses. In determining whether to
13 exercise the authority granted by this subsection, the
14 Department of Agriculture must consider the following
15 factors:

16 (A) The 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

1 dispensing organizations;

2 (B) Whether there is an adequate supply of cannabis
3 and cannabis-infused products to serve registered
4 medical cannabis patients;

5 (C) Whether there is an adequate supply of cannabis
6 and cannabis-infused products to serve purchasers;

7 (D) Whether there is an oversupply of cannabis in
8 Illinois leading to trafficking of cannabis to any
9 other state;

10 (E) Population increases or shifts;

11 (F) Changes to federal law;

12 (G) Perceived security risks of increasing the
13 number or location of cultivation centers;

14 (H) The past security records of cultivation
15 centers;

16 (I) The Department of Agriculture's capacity to
17 appropriately regulate additional licensees;

18 (J) The findings and recommendations from the
19 disparity and availability study commissioned by the
20 Illinois Cannabis Regulation Oversight Officer
21 referenced in subsection (e) of Section 5-45 to reduce
22 or eliminate any identified barriers to entry in the
23 cannabis industry; and

24 (K) Any other criteria the Department of
25 Agriculture deems relevant.

26 (2) Modify or change the licensing application process

1 to reduce or eliminate the barriers identified in the
2 disparity and availability study commission by the
3 Illinois Cannabis Regulation Oversight Officer and shall
4 make modifications to remedy evidence of discrimination.

5 Section 20-10. Early Approval of Adult Use Cultivation
6 Center License.

7 (a) Any medical cannabis cultivation center registered and
8 in good standing under the Compassionate Use of Medical
9 Cannabis Pilot Program Act as of the effective date of this Act
10 may, within 60 days of the effective date of this Act but no
11 later than 180 days from the effective date of this Act, apply
12 to the Department of Agriculture for an Early Approval Adult
13 Use Cultivation Center License to produce cannabis and
14 cannabis-infused products at its existing facilities as of the
15 effective date of this Act.

16 (b) A medical cannabis cultivation center seeking issuance
17 of an Early Approval Adult Use Cultivation Center License shall
18 submit an application on forms provided by the Department of
19 Agriculture. The application must meet or include the following
20 qualifications:

21 (1) Payment of a nonrefundable application fee of
22 \$100,000 to be deposited into the Cannabis Regulation Fund;

23 (2) Proof of registration as a medical cannabis
24 cultivation center that is in good standing;

25 (3) Submission of the application by the same person or

1 entity that holds the medical cannabis cultivation center
2 registration;

3 (4) Certification that the applicant will comply with
4 the requirements of Section 20-30;

5 (5) The legal name of the cultivation center;

6 (6) The physical address of the cultivation center;

7 (7) The name, address, social security number, and date
8 of birth of each principal officer and board member of the
9 cultivation center; each of those individuals shall be at
10 least 21 years of age;

11 (8) A nonrefundable Cannabis Business Development Fee
12 equal to 5% of the cultivation center's total sales between
13 June 1, 2018 to June 1, 2019 or \$750,000, whichever is
14 less, but at not less than \$250,000, to be deposited into
15 the Cannabis Business Development Fund; and

16 (9) A commitment to completing one of the following
17 Social Equity Inclusion Plans provided for in this
18 subsection (b) before the expiration of the Early Approval
19 Adult Use Cultivation Center License:

20 (A) A contribution of 5% of the cultivation
21 center's total sales from June 1, 2018 to June 1, 2019,
22 or \$100,000, whichever is less, to one of the
23 following:

24 (i) the Cannabis Business Development Fund.

25 This is in addition to the fee required by item (8)
26 of this subsection (b);

1 (ii) a cannabis industry training or education
2 program at an Illinois community college as
3 defined in the Public Community College Act;

4 (iii) a program that provides job training
5 services to persons recently incarcerated or that
6 operates in a Disproportionately Impacted Area.

7 (B) Participate as a host in a cannabis business
8 incubator program for at least one year approved by the
9 Department of Commerce and Economic Opportunity, and
10 in which an Early Approval Adult Use Cultivation Center
11 License holder agrees to provide a loan of at least
12 \$100,000 and mentorship to incubate a licensee that
13 qualifies as a Social Equity Applicant. As used in this
14 Section, "incubate" means providing direct financial
15 assistance and training necessary to engage in
16 licensed cannabis industry activity similar to that of
17 the host licensee. The Early Approval Adult Use
18 Cultivation Center License holder or the same entity
19 holding any other licenses issued pursuant to this Act
20 shall not take an ownership stake of greater than 10%
21 in any business receiving incubation services to
22 comply with this subsection. If an Early Approval Adult
23 Use Cultivation Center License holder fails to find a
24 business to incubate to comply with this subsection
25 before its Early Approval Adult Use Cultivation Center
26 License expires, it may opt to meet the requirement of

1 this subsection by completing another item from this
2 subsection prior to the expiration of its Early
3 Approval Adult Use Cultivation Center License to avoid
4 a penalty.

5 (c) An Early Approval Adult Use Cultivation Center License
6 is valid until March 31, 2021. A cultivation center that
7 obtains an Early Approval Adult Use Cultivation Center License
8 shall receive written or electronic notice 90 days before the
9 expiration of the license that the license will expire, and
10 inform the license holder that it may renew its Early Approval
11 Adult Use Cultivation Center License. The Department of
12 Agriculture shall grant a renewal of an Early Approval Adult
13 Use Cultivation Center License within 60 days of submission of
14 an application if:

15 (1) the cultivation center submits an application and
16 the required renewal fee of \$100,000 for an Early Approval
17 Adult Use Cultivation Center License;

18 (2) the Department of Agriculture has not suspended the
19 license of the cultivation center or suspended or revoked
20 the license for violating this Act or rules adopted under
21 this Act; and

22 (3) the cultivation center has completed a Social
23 Equity Inclusion Plan as required by item (9) of subsection
24 (b) of this Section.

25 (c-5) The Early Approval Adult Use Cultivation Center
26 License renewed pursuant to subsection (c) of this Section

1 shall expire March 31, 2022. The Early Approval Adult Use
2 Cultivation Center Licensee shall receive written or
3 electronic notice 90 days before the expiration of the license
4 that the license will expire, and inform the license holder
5 that it may apply for an Adult Use Cultivation Center License.
6 The Department of Agriculture shall grant an Adult Use
7 Dispensing Organization License within 60 days of an
8 application being deemed complete if the applicant meets all of
9 the criteria in Section 20-21.

10 (d) The license fee required by paragraph (1) of subsection
11 (c) of this Section shall be in addition to any license fee
12 required for the renewal of a registered medical cannabis
13 cultivation center license that expires during the effective
14 period of the Early Approval Adult Use Cultivation Center
15 License.

16 (e) Applicants must submit all required information,
17 including the requirements in subsection (b) of this Section,
18 to the Department of Agriculture. Failure by an applicant to
19 submit all required information may result in the application
20 being disqualified.

21 (f) If the Department of Agriculture receives an
22 application with missing information, the Department may issue
23 a deficiency notice to the applicant. The applicant shall have
24 10 calendar days from the date of the deficiency notice to
25 submit complete information. Applications that are still
26 incomplete after this opportunity to cure may be disqualified.

1 (g) If an applicant meets all the requirements of
2 subsection (b) of this Section, the Department of Agriculture
3 shall issue the Early Approval Adult Use Cultivation Center
4 License within 14 days of receiving the application unless:

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

10 (2) The Director of Agriculture determines there is
11 reason, based on an inordinate number of documented
12 compliance violations, the licensee is not entitled to an
13 Early Approval Adult Use Cultivation Center License; or

14 (3) The licensee fails to commit to the Social Equity
15 Inclusion Plan.

16 (h) A cultivation center may begin producing cannabis and
17 cannabis-infused products once the Early Approval Adult Use
18 Cultivation Center License is approved. A cultivation center
19 that obtains an Early Approval Adult Use Cultivation Center
20 License may begin selling cannabis and cannabis-infused
21 products on December 1, 2019.

22 (i) An Early Approval Adult Use Cultivation Center License
23 holder must continue to produce and provide an adequate supply
24 of cannabis and cannabis-infused products for purchase by
25 qualifying patients and caregivers. For the purposes of this
26 subsection, "adequate supply" means a monthly production level

1 that is comparable in type and quantity to those medical
2 cannabis products produced for patients and caregivers on an
3 average monthly basis for the 6 months before the effective
4 date of this Act.

5 (j) If there is a shortage of cannabis or cannabis-infused
6 products, a license holder shall prioritize patients
7 registered under the Compassionate Use of Medical Cannabis
8 Pilot Program Act over adult use purchasers.

9 (k) If an Early Approval Adult Use Cultivation Center
10 licensee fails to submit an application for an Adult Use
11 Cultivation Center License before the expiration of the Early
12 Approval Adult Use Cultivation Center License pursuant to
13 subsection (c-5) of this Section, the cultivation center shall
14 cease adult use cultivation until it receives an Adult Use
15 Cultivation Center License.

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

23 (m) If the Department of Agriculture suspends or revokes
24 the Early Approval Adult Use Cultivation Center License of a
25 cultivation center that also holds a medical cannabis
26 cultivation center license issued under the Compassionate Use

1 of Medical Cannabis Pilot Program Act, the Department of
2 Agriculture may suspend or revoke the medical cannabis
3 cultivation center license concurrently with the Early
4 Approval Adult Use Cultivation Center License.

5 (n) All fees or fines collected from an Early Approval
6 Adult Use Cultivation Center License holder as a result of a
7 disciplinary action in the enforcement of this Act shall be
8 deposited into the Cannabis Regulation Fund.

9 Section 20-15. Conditional Adult Use Cultivation Center
10 application.

11 (a) If the Department of Agriculture makes available
12 additional cultivation center licenses pursuant to Section
13 20-5, applicants for a Conditional Adult Use Cultivation Center
14 License shall electronically submit the following in such form
15 as the Department of Agriculture may direct:

16 (1) the nonrefundable application fee set by rule by
17 the Department of Agriculture, to be deposited into the
18 Cannabis Regulation Fund;

19 (2) the legal name of the cultivation center;

20 (3) the proposed physical address of the cultivation
21 center;

22 (4) the name, address, social security number, and date
23 of birth of each principal officer and board member of the
24 cultivation center; each principal officer and board
25 member shall be at least 21 years of age;

1 (5) the details of any administrative or judicial
2 proceeding in which any of the principal officers or board
3 members of the cultivation center (i) pled guilty, were
4 convicted, fined, or had a registration or license
5 suspended or revoked, or (ii) managed or served on the
6 board of a business or non-profit organization that pled
7 guilty, was convicted, fined, or had a registration or
8 license suspended or revoked;

9 (6) proposed operating bylaws that include procedures
10 for the oversight of the cultivation center, including the
11 development and implementation of a plant monitoring
12 system, accurate recordkeeping, staffing plan, and
13 security plan approved by the Department of State Police
14 that are in accordance with the rules issued by the
15 Department of Agriculture under this Act. A physical
16 inventory shall be performed of all plants and cannabis on
17 a weekly basis by the cultivation center;

18 (7) verification from the Department of State Police
19 that all background checks of the prospective principal
20 officers, board members, and agents of the cannabis
21 business establishment have been conducted;

22 (8) a copy of the current local zoning ordinance or
23 permit and verification that the proposed cultivation
24 center is in compliance with the local zoning rules and
25 distance limitations established by the local
26 jurisdiction;

1 (9) proposed employment practices, in which the
2 applicant must demonstrate a plan of action to inform,
3 hire, and educate minorities, women, veterans, and persons
4 with disabilities, engage in fair labor practices, and
5 provide worker protections;

6 (10) whether an applicant can demonstrate experience
7 in or business practices that promote economic empowerment
8 in Disproportionately Impacted Areas;

9 (11) experience with the cultivation of agricultural
10 or horticultural products, operating an agriculturally
11 related business, or operating a horticultural business;

12 (12) a description of the enclosed, locked facility
13 where cannabis will be grown, harvested, manufactured,
14 processed, packaged, or otherwise prepared for
15 distribution to a dispensing organization;

16 (13) a survey of the enclosed, locked facility,
17 including the space used for cultivation;

18 (14) cultivation, processing, inventory, and packaging
19 plans;

20 (15) a description of the applicant's experience with
21 agricultural cultivation techniques and industry
22 standards;

23 (16) a list of any academic degrees, certifications, or
24 relevant experience of all prospective principal officers,
25 board members, and agents of the related business;

26 (17) the identity of every person having a financial or

1 voting interest of 5% or greater in the cultivation center
2 operation with respect to which the license is sought,
3 whether a trust, corporation, partnership, limited
4 liability company, or sole proprietorship, including the
5 name and address of each person;

6 (18) a plan describing how the cultivation center will
7 address each of the following:

8 (i) energy needs, including estimates of monthly
9 electricity and gas usage, to what extent it will
10 procure energy from a local utility or from on-site
11 generation, and if it has or will adopt a sustainable
12 energy use and energy conservation policy;

13 (ii) water needs, including estimated water draw
14 and if it has or will adopt a sustainable water use and
15 water conservation policy; and

16 (iii) waste management, including if it has or will
17 adopt a waste reduction policy;

18 (19) a diversity plan that includes a narrative of not
19 more than 2,500 words that establishes a goal of diversity
20 in ownership, management, employment, and contracting to
21 ensure that diverse participants and groups are afforded
22 equality of opportunity;

23 (20) any other information required by rule;

24 (21) a recycling plan:

25 (A) Purchaser packaging, including cartridges,
26 shall be accepted by the applicant and recycled.

1 (B) Any recyclable waste generated by the cannabis
2 cultivation facility shall be recycled per applicable
3 State and local laws, ordinances, and rules.

4 (C) Any cannabis waste, liquid waste, or hazardous
5 waste shall be disposed of in accordance with 8 Ill.
6 Adm. Code 1000.460, except, to the greatest extent
7 feasible, all cannabis plant waste will be rendered
8 unusable by grinding and incorporating the cannabis
9 plant waste with compostable mixed waste to be disposed
10 of in accordance with 8 Ill Adm. Code 1000.460(g)(1);

11 (22) commitment to comply with local waste provisions:
12 a cultivation facility must remain in compliance with
13 applicable State and federal environmental requirements,
14 including, but not limited to:

15 (A) storing, securing, and managing all
16 recyclables and waste, including organic waste
17 composed of or containing finished cannabis and
18 cannabis products, in accordance with applicable State
19 and local laws, ordinances, and rules; and

20 (B) Disposing liquid waste containing cannabis or
21 byproducts of cannabis processing in compliance with
22 all applicable State and federal requirements,
23 including, but not limited to, the cannabis
24 cultivation facility's permits under Title X of the
25 Environmental Protection Act; and

26 (23) a commitment to a technology standard for resource

1 efficiency of the cultivation center facility.

2 (A) A cannabis cultivation facility commits to use
3 resources efficiently, including energy and water. For
4 the following, a cannabis cultivation facility commits
5 to meet or exceed the technology standard identified in
6 items (i), (ii), (iii), and (iv), which may be modified
7 by rule:

8 (i) lighting systems, including light bulbs;

9 (ii) HVAC system;

10 (iii) water application system to the crop;

11 and

12 (iv) filtration system for removing
13 contaminants from wastewater.

14 (B) Lighting. The Lighting Power Densities (LPD)
15 for cultivation space commits to not exceed an average
16 of 36 watts per gross square foot of active and growing
17 space canopy, or all installed lighting technology
18 shall meet a photosynthetic photon efficacy (PPE) of no
19 less than 2.2 micromoles per joule fixture and shall be
20 featured on the DesignLights Consortium (DLC)
21 Horticultural Specification Qualified Products List
22 (QPL). In the event that DLC requirement for minimum
23 efficacy exceeds 2.2 micromoles per joule fixture,
24 that PPE shall become the new standard.

25 (C) HVAC.

26 (i) For cannabis grow operations with less

1 than 6,000 square feet of canopy, the licensee
2 commits that all HVAC units will be
3 high-efficiency ductless split HVAC units, or
4 other more energy efficient equipment.

5 (ii) For cannabis grow operations with 6,000
6 square feet of canopy or more, the licensee commits
7 that all HVAC units will be variable refrigerant
8 flow HVAC units, or other more energy efficient
9 equipment.

10 (D) Water application.

11 (i) The cannabis cultivation facility commits
12 to use automated watering systems, including, but
13 not limited to, drip irrigation and flood tables,
14 to irrigate cannabis crop.

15 (ii) The cannabis cultivation facility commits
16 to measure runoff from watering events and report
17 this volume in its water usage plan, and that on
18 average, watering events shall have no more than
19 20% of runoff of water.

20 (E) Filtration. The cultivator commits that HVAC
21 condensate, dehumidification water, excess runoff, and
22 other wastewater produced by the cannabis cultivation
23 facility shall be captured and filtered to the best of
24 the facility's ability to achieve the quality needed to
25 be reused in subsequent watering rounds.

26 (F) Reporting energy use and efficiency as

1 required by rule.

2 (b) Applicants must submit all required information,
3 including the information required in Section 20-10, to the
4 Department of Agriculture. Failure by an applicant to submit
5 all required information may result in the application being
6 disqualified.

7 (c) If the Department of Agriculture receives an
8 application with missing information, the Department of
9 Agriculture may issue a deficiency notice to the applicant. The
10 applicant shall have 10 calendar days from the date of the
11 deficiency notice to resubmit the incomplete information.
12 Applications that are still incomplete after this opportunity
13 to cure will not be scored and will be disqualified.

14 (e) A cultivation center that is awarded a Conditional
15 Adult Use Cultivation Center License pursuant to the criteria
16 in Section 20-20 shall not grow, purchase, possess, or sell
17 cannabis or cannabis-infused products until the person has
18 received an Adult Use Cultivation Center License issued by the
19 Department of Agriculture pursuant to Section 20-21 of this
20 Act.

21 Section 20-20. Conditional Adult Use License scoring
22 applications.

23 (a) The Department of Agriculture shall by rule develop a
24 system to score cultivation center applications to
25 administratively rank applications based on the clarity,

1 organization, and quality of the applicant's responses to
2 required information. Applicants shall be awarded points based
3 on the following categories:

4 (1) Suitability of the proposed facility;

5 (2) Suitability of employee training plan;

6 (3) Security and recordkeeping;

7 (4) Cultivation plan;

8 (5) Product safety and labeling plan;

9 (6) Business plan;

10 (7) The applicant's status as a Social Equity
11 Applicant, which shall constitute no less than 20% of total
12 available points;

13 (8) Labor and employment practices, which shall
14 constitute no less than 2% of total available points;

15 (9) Environmental plan as described in paragraphs
16 (18), (21), (22), and (23) of subsection (a) of Section
17 20-15;

18 (10) The applicant is 51% or more owned and controlled
19 by an individual or individuals who have been an Illinois
20 resident for the past 5 years as proved by tax records;

21 (11) The applicant is 51% or more controlled and owned
22 by an individual or individuals who meet the qualifications
23 of a veteran as defined by Section 45-57 of the Illinois
24 Procurement Code;

25 (12) a diversity plan that includes a narrative of not
26 more than 2,500 words that establishes a goal of diversity

1 in ownership, management, employment, and contracting to
2 ensure that diverse participants and groups are afforded
3 equality of opportunity; and

4 (13) Any other criteria the Department of Agriculture
5 may set by rule for points.

6 (b) The Department may also award bonus points for the
7 applicant's plan to engage with the community. Bonus points
8 will only be awarded if the Department receives applications
9 that receive an equal score for a particular region.

10 (c) Should the applicant be awarded a cultivation center
11 license, the information and plans that an applicant provided
12 in its application, including any plans submitted for the
13 acquiring of bonus points, becomes a mandatory condition of the
14 permit. Any variation from or failure to perform such plans may
15 result in discipline, including the revocation or nonrenewal of
16 a license.

17 (d) Should the applicant be awarded a cultivation center
18 license, it shall pay a fee of \$100,000 prior to receiving the
19 license, to be deposited into the Cannabis Regulation Fund. The
20 Department of Agriculture may by rule adjust the fee in this
21 Section after January 1, 2021.

22 Section 20-21. Adult Use Cultivation Center License.

23 (a) A person or entity is only eligible to receive an Adult
24 Use Cultivation Center License if the person or entity has
25 first been awarded a Conditional Adult Use Cultivation Center

1 License pursuant to this Act or the person or entity has
2 renewed its Early Approval Cultivation Center License pursuant
3 to subsection (c) of Section 20-10.

4 (b) The Department of Agriculture shall not issue an Adult
5 Use Cultivation Center License until:

6 (1) the Department of Agriculture has inspected the
7 cultivation center site and proposed operations and
8 verified that they are in compliance with this Act and
9 local zoning laws;

10 (2) the Conditional Adult Use Cultivation Center
11 License holder has paid a registration fee of \$100,000 or a
12 prorated amount accounting for the difference of time
13 between when the Adult Use Cultivation Center License is
14 issued and March 31 of the next even-numbered year; and

15 (3) The Conditional Adult Use Cultivation Center
16 License holder has met all the requirements in the Act and
17 rules.

18 Section 20-25. Denial of application. An application for a
19 cultivation center license must be denied if any of the
20 following conditions are met:

21 (1) the applicant failed to submit the materials
22 required by this Article;

23 (2) the applicant would not be in compliance with local
24 zoning rules;

25 (3) one or more of the prospective principal officers

1 or board members causes a violation of Section 20-30;

2 (4) one or more of the principal officers or board
3 members is under 21 years of age;

4 (5) the person has submitted an application for a
5 permit under this Act that contains false information; or

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

11 Section 20-30. Cultivation center requirements;
12 prohibitions.

13 (a) The operating documents of a cultivation center shall
14 include procedures for the oversight of the cultivation center
15 a cannabis plant monitoring system including a physical
16 inventory recorded weekly, accurate recordkeeping, and a
17 staffing plan.

18 (b) A cultivation center shall implement a security plan
19 reviewed by the Department of State Police that includes, but
20 is not limited to: facility access controls, perimeter
21 intrusion detection systems, personnel identification systems,
22 24-hour surveillance system to monitor the interior and
23 exterior of the cultivation center facility and accessibility
24 to authorized law enforcement, the Department of Public Health
25 where processing takes place, and the Department of Agriculture

1 in real time.

2 (c) All cultivation of cannabis by a cultivation center
3 must take place in an enclosed, locked facility at the physical
4 address provided to the Department of Agriculture during the
5 licensing process. The cultivation center location shall only
6 be accessed by the agents working for the cultivation center,
7 the Department of Agriculture staff performing inspections,
8 the Department of Public Health staff performing inspections,
9 local and State law enforcement or other emergency personnel,
10 contractors working on jobs unrelated to cannabis, such as
11 installing or maintaining security devices or performing
12 electrical wiring, transporting organization agents as
13 provided in this Act, individuals in a mentoring or educational
14 program approved by the State, or other individuals as provided
15 by rule.

16 (d) A cultivation center may not sell or distribute any
17 cannabis or cannabis-infused products to any person other than
18 a dispensing organization, craft grower, infusing
19 organization, transporter, or as otherwise authorized by rule.

20 (e) A cultivation center may not either directly or
21 indirectly discriminate in price between different dispensing
22 organizations, craft growers, or infuser organizations that
23 are purchasing a like grade, strain, brand, and quality of
24 cannabis or cannabis-infused product. Nothing in this
25 subsection (e) prevents a cultivation centers from pricing
26 cannabis differently based on differences in the cost of

1 manufacturing or processing, the quantities sold, such as
2 volume discounts, or the way the products are delivered.

3 (f) All cannabis harvested by a cultivation center and
4 intended for distribution to a dispensing organization must be
5 entered into a data collection system, packaged and labeled
6 under Section 55-21, and placed into a cannabis container for
7 transport. All cannabis harvested by a cultivation center and
8 intended for distribution to a craft grower or infuser
9 organization must be packaged in a labeled cannabis container
10 and entered into a data collection system before transport.

11 (g) Cultivation centers are subject to random inspections
12 by the Department of Agriculture, the Department of Public
13 Health, local safety or health inspectors, and the Department
14 of State Police.

15 (h) A cultivation center agent shall notify local law
16 enforcement, the Department of State Police, and the Department
17 of Agriculture within 24 hours of the discovery of any loss or
18 theft. Notification shall be made by phone or in person, or by
19 written or electronic communication.

20 (i) A cultivation center shall comply with all State and
21 any applicable federal rules and regulations regarding the use
22 of pesticides on cannabis plants.

23 (j) No person or entity shall hold any legal, equitable,
24 ownership, or beneficial interest, directly or indirectly, of
25 more than 3 cultivation centers licensed under this Article.
26 Further, no person or entity that is employed by, an agent of,

1 has a contract to receive payment in any form from a
2 cultivation center, is a principal officer of a cultivation
3 center, or entity controlled by or affiliated with a principal
4 officer of a cultivation shall hold any legal, equitable,
5 ownership, or beneficial interest, directly or indirectly, in a
6 cultivation that would result in the person or entity owning or
7 controlling in combination with any cultivation center,
8 principal officer of a cultivation center, or entity controlled
9 or affiliated with a principal officer of a cultivation center
10 by which he, she, or it is employed, is an agent of, or
11 participates in the management of, more than 3 cultivation
12 center licenses.

13 (k) A cultivation center may not contain more than 210,000
14 square feet of canopy space for plants in the flowering stage
15 for cultivation of adult use cannabis as provided in this Act.

16 (l) A cultivation center may process cannabis, cannabis
17 concentrates, and cannabis-infused products.

18 (m) Beginning July 1, 2020, a cultivation center shall not
19 transport cannabis to a craft grower, dispensing organization,
20 infuser organization, or laboratory licensed under this Act,
21 unless it has obtained a transporting organization license.

22 (n) It is unlawful for any person having a cultivation
23 center license or any officer, associate, member,
24 representative, or agent of such licensee to offer or deliver
25 money, or anything else of value, directly or indirectly to any
26 person having an Early Approval Adult Use Dispensing

1 Organization License, a Conditional Adult Use Dispensing
2 Organization License, an Adult Use Dispensing Organization
3 License, or a medical cannabis dispensing organization license
4 issued under the Compassionate Use of Medical Cannabis Pilot
5 Program Act, or to any person connected with or in any way
6 representing, or to any member of the family of, such person
7 holding an Early Approval Adult Use Dispensing Organization
8 License, a Conditional Adult Use Dispensing Organization
9 License, an Adult Use Dispensing Organization License, or a
10 medical cannabis dispensing organization license issued under
11 the Compassionate Use of Medical Cannabis Pilot Program Act, or
12 to any stockholders in any corporation engaged in the retail
13 sale of cannabis, or to any officer, manager, agent, or
14 representative of the Early Approval Adult Use Dispensing
15 Organization License, a Conditional Adult Use Dispensing
16 Organization License, an Adult Use Dispensing Organization
17 License, or a medical cannabis dispensing organization license
18 issued under the Compassionate Use of Medical Cannabis Pilot
19 Program Act to obtain preferential placement within the
20 dispensing organization, including, without limitation, on
21 shelves and in display cases where purchasers can view
22 products, or on the dispensing organization's website.

23 (o) A cultivation center must comply with any other
24 requirements or prohibitions set by administrative rule of the
25 Department of Agriculture.

1 Section 20-35. Cultivation center agent identification
2 card.

3 (a) The Department of Agriculture shall:

4 (1) establish by rule the information required in an
5 initial application or renewal application for an agent
6 identification card submitted under this Act and the
7 nonrefundable fee to accompany the initial application or
8 renewal application;

9 (2) verify the information contained in an initial
10 application or renewal application for an agent
11 identification card submitted under this Act, and approve
12 or deny an application within 30 days of receiving a
13 completed initial application or renewal application and
14 all supporting documentation required by rule;

15 (3) issue an agent identification card to a qualifying
16 agent within 15 business days of approving the initial
17 application or renewal application;

18 (4) enter the license number of the cultivation center
19 where the agent works; and

20 (5) allow for an electronic initial application and
21 renewal application process, and provide a confirmation by
22 electronic or other methods that an application has been
23 submitted. The Department of Agriculture may by rule
24 require prospective agents to file their applications by
25 electronic means and provide notices to the agents by
26 electronic means.

1 (b) An agent must keep his or her identification card
2 visible at all times when on the property of the cultivation
3 center at which the agent is employed.

4 (c) The agent identification cards shall contain the
5 following:

6 (1) the name of the cardholder;

7 (2) the date of issuance and expiration date of the
8 identification card;

9 (3) a random 10-digit alphanumeric identification
10 number containing at least 4 numbers and at least 4 letters
11 that is unique to the holder;

12 (4) a photograph of the cardholder; and

13 (5) the legal name of the cultivation center employing
14 the agent.

15 (d) An agent identification card shall be immediately
16 returned to the cultivation center of the agent upon
17 termination of his or her employment.

18 (e) Any agent identification card lost by a cultivation
19 center agent shall be reported to the Department of State
20 Police and the Department of Agriculture immediately upon
21 discovery of the loss.

22 (f) The Department of Agriculture shall not issue an agent
23 identification card if the applicant is delinquent in filing
24 any required tax returns or paying any amounts owed to the
25 State of Illinois.

1 Section 20-40. Cultivation center background checks.

2 (a) Through the Department of State Police, the Department
3 of Agriculture shall conduct a background check of the
4 prospective principal officers, board members, and agents of a
5 cultivation center applying for a license or identification
6 card under this Act. The Department of State Police shall
7 charge a fee set by rule for conducting the criminal history
8 record check, which shall be deposited into the State Police
9 Services Fund and shall not exceed the actual cost of the
10 record check. In order to carry out this provision, each
11 cultivation center prospective principal officer, board
12 member, or agent shall submit a full set of fingerprints to the
13 Department of State Police for the purpose of obtaining a State
14 and federal criminal records check. These fingerprints shall be
15 checked against the fingerprint records now and hereafter, to
16 the extent allowed by law, filed in the Department of State
17 Police and Federal Bureau of Investigation criminal history
18 records databases. The Department of State Police shall
19 furnish, following positive identification, all conviction
20 information to the Department of Agriculture.

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

25 Section 20-45. Renewal of cultivation center licenses and

1 agent identification cards.

2 (a) Licenses and identification cards issued under this Act
3 shall be renewed annually. A cultivation center shall receive
4 written or electronic notice 90 days before the expiration of
5 its current license that the license will expire. The
6 Department of Agriculture shall grant a renewal within 45 days
7 of submission of a renewal application if:

8 (1) the cultivation center submits a renewal
9 application and the required nonrefundable renewal fee of
10 \$100,000, or another amount as the Department of
11 Agriculture may set by rule after January 1, 2021, to be
12 deposited into the Cannabis Regulation Fund.

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;

17 (3) the cultivation center has continued to operate in
18 accordance with all plans submitted as part of its
19 application and approved by the Department of Agriculture
20 or any amendments thereto that have been approved by the
21 Department of Agriculture;

22 (4) the cultivation center has submitted an agent,
23 employee, contracting, and subcontracting diversity report
24 as required by the Department; and

25 (5) the cultivation center has submitted an
26 environmental impact report.

1 (b) If a cultivation center fails to renew its license
2 before expiration, it shall cease operations until its license
3 is renewed.

4 (c) If a cultivation center agent fails to renew his or her
5 identification card before its expiration, he or she shall
6 cease to work as an agent of the cultivation center until his
7 or her identification card is renewed.

8 (d) Any cultivation center that continues to operate, or
9 any cultivation center agent who continues to work as an agent,
10 after the applicable license or identification card has expired
11 without renewal is subject to the penalties provided under
12 Section 45-5.

13 Section 20-50. Cultivator taxes; returns.

14 (a) A tax is imposed upon the privilege of cultivating and
15 processing adult use cannabis at the rate of 7% of the gross
16 receipts from the sale of cannabis by a cultivator to a
17 dispensing organization. The sale of any adult use product that
18 contains any amount of cannabis or any derivative thereof is
19 subject to the tax under this Section on the full selling price
20 of the product. The proceeds from this tax shall be deposited
21 into the Cannabis Regulation Fund. This tax shall be paid by
22 the cultivator who makes the first sale and is not the
23 responsibility of a dispensing organization, qualifying
24 patient, or purchaser.

25 (b) In the administration of and compliance with this

1 Section, the Department of Revenue and persons who are subject
2 to this Section: (i) have the same rights, remedies,
3 privileges, immunities, powers, and duties, (ii) are subject to
4 the same conditions, restrictions, limitations, penalties, and
5 definitions of terms, and (iii) shall employ the same modes of
6 procedure as are set forth in the Cannabis Cultivation
7 Privilege Tax Law and the Uniform Penalty and Interest Act as
8 if those provisions were set forth in this Section.

9 (c) The tax imposed under this Act shall be in addition to
10 all other occupation or privilege taxes imposed by the State of
11 Illinois or by any municipal corporation or political
12 subdivision thereof.

13 ARTICLE 25.

14 COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM

15 Section 25-1. Definitions In this Article:

16 "Board" means the Illinois Community College Board.

17 "Career in Cannabis Certificate" or "Certificate" means
18 the certification awarded to a community college student who
19 completes a prescribed course of study in cannabis and cannabis
20 business industry related classes and curriculum at a community
21 college awarded a Community College Cannabis Vocational Pilot
22 Program license.

23 "Community college" means a public community college
24 organized under the Public Community College Act.

1 "Department" means the Department of Agriculture.

2 "Licensee" means a community college awarded a Community
3 College Cannabis Vocational Pilot Program license under this
4 Article.

5 "Program" means the Community College Cannabis Vocational
6 Pilot Program.

7 "Program license" means a Community College Cannabis
8 Vocational Pilot Program license issued to a community college
9 under this Article.

10 Section 25-5. Administration.

11 (a) The Department shall establish and administer the
12 Program in coordination with the Illinois Community College
13 Board. The Department may issue up to 8 Program licenses by
14 September 1, 2020.

15 (b) Beginning with the 2021-2022 academic year, and subject
16 to subsection (h) of Section 2-12 of the Public Community
17 College Act, community colleges awarded Program licenses may
18 offer qualifying students a Career in Cannabis Certificate,
19 which includes, but is not limited to, courses that allow
20 participating students to work with, study, and grow live
21 cannabis plants so as to prepare students for a career in the
22 legal cannabis industry, and to instruct participating
23 students on the best business practices, professional
24 responsibility, and legal compliance of the cannabis business
25 industry.

1 (c) The Board may issue rules pertaining to the provisions
2 in this Act.

3 (d) Notwithstanding any other provision of this Act,
4 students shall be at least 18 years old in order to enroll in a
5 licensee's Career in Cannabis Certificate's prescribed course
6 of study.

7 Section 25-10. Issuance of Community College Cannabis
8 Vocational Pilot Program licenses.

9 (a) The Department shall issue rules regulating the
10 selection criteria for applicants by January 1, 2020. The
11 Department shall make the application for a Program license
12 available no later than February 1, 2020, and shall require
13 that applicants submit the completed application no later than
14 July 1, 2020.

15 (b) The Department shall by rule develop a system to score
16 Program licenses to administratively rank applications based
17 on the clarity, organization, and quality of the applicant's
18 responses to required information. Applicants shall be awarded
19 points that are based on or that meet the following categories:

20 (1) Geographic diversity of the applicants;

21 (2) Experience and credentials of the applicant's
22 faculty;

23 (3) At least 5 Program license awardees must have a
24 student population that is more than 50% low-income in each
25 of the past 4 years;

1 (4) Security plan, including a requirement that all
2 cannabis plants be in an enclosed, locked facility;

3 (5) Curriculum plan, including processing and testing
4 curriculum for the Career in Cannabis Certificate;

5 (6) Career advising and placement plan for
6 participating students; and

7 (7) Any other criteria the Department may set by rule.

8 Section 25-15. Community College Cannabis Vocational Pilot
9 Program requirements and prohibitions.

10 (a) Licensees shall not have more than 50 flowering
11 cannabis plants at any one time.

12 (b) The agent-in-charge shall keep a vault log of the
13 licensee's enclosed, locked facility or facilities, including
14 but not limited to, the person entering the site location, the
15 time of entrance, the time of exit, and any other information
16 the Department may set by rule.

17 (c) Cannabis shall not be removed from the licensee's
18 facility, except for the limited purpose of shipping a sample
19 to a laboratory registered under this Act.

20 (d) The licensee shall limit keys, access cards, or an
21 access code to the licensee's enclosed, locked facility, or
22 facilities, to cannabis curriculum faculty and college
23 security personnel with a bona fide need to access the facility
24 for emergency purposes.

25 (e) A transporting organization may transport cannabis

1 produced pursuant to this Article to a laboratory registered
2 under this Act. All other cannabis produced by the licensee
3 that was not shipped to a registered laboratory shall be
4 destroyed within 5 weeks of being harvested.

5 (f) Licensees shall subscribe to the Department of
6 Agriculture's cannabis plant monitoring system.

7 (g) Licensees shall maintain a weekly inventory system.

8 (h) No student participating in the cannabis curriculum
9 necessary to obtain a Certificate may be in the licensee's
10 facility unless a faculty agent-in-charge is also physically
11 present in the facility.

12 (i) Licensees shall conduct post-certificate follow up
13 surveys and record participating students' job placements
14 within the cannabis business industry within a year of the
15 student's completion.

16 (j) The Illinois Community College Board shall report
17 annually to the Department on the race, ethnicity, and gender
18 of all students participating in the cannabis curriculum
19 necessary to obtain a Certificate, and of those students who
20 obtain a Certificate.

21 Section 25-20. Faculty.

22 (a) All faculty members shall be required to maintain
23 registration as an agent-in-charge and have a valid agent
24 identification card prior to teaching or participating in the
25 licensee's cannabis curriculum that involves instruction

1 offered in the enclosed, locked facility or facilities.

2 (b) All faculty receiving an agent-in-charge or agent
3 identification card must successfully pass a background check
4 required by Section 5-20 prior to participating in a licensee's
5 cannabis curriculum that involves instruction offered in the
6 enclosed, locked facility.

7 Section 25-25. Enforcement.

8 (a) The Department has the authority to suspend or revoke
9 any faculty agent-in-charge or agent identification card for
10 any violation found under this Article.

11 (b) The Department has the authority to suspend or revoke
12 any Program license for any violation found under this Article.

13 (c) The Board shall revoke the authority to offer the
14 Certificate of any community college that has had its license
15 revoked by the Department.

16 Section 25-30. Inspection rights.

17 (a) A licensee's enclosed, locked facilities are subject to
18 random inspections by the Department and the Department of
19 State Police.

20 (b) Nothing in this Section shall be construed to give the
21 Department or the Department of State Police a right of
22 inspection or access to any location on the licensee's premises
23 beyond the facilities licensed under this Article.

1 Section 25-35. Community College Cannabis Vocational
2 Training Pilot Program faculty participant agent
3 identification card.

4 (a) The Department shall:

5 (1) establish by rule the information required in an
6 initial application or renewal application for an agent
7 identification card submitted under this Article and the
8 nonrefundable fee to accompany the initial application or
9 renewal application;

10 (2) verify the information contained in an initial
11 application or renewal application for an agent
12 identification card submitted under this Article, and
13 approve or deny an application within 30 days of receiving
14 a completed initial application or renewal application and
15 all supporting documentation required by rule;

16 (3) issue an agent identification card to a qualifying
17 agent within 15 business days of approving the initial
18 application or renewal application;

19 (4) enter the license number of the community college
20 where the agent works; and

21 (5) allow for an electronic initial application and
22 renewal application process, and provide a confirmation by
23 electronic or other methods that an application has been
24 submitted. Each Department may by rule require prospective
25 agents to file their applications by electronic means and
26 to provide notices to the agents by electronic means.

1 (b) An agent must keep his or her identification card
2 visible at all times when in the enclosed, locked facility, or
3 facilities for which he or she is an agent.

4 (c) The agent identification cards shall contain the
5 following:

6 (1) the name of the cardholder;

7 (2) the date of issuance and expiration date of the
8 identification card;

9 (3) a random 10-digit alphanumeric identification
10 number containing at least 4 numbers and at least 4 letters
11 that is unique to the holder;

12 (4) a photograph of the cardholder; and

13 (5) the legal name of the community college employing
14 the agent.

15 (d) An agent identification card shall be immediately
16 returned to the community college of the agent upon termination
17 of his or her employment.

18 (e) Any agent identification card lost shall be reported to
19 the Department of State Police and the Department of
20 Agriculture immediately upon discovery of the loss.

21 Section 25-40. Study. By December 31, 2025, the Illinois
22 Cannabis Regulation Oversight Officer, in coordination with
23 the Board, must issue a report to the Governor and the General
24 Assembly which includes, but is not limited to, the following:

25 (1) Number of security incidents or infractions at each

1 licensee and any action taken or not taken;

2 (2) Statistics, based on race, ethnicity, gender, and
3 participating community college of:

4 (A) students enrolled in career in cannabis
5 classes;

6 (B) successful completion rates by community
7 college students for the Certificate;

8 (C) postgraduate job placement of students who
9 obtained a Certificate, including both cannabis
10 business establishment jobs and non-cannabis business
11 establishment jobs; and

12 (3) Any other relevant information.

13 Section 25-45. Repeal. This Article is repealed on July 1,
14 2026.

15 ARTICLE 30.

16 CRAFT GROWERS

17 Section 30-3. Definition. In this Article, "Department"
18 means the Department of Agriculture.

19 Section 30-5. Issuance of licenses.

20 (a) The Department of Agriculture shall issue up to 40
21 craft grower licenses by July 1, 2020. Any person or entity
22 awarded a license pursuant to this subsection shall only hold

1 one craft grower license and may not sell that license until
2 after December 21, 2021.

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

22 (1) The percentage of cannabis sales occurring in
23 Illinois not in the regulated market using data from the
24 Substance Abuse and Mental Health Services Administration,
25 National Survey on Drug Use and Health, Illinois Behavioral
26 Risk Factor Surveillance System, and tourism data from the

1 Illinois Office of Tourism to ascertain total cannabis
2 consumption in Illinois compared to the amount of sales in
3 licensed dispensing organizations;

4 (2) Whether there is an adequate supply of cannabis and
5 cannabis-infused products to serve registered medical
6 cannabis patients;

7 (3) Whether there is an adequate supply of cannabis and
8 cannabis-infused products to serve purchasers;

9 (4) Whether there is an oversupply of cannabis in
10 Illinois leading to trafficking of cannabis to states where
11 the sale of cannabis is not permitted by law;

12 (5) Population increases or shifts;

13 (6) The density of craft growers in any area of the
14 State;

15 (7) Perceived security risks of increasing the number
16 or location of craft growers;

17 (8) The past safety record of craft growers;

18 (9) The Department of Agriculture's capacity to
19 appropriately regulate additional licensees;

20 (10) The findings and recommendations from the
21 disparity and availability study commissioned by the
22 Illinois Cannabis Regulation Oversight Officer to reduce
23 or eliminate any identified barriers to entry in the
24 cannabis industry; and

25 (11) Any other criteria the Department of Agriculture
26 deems relevant.

1 (c) After January 1, 2022, the Department of Agriculture
2 may by rule modify or raise the number of craft grower licenses
3 assigned to each region, and modify or change the licensing
4 application process to reduce or eliminate barriers based on
5 the criteria in subsection (b). At no time may the number of
6 craft grower licenses exceed 150. Any person or entity awarded
7 a license pursuant to this subsection shall not hold more than
8 3 craft grower licenses. A person or entity awarded a license
9 pursuant to this subsection or subsection (a) or subsection (b)
10 of this Section may sell its craft grower license or licenses
11 subject to the restrictions of this Act or as determined by
12 administrative rule.

13 Section 30-10. Application.

14 (a) When applying for a license, the applicant shall
15 electronically submit the following in such form as the
16 Department of Agriculture may direct:

17 (1) the nonrefundable application fee of \$5,000 to be
18 deposited into the Cannabis Regulation Fund, or another
19 amount as the Department of Agriculture may set by rule
20 after January 1, 2021;

21 (2) the legal name of the craft grower;

22 (3) the proposed physical address of the craft grower;

23 (4) the name, address, social security number, and date
24 of birth of each principal officer and board member of the
25 craft grower; each principal officer and board member shall

1 be at least 21 years of age;

2 (5) the details of any administrative or judicial
3 proceeding in which any of the principal officers or board
4 members of the craft grower (i) pled guilty, were
5 convicted, fined, or had a registration or license
6 suspended or revoked or (ii) managed or served on the board
7 of a business or non-profit organization that pled guilty,
8 was convicted, fined, or had a registration or license
9 suspended or revoked;

10 (6) proposed operating bylaws that include procedures
11 for the oversight of the craft grower, including the
12 development and implementation of a plant monitoring
13 system, accurate recordkeeping, staffing plan, and
14 security plan approved by the Department of State Police
15 that are in accordance with the rules issued by the
16 Department of Agriculture under this Act; a physical
17 inventory shall be performed of all plants and on a weekly
18 basis by the craft grower;

19 (7) verification from the Department of State Police
20 that all background checks of the prospective principal
21 officers, board members, and agents of the cannabis
22 business establishment have been conducted;

23 (8) a copy of the current local zoning ordinance or
24 permit and verification that the proposed craft grower is
25 in compliance with the local zoning rules and distance
26 limitations established by the local jurisdiction;

1 (9) proposed employment practices, in which the
2 applicant must demonstrate a plan of action to inform,
3 hire, and educate minorities, women, veterans, and persons
4 with disabilities, engage in fair labor practices, and
5 provide worker protections;

6 (10) whether an applicant can demonstrate experience
7 in or business practices that promote economic empowerment
8 in Disproportionately Impacted Areas;

9 (11) experience with the cultivation of agricultural
10 or horticultural products, operating an agriculturally
11 related business, or operating a horticultural business;

12 (12) a description of the enclosed, locked facility
13 where cannabis will be grown, harvested, manufactured,
14 packaged, or otherwise prepared for distribution to a
15 dispensing organization or other cannabis business
16 establishment;

17 (13) a survey of the enclosed, locked facility,
18 including the space used for cultivation;

19 (14) cultivation, processing, inventory, and packaging
20 plans;

21 (15) a description of the applicant's experience with
22 agricultural cultivation techniques and industry
23 standards;

24 (16) a list of any academic degrees, certifications, or
25 relevant experience of all prospective principal officers,
26 board members, and agents of the related business;

1 (17) the identity of every person having a financial or
2 voting interest of 5% or greater in the craft grower
3 operation, whether a trust, corporation, partnership,
4 limited liability company, or sole proprietorship,
5 including the name and address of each person;

6 (18) a plan describing how the craft grower will
7 address each of the following:

8 (i) energy needs, including estimates of monthly
9 electricity and gas usage, to what extent it will
10 procure energy from a local utility or from on-site
11 generation, and if it has or will adopt a sustainable
12 energy use and energy conservation policy;

13 (ii) water needs, including estimated water draw
14 and if it has or will adopt a sustainable water use and
15 water conservation policy; and

16 (iii) waste management, including if it has or will
17 adopt a waste reduction policy;

18 (19) a recycling plan:

19 (A) Purchaser packaging, including cartridges,
20 shall be accepted by the applicant and recycled.

21 (B) Any recyclable waste generated by the craft
22 grower facility shall be recycled per applicable State
23 and local laws, ordinances, and rules.

24 (C) Any cannabis waste, liquid waste, or hazardous
25 waste shall be disposed of in accordance with 8 Ill.
26 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
3 plant waste with compostable mixed waste to be disposed
4 of in accordance with 8 Ill Adm. Code 1000.460(g)(1).

5 (20) a commitment to comply with local waste
6 provisions: a craft grower facility must remain in
7 compliance with applicable State and federal environmental
8 requirements, including, but not limited to:

9 (A) storing, securing, and managing all
10 recyclables and waste, including organic waste
11 composed of or containing finished cannabis and
12 cannabis products, in accordance with applicable State
13 and local laws, ordinances, and rules; and

14 (B) Disposing liquid waste containing cannabis or
15 byproducts of cannabis processing in compliance with
16 all applicable State and federal requirements,
17 including, but not limited to, the cannabis
18 cultivation facility's permits under Title X of the
19 Environmental Protection Act.

20 (21) a commitment to a technology standard for resource
21 efficiency of the craft grower facility.

22 (A) A craft grower facility commits to use
23 resources efficiently, including energy and water. For
24 the following, a cannabis cultivation facility commits
25 to meet or exceed the technology standard identified in
26 paragraphs (i), (ii), (iii), and (iv), which may be

1 modified by rule:

2 (i) lighting systems, including light bulbs;

3 (ii) HVAC system;

4 (iii) water application system to the crop;

5 and

6 (iv) filtration system for removing
7 contaminants from wastewater.

8 (B) Lighting. The Lighting Power Densities (LPD)
9 for cultivation space commits to not exceed an average
10 of 36 watts per gross square foot of active and growing
11 space canopy, or all installed lighting technology
12 shall meet a photosynthetic photon efficacy (PPE) of no
13 less than 2.2 micromoles per joule fixture and shall be
14 featured on the DesignLights Consortium (DLC)
15 Horticultural Specification Qualified Products List
16 (QPL). In the event that DLC requirement for minimum
17 efficacy exceeds 2.2 micromoles per joule fixture,
18 that PPE shall become the new standard.

19 (C) HVAC.

20 (i) For cannabis grow operations with less
21 than 6,000 square feet of canopy, the licensee
22 commits that all HVAC units will be
23 high-efficiency ductless split HVAC units, or
24 other more energy efficient equipment.

25 (ii) For cannabis grow operations with 6,000
26 square feet of canopy or more, the licensee commits

1 that all HVAC units will be variable refrigerant
2 flow HVAC units, or other more energy efficient
3 equipment.

4 (D) Water application.

5 (i) The craft grower facility commits to use
6 automated watering systems, including, but not
7 limited to, drip irrigation and flood tables, to
8 irrigate cannabis crop.

9 (ii) The craft grower facility commits to
10 measure runoff from watering events and report
11 this volume in its water usage plan, and that on
12 average, watering events shall have no more than
13 20% of runoff of water.

14 (E) Filtration. The craft grower commits that HVAC
15 condensate, dehumidification water, excess runoff, and
16 other wastewater produced by the craft grower facility
17 shall be captured and filtered to the best of the
18 facility's ability to achieve the quality needed to be
19 reused in subsequent watering rounds.

20 (F) Reporting energy use and efficiency as
21 required by rule; and

22 (22) any other information required by rule.

23 (b) Applicants must submit all required information,
24 including the information required in Section 30-15, 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 Section 30-15. Scoring applications.

10 (a) The Department of Agriculture shall by rule develop a
11 system to score craft grower applications to administratively
12 rank applications based on the clarity, organization, and
13 quality of the applicant's responses to required information.
14 Applicants shall be awarded points based on the following
15 categories:

- 16 (1) Suitability of the proposed facility;
17 (2) Suitability of the employee training plan;
18 (3) Security and recordkeeping;
19 (4) Cultivation plan;
20 (5) Product safety and labeling plan;
21 (6) Business plan;
22 (7) The applicant's status as a Social Equity
23 Applicant, which shall constitute no less than 20% of total
24 available points;
25 (8) Labor and employment practices, which shall

1 constitute no less than 2% of total available points;

2 (9) Environmental plan as described in paragraphs
3 (18), (19), (20), and (21) of subsection (a) of Section
4 30-10;

5 (10) The applicant is 51% or more owned and controlled
6 by an individual or individuals who have been an Illinois
7 resident for the past 5 years as proved by tax records;

8 (11) The applicant is 51% or more controlled and owned
9 by an individual or individuals who meet the qualifications
10 of a veteran as defined in Section 45-57 of the Illinois
11 Procurement Code;

12 (12) A diversity plan that includes a narrative of not
13 more than 2,500 words that establishes a goal of diversity
14 in ownership, management, employment, and contracting to
15 ensure that diverse participants and groups are afforded
16 equality of opportunity; and

17 (13) Any other criteria the Department of Agriculture
18 may set by rule for points.

19 (b) The Department may also award up to 2 bonus points for
20 the applicant's plan to engage with the community. The
21 applicant may demonstrate a desire to engage with its community
22 by participating in one or more of, but not limited to, the
23 following actions: (i) establishment of an incubator program
24 designed to increase participation in the cannabis industry by
25 persons who would qualify as Social Equity Applicants; (ii)
26 providing financial assistance to substance abuse treatment

1 centers; (iii) educating children and teens about the potential
2 harms of cannabis use; or (iv) other measures demonstrating a
3 commitment to the applicant's community. Bonus points will only
4 be awarded if the Department receives applications that receive
5 an equal score for a particular region.

6 (c) Should the applicant be awarded a craft grower license,
7 the information and plans that an applicant provided in its
8 application, including any plans submitted for the acquiring of
9 bonus points, shall be a mandatory condition of the license.
10 Any variation from or failure to perform such plans may result
11 in discipline, including the revocation or nonrenewal of a
12 license.

13 (d) Should the applicant be awarded a craft grower license,
14 the applicant shall pay a prorated fee of \$40,000 prior to
15 receiving the license, to be deposited into the Cannabis
16 Regulation Fund. The Department of Agriculture may by rule
17 adjust the fee in this Section after January 1, 2021.

18 Section 30-20. Issuance of license to certain persons
19 prohibited.

20 (a) No craft grower license issued by the Department of
21 Agriculture shall be issued to a person who is licensed by any
22 licensing authority as a cultivation center, or to any
23 partnership, corporation, limited liability company, or trust
24 or any subsidiary, affiliate, or any other form of business
25 enterprise having more than 10% legal, equitable, or beneficial

1 interest, directly or indirectly, in a person licensed in this
2 State as a cultivation center, or to any principal officer,
3 agent, employee, or human being with any form of ownership or
4 control over a cultivation center except for a person who owns
5 no more than 5% of the outstanding shares of a cultivation
6 center whose shares are publicly traded on an exchange within
7 the meaning of the Securities Exchange Act of 1934.

8 (b) A person who is licensed in this State as a craft
9 grower, or any partnership, corporation, limited liability
10 company, or trust or any subsidiary, affiliate, or agent
11 thereof, or any other form of business enterprise licensed in
12 this State as a craft grower shall not have more than 10%
13 legal, equitable, or beneficial interest, directly or
14 indirectly, in a person licensed as a cultivation center, nor
15 shall any partnership, corporation, limited liability company,
16 or trust or any subsidiary, affiliate, or any other form of
17 business enterprise having any legal, equitable, or beneficial
18 interest, directly or indirectly, in a person licensed in this
19 State as a craft grower or a craft grower agent be a principal
20 officer, agent, employee, or human being with any form of
21 ownership or control over a cultivation center except for a
22 person who owns no more than 5% of the outstanding shares of a
23 cultivation center whose shares are publicly traded on an
24 exchange within the meaning of the Securities Exchange Act of
25 1934.

1 Section 30-25. Denial of application. An application for a
2 craft grower license must be denied if any of the following
3 conditions are met:

4 (1) the applicant failed to submit the materials
5 required by this Article;

6 (2) the applicant would not be in compliance with local
7 zoning rules;

8 (3) one or more of the prospective principal officers
9 or board members causes a violation of Section 30-20 of
10 this Article;

11 (4) one or more of the principal officers or board
12 members is under 21 years of age;

13 (5) the person has submitted an application for a
14 license under this Act that contains false information; or

15 (6) the licensee; principal officer, board member, or
16 person having a financial or voting interest of 5% or
17 greater in the licensee; or agent is delinquent in filing
18 any required tax returns or paying any amounts owed to the
19 State of Illinois.

20 Section 30-30. Craft grower requirements; prohibitions.

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

25 (b) A craft grower shall implement a security plan reviewed

1 by the Department of State Police that includes, but is not
2 limited to: facility access controls, perimeter intrusion
3 detection systems, personnel identification systems, and a
4 24-hour surveillance system to monitor the interior and
5 exterior of the craft grower facility and that is accessible to
6 authorized law enforcement and the Department of Agriculture in
7 real time.

8 (c) All cultivation of cannabis by a craft grower must take
9 place in an enclosed, locked facility at the physical address
10 provided to the Department of Agriculture during the licensing
11 process. The craft grower location shall only be accessed by
12 the agents working for the craft grower, the Department of
13 Agriculture staff performing inspections, the Department of
14 Public Health staff performing inspections, State and local law
15 enforcement or other emergency personnel, contractors working
16 on jobs unrelated to cannabis, such as installing or
17 maintaining security devices or performing electrical wiring,
18 transporting organization agents as provided in this Act, or
19 participants in the incubator program, individuals in a
20 mentoring or educational program approved by the State, or
21 other individuals as provided by rule. However, if a craft
22 grower shares a premises with an infuser or dispensing
23 organization, agents from those other licensees may access the
24 craft grower portion of the premises if that is the location of
25 common bathrooms, lunchrooms, locker rooms, or other areas of
26 the building where work or cultivation of cannabis is not

1 performed. At no time may an infuser or dispensing organization
2 agent perform work at a craft grower without being a registered
3 agent of the craft grower.

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

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

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

18 (g) All cannabis harvested by a craft grower and intended
19 for distribution to a dispensing organization must be entered
20 into a data collection system, packaged and labeled under
21 Section 55-21, and, if distribution is to a dispensing
22 organization that does not share a premises with the dispensing
23 organization receiving the cannabis, placed into a cannabis
24 container for transport. All cannabis harvested by a craft
25 grower and intended for distribution to a cultivation center,
26 to an infuser organization, or to a craft grower with which it

1 does not share a premises, must be packaged in a labeled
2 cannabis container and entered into a data collection system
3 before transport.

4 (h) Craft growers are subject to random inspections by the
5 Department of Agriculture, local safety or health inspectors,
6 and the Department of State Police.

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

12 (j) A craft grower shall comply with all State and any
13 applicable federal rules and regulations regarding the use of
14 pesticides.

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

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

23 (ii) If the craft grower is located in a county with a
24 population of more than 700,000 but fewer than 3,000,000,
25 the cannabis business establishment receiving the cannabis
26 is within 2 miles of the craft grower; or

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

5 (1) A craft grower may enter into a contract with a
6 transporting organization to transport cannabis to a
7 cultivation center, a craft grower, an infuser organization, a
8 dispensing organization, or a laboratory.

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

24 (n) It is unlawful for any person having a craft grower
25 license or any officer, associate, member, representative, or
26 agent of the licensee to offer or deliver money, or anything

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

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

1 (p) A graft grower may process cannabis, cannabis
2 concentrates, and cannabis-infused products.

3 (q) A craft grower must comply with any other requirements
4 or prohibitions set by administrative rule of the Department of
5 Agriculture.

6 Section 30-35. Craft grower agent identification card.

7 (a) The Department of Agriculture shall:

8 (1) establish by rule the information required in an
9 initial application or renewal application for an agent
10 identification card submitted under this Act and the
11 nonrefundable fee to accompany the initial application or
12 renewal application;

13 (2) verify the information contained in an initial
14 application or renewal application for an agent
15 identification card submitted under this Act and approve or
16 deny an application within 30 days of receiving a completed
17 initial application or renewal application and all
18 supporting documentation required by rule;

19 (3) issue an agent identification card to a qualifying
20 agent within 15 business days of approving the initial
21 application or renewal application;

22 (4) enter the license number of the craft grower where
23 the agent works; and

24 (5) allow for an electronic initial application and
25 renewal application process, and provide a confirmation by

1 electronic or other methods that an application has been
2 submitted. The Department of Agriculture may by rule
3 require prospective agents to file their applications by
4 electronic means and provide notices to the agents by
5 electronic means.

6 (b) An agent must keep his or her identification card
7 visible at all times when on the property of a cannabis
8 business establishment, including the craft grower
9 organization for which he or she is an agent.

10 (c) The agent identification cards shall contain the
11 following:

12 (1) the name of the cardholder;

13 (2) the date of issuance and expiration date of the
14 identification card;

15 (3) a random 10-digit alphanumeric identification
16 number containing at least 4 numbers and at least 4 letters
17 that is unique to the holder;

18 (4) a photograph of the cardholder; and

19 (5) the legal name of the craft grower organization
20 employing the agent.

21 (d) An agent identification card shall be immediately
22 returned to the cannabis business establishment of the agent
23 upon termination of his or her employment.

24 (e) Any agent identification card lost by a craft grower
25 agent shall be reported to the Department of State Police and
26 the Department of Agriculture immediately upon discovery of the

1 loss.

2 Section 30-40. Craft grower background checks.

3 (a) Through the Department of State Police, the Department
4 of Agriculture shall conduct a background check of the
5 prospective principal officers, board members, and agents of a
6 craft grower applying for a license or identification card
7 under this Act. The Department of State Police shall charge a
8 fee set by rule for conducting the criminal history record
9 check, which shall be deposited into the State Police Services
10 Fund and shall not exceed the actual cost of the record check.
11 In order to carry out this Section, each craft grower
12 organization's prospective principal officer, board member, or
13 agent shall submit a full set of fingerprints to the Department
14 of State Police for the purpose of obtaining a State and
15 federal criminal records check. These fingerprints shall be
16 checked against the fingerprint records now and hereafter, to
17 the extent allowed by law, filed in the Department of State
18 Police and Federal Bureau of Investigation criminal history
19 records databases. The Department of State Police shall
20 furnish, following positive identification, all conviction
21 information to the Department of Agriculture.

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

1 Section 30-45. Renewal of craft grower licenses and agent
2 identification cards.

3 (a) Licenses and identification cards issued under this Act
4 shall be renewed annually. A craft grower shall receive written
5 or electronic notice 90 days before the expiration of its
6 current license that the license will expire. The Department of
7 Agriculture shall grant a renewal within 45 days of submission
8 of a renewal application if:

9 (1) the craft grower submits a renewal application and
10 the required nonrefundable renewal fee of \$40,000, or
11 another amount as the Department of Agriculture may set by
12 rule after January 1, 2021;

13 (2) the Department of Agriculture has not suspended the
14 license of the craft grower or suspended or revoked the
15 license for violating this Act or rules adopted under this
16 Act;

17 (3) the craft grower has continued to operate in
18 accordance with all plans submitted as part of its
19 application and approved by the Department of Agriculture
20 or any amendments thereto that have been approved by the
21 Department of Agriculture;

22 (4) the craft grower has submitted an agent, employee,
23 contracting, and subcontracting diversity report as
24 required by the Department; and

25 (5) the craft grower has submitted an environmental

1 impact report.

2 (b) If a craft grower fails to renew its license before
3 expiration, it shall cease operations until its license is
4 renewed.

5 (c) If a craft grower agent fails to renew his or her
6 identification card before its expiration, he or she shall
7 cease to work as an agent of the craft grower organization
8 until his or her identification card is renewed.

9 (d) Any craft grower that continues to operate, or any
10 craft grower agent who continues to work as an agent, after the
11 applicable license or identification card has expired without
12 renewal is subject to the penalties provided under Section
13 45-5.

14 (e) All fees or fines collected from the renewal of a craft
15 grower license shall be deposited into the Cannabis Regulation
16 Fund.

17 Section 30-50. Craft grower taxes; returns.

18 (a) A tax is imposed upon the privilege of cultivating and
19 processing adult use cannabis at the rate of 7% of the gross
20 receipts from the sale of cannabis by a craft grower to a
21 dispensing organization. The sale of any adult use product that
22 contains any amount of cannabis or any derivative thereof is
23 subject to the tax under this Section on the full selling price
24 of the product. The proceeds from this tax shall be deposited
25 into the Cannabis Regulation Fund. This tax shall be paid by

1 the craft grower who makes the first sale and is not the
2 responsibility of a dispensing organization, qualifying
3 patient, or purchaser.

4 (b) In the administration of and compliance with this
5 Section, the Department of Revenue and persons who are subject
6 to this Section: (i) have the same rights, remedies,
7 privileges, immunities, powers, and duties, (ii) are subject to
8 the same conditions, restrictions, limitations, penalties, and
9 definitions of terms, and (iii) shall employ the same modes of
10 procedure as are set forth in the Cannabis Cultivation
11 Privilege Tax Law and the Uniform Penalty and Interest Act as
12 if those provisions were set forth in this Section.

13 (c) The tax imposed under this Act shall be in addition to
14 all other occupation or privilege taxes imposed by the State of
15 Illinois or by any municipal corporation or political
16 subdivision thereof.

17 ARTICLE 35.

18 INFUSER ORGANIZATIONS

19 Section 35-3. Definitions. In this Article:

20 "Department" means the Department of Agriculture.

21 Section 35-5. Issuance of licenses.

22 (a) The Department of Agriculture shall issue up to 40
23 infuser licenses through a process provided for in this Article

1 no later than July 1, 2020.

2 (b) The Department of Agriculture shall make the
3 application for infuser licenses available on January 7, 2020,
4 or if that date falls on a weekend or holiday, the business day
5 immediately succeeding the weekend or holiday and every January
6 7 or succeeding business day thereafter, and shall receive such
7 applications no later than March 15, 2020, or, if that date
8 falls on a weekend or holiday, the business day immediately
9 succeeding the weekend or holiday and every March 15 or
10 succeeding business day thereafter.

11 (c) By December 21, 2021, the Department of Agriculture may
12 issue up to 60 additional infuser licenses. Prior to issuing
13 such licenses, the Department may adopt rules through emergency
14 rulemaking in accordance with subsection (gg) of Section 5-45
15 of the Illinois Administrative Procedure Act, to modify or
16 raise the number of infuser licenses and modify or change the
17 licensing application process to reduce or eliminate barriers.
18 The General Assembly finds that the adoption of rules to
19 regulate cannabis use is deemed an emergency and necessary for
20 the public interest, safety, and welfare.

21 In determining whether to exercise the authority granted by
22 this subsection, the Department of Agriculture must consider
23 the following factors:

24 (1) the percentage of cannabis sales occurring in
25 Illinois not in the regulated market using data from the
26 Substance Abuse and Mental Health Services Administration,

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

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

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

11 (4) whether there is an oversupply of cannabis in
12 Illinois leading to trafficking of cannabis to any other
13 state;

14 (5) population increases or shifts;

15 (6) changes to federal law;

16 (7) perceived security risks of increasing the number
17 or location of infuser organizations;

18 (8) the past security records of infuser
19 organizations;

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

22 (10) the findings and recommendations from the
23 disparity and availability study commissioned by the
24 Illinois Cannabis Regulation Oversight Officer to reduce
25 or eliminate any identified barriers to entry in the
26 cannabis industry; and

1 (11) any other criteria the Department of Agriculture
2 deems relevant.

3 (d) After January 1, 2022, the Department of Agriculture
4 may by rule modify or raise the number of infuser licenses, and
5 modify or change the licensing application process to reduce or
6 eliminate barriers based on the criteria in subsection (c).

7 Section 35-10. Application.

8 (a) When applying for a license, the applicant shall
9 electronically submit the following in such form as the
10 Department of Agriculture may direct:

11 (1) the nonrefundable application fee of \$5,000 or,
12 after January 1, 2021, another amount as set by rule by the
13 Department of Agriculture, to be deposited into the
14 Cannabis Regulation Fund;

15 (2) the legal name of the infuser;

16 (3) the proposed physical address of the infuser;

17 (4) the name, address, social security number, and date
18 of birth of each principal officer and board member of the
19 infuser; each principal officer and board member shall be
20 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 infuser (i) pled guilty, were convicted,
24 fined, or had a registration or license suspended or
25 revoked, or (ii) managed or served on the board of a

1 business or non-profit organization that pled guilty, was
2 convicted, fined, or had a registration or license
3 suspended or revoked;

4 (6) proposed operating bylaws that include procedures
5 for the oversight of the infuser, including the development
6 and implementation of a plant monitoring system, accurate
7 recordkeeping, staffing plan, and security plan approved
8 by the Department of State Police that are in accordance
9 with the rules issued by the Department of Agriculture
10 under this Act; a physical inventory of all cannabis shall
11 be performed on a weekly basis by the infuser;

12 (7) verification from the Department of State Police
13 that all background checks of the prospective principal
14 officers, board members, and agents of the infuser
15 organization have been conducted;

16 (8) a copy of the current local zoning ordinance and
17 verification that the proposed infuser is in compliance
18 with the local zoning rules and distance limitations
19 established by the local jurisdiction;

20 (9) proposed employment practices, in which the
21 applicant must demonstrate a plan of action to inform,
22 hire, and educate minorities, women, veterans, and persons
23 with disabilities, engage in fair labor practices, and
24 provide worker protections;

25 (10) whether an applicant can demonstrate experience
26 in or business practices that promote economic empowerment

1 in Disproportionately Impacted Areas;

2 (11) experience with infusing products with cannabis
3 concentrate;

4 (12) a description of the enclosed, locked facility
5 where cannabis will be infused, packaged, or otherwise
6 prepared for distribution to a dispensing organization or
7 other infuser;

8 (13) processing, inventory, and packaging plans;

9 (14) a description of the applicant's experience with
10 operating a commercial kitchen or laboratory preparing
11 products for human consumption;

12 (15) a list of any academic degrees, certifications, or
13 relevant experience of all prospective principal officers,
14 board members, and agents of the related business;

15 (16) the identity of every person having a financial or
16 voting interest of 5% or greater in the infuser operation
17 with respect to which the license is sought, whether a
18 trust, corporation, partnership, limited liability
19 company, or sole proprietorship, including the name and
20 address of each person;

21 (17) a plan describing how the infuser will address
22 each of the following:

23 (i) energy needs, including estimates of monthly
24 electricity and gas usage, to what extent it will
25 procure energy from a local utility or from on-site
26 generation, and if it has or will adopt a sustainable

1 energy use and energy conservation policy;

2 (ii) water needs, including estimated water draw,
3 and if it has or will adopt a sustainable water use and
4 water conservation policy; and

5 (iii) waste management, including if it has or will
6 adopt a waste reduction policy;

7 (18) a recycling plan:

8 (A) a commitment that any recyclable waste
9 generated by the infuser shall be recycled per
10 applicable State and local laws, ordinances, and
11 rules; and

12 (B) a commitment to comply with local waste
13 provisions. An infuser commits to remain in compliance
14 with applicable State and federal environmental
15 requirements, including, but not limited to, storing,
16 securing, and managing all recyclables and waste,
17 including organic waste composed of or containing
18 finished cannabis and cannabis products, in accordance
19 with applicable State and local laws, ordinances, and
20 rules; and

21 (19) any other information required by rule.

22 (b) Applicants must submit all required information,
23 including the information required in Section 35-15, to the
24 Department of Agriculture. Failure by an applicant to submit
25 all required information may result in the application being
26 disqualified.

1 (c) If the Department of Agriculture receives an
2 application with missing information, the Department of
3 Agriculture may issue a deficiency notice to the applicant. The
4 applicant shall have 10 calendar days from the date of the
5 deficiency notice to resubmit the incomplete information.
6 Applications that are still incomplete after this opportunity
7 to cure will not be scored and will be disqualified.

8 Section 35-15. Issuing licenses.

9 (a) The Department of Agriculture shall by rule develop a
10 system to score infuser applications to administratively rank
11 applications based on the clarity, organization, and quality of
12 the applicant's responses to required information. Applicants
13 shall be awarded points based on the following categories:

14 (1) Suitability of the proposed facility;

15 (2) Suitability of the employee training plan;

16 (3) Security and recordkeeping plan;

17 (4) Infusing plan;

18 (5) Product safety and labeling plan;

19 (6) Business plan;

20 (7) The applicant's status as a Social Equity
21 Applicant, which shall constitute no less than 20% of total
22 available points;

23 (8) Labor and employment practices, which shall
24 constitute no less than 2% of total available points;

25 (9) Environmental plan as described in paragraphs (17)

1 and (18) of subsection (a) of Section 35-10;

2 (10) The applicant is 51% or more owned and controlled
3 by an individual or individuals who have been an Illinois
4 resident for the past 5 years as proved by tax records;

5 (11) The applicant is 51% or more controlled and owned
6 by an individual or individuals who meet the qualifications
7 of a veteran as defined by Section 45-57 of the Illinois
8 Procurement Code; and

9 (12) A diversity plan that includes a narrative of not
10 more than 2,500 words that establishes a goal of diversity
11 in ownership, management, employment, and contracting to
12 ensure that diverse participants and groups are afforded
13 equality of opportunity; and

14 (13) Any other criteria the Department of Agriculture
15 may set by rule for points.

16 (b) The Department may also award up to 2 bonus points for
17 the applicant's plan to engage with the community. The
18 applicant may demonstrate a desire to engage with its community
19 by participating in one or more of, but not limited to, the
20 following actions: (i) establishment of an incubator program
21 designed to increase participation in the cannabis industry by
22 persons who would qualify as Social Equity Applicants; (ii)
23 providing financial assistance to substance abuse treatment
24 centers; (iii) educating children and teens about the potential
25 harms of cannabis use; or (iv) other measures demonstrating a
26 commitment to the applicant's community. Bonus points will only

1 be awarded if the Department receives applications that receive
2 an equal score for a particular region.

3 (c) Should the applicant be awarded an infuser license, the
4 information and plans that an applicant provided in its
5 application, including any plans submitted for the acquiring of
6 bonus points, becomes a mandatory condition of the permit. Any
7 variation from or failure to perform such plans may result in
8 discipline, including the revocation or nonrenewal of a
9 license.

10 (d) Should the applicant be awarded an infuser organization
11 license, it shall pay a fee of \$5,000 prior to receiving the
12 license, to be deposited into the Cannabis Regulation Fund. The
13 Department of Agriculture may by rule adjust the fee in this
14 Section after January 1, 2021.

15 Section 35-20. Denial of application. An application for an
16 infuser license shall be denied if any of the following
17 conditions are met:

18 (1) the applicant failed to submit the materials
19 required by this Article;

20 (2) the applicant would not be in compliance with local
21 zoning rules or permit requirements;

22 (3) one or more of the prospective principal officers
23 or board members causes a violation of Section 35-25.

24 (4) one or more of the principal officers or board
25 members is under 21 years of age;

1 (5) the person has submitted an application for a
2 license under this Act or this Article that contains false
3 information; or

4 (6) if the licensee; principal officer, board member,
5 or 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.

9 Section 35-25. Infuser organization requirements;
10 prohibitions.

11 (a) The operating documents of an infuser shall include
12 procedures for the oversight of the infuser, an inventory
13 monitoring system including a physical inventory recorded
14 weekly, accurate recordkeeping, and a staffing plan.

15 (b) An infuser shall implement a security plan reviewed by
16 the Department of State Police that includes, but is not
17 limited to: facility access controls, perimeter intrusion
18 detection systems, personnel identification systems, and a
19 24-hour surveillance system to monitor the interior and
20 exterior of the infuser facility and that is accessible to
21 authorized law enforcement, the Department of Public Health,
22 and the Department of Agriculture in real time.

23 (c) All processing of cannabis by an infuser must take
24 place in an enclosed, locked facility at the physical address
25 provided to the Department of Agriculture during the licensing

1 process. The infuser location shall only be accessed by the
2 agents working for the infuser, the Department of Agriculture
3 staff performing inspections, the Department of Public Health
4 staff performing inspections, State and local law enforcement
5 or other emergency personnel, contractors working on jobs
6 unrelated to cannabis, such as installing or maintaining
7 security devices or performing electrical wiring, transporting
8 organization agents as provided in this Act, participants in
9 the incubator program, individuals in a mentoring or
10 educational program approved by the State, local safety or
11 health inspectors, or other individuals as provided by rule.
12 However, if an infuser shares a premises with a craft grower or
13 dispensing organization, agents from these other licensees may
14 access the infuser portion of the premises if that is the
15 location of common bathrooms, lunchrooms, locker rooms, or
16 other areas of the building where processing of cannabis is not
17 performed. At no time may a craft grower or dispensing
18 organization agent perform work at an infuser without being a
19 registered agent of the infuser.

20 (d) An infuser may not sell or distribute any cannabis to
21 any person other than a dispensing organization, or as
22 otherwise authorized by rule.

23 (e) An infuser may not either directly or indirectly
24 discriminate in price between different cannabis business
25 establishments that are purchasing a like grade, strain, brand,
26 and quality of cannabis or cannabis-infused product. Nothing in

1 this subsection (e) prevents an infuser from pricing cannabis
2 differently based on differences in the cost of manufacturing
3 or processing, the quantities sold, such volume discounts, or
4 the way the products are delivered.

5 (f) All cannabis infused by an infuser and intended for
6 distribution to a dispensing organization must be entered into
7 a data collection system, packaged and labeled under Section
8 55-21, and, if distribution is to a dispensing organization
9 that does not share a premises with the infuser, placed into a
10 cannabis container for transport. All cannabis produced by an
11 infuser and intended for distribution to a cultivation center,
12 infuser organization, or craft grower with which it does not
13 share a premises, must be packaged in a labeled cannabis
14 container and entered into a data collection system before
15 transport.

16 (g) Infusers are subject to random inspections by the
17 Department of Agriculture, the Department of Public Health, the
18 Department of State Police, and local law enforcement.

19 (h) An infuser agent shall notify local law enforcement,
20 the Department of State Police, and the Department of
21 Agriculture within 24 hours of the discovery of any loss or
22 theft. Notification shall be made by phone, in person, or by
23 written or electronic communication.

24 (i) An infuser organization may not be located in an area
25 zoned for residential use.

26 (j) An infuser or infuser agent shall not transport

1 cannabis or cannabis-infused products to any other cannabis
2 business establishment without a transport organization
3 license unless:

4 (i) If the infuser is located in a county with a
5 population of 3,000,000 or more, the cannabis business
6 establishment receiving the cannabis or cannabis-infused
7 product is within 2,000 feet of the property line of the
8 infuser;

9 (ii) If the infuser is located in a county with a
10 population of more than 700,000 but fewer than 3,000,000,
11 the cannabis business establishment receiving the cannabis
12 or cannabis-infused product is within 2 miles of the
13 infuser; or

14 (iii) If the infuser is located in a county with a
15 population of fewer than 700,000, the cannabis business
16 establishment receiving the cannabis or cannabis-infused
17 product is within 15 miles of the infuser.

18 (k) An infuser may enter into a contract with a
19 transporting organization to transport cannabis to a
20 dispensing organization or a laboratory.

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

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

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

3 (n) At no time shall an infuser organization or an infuser
4 agent perform the extraction of cannabis concentrate from
5 cannabis flower.

6 Section 35-30. Infuser agent identification card.

7 (a) The Department of Agriculture shall:

8 (1) establish by rule the information required in an
9 initial application or renewal application for an agent
10 identification card submitted under this Act and the
11 nonrefundable fee to accompany the initial application or
12 renewal application;

13 (2) verify the information contained in an initial
14 application or renewal application for an agent
15 identification card submitted under this Act, and approve
16 or deny an application within 30 days of receiving a
17 completed initial application or renewal application and
18 all supporting documentation required by rule;

19 (3) issue an agent identification card to a qualifying
20 agent within 15 business days of approving the initial
21 application or renewal application;

22 (4) enter the license number of the infuser where the
23 agent works; and

24 (5) allow for an electronic initial application and
25 renewal application process, and provide a confirmation by

1 electronic or other methods that an application has been
2 submitted. The Department of Agriculture may by rule
3 require prospective agents to file their applications by
4 electronic means and provide notices to the agents by
5 electronic means.

6 (b) An agent must keep his or her identification card
7 visible at all times when on the property of a cannabis
8 business establishment including the cannabis business
9 establishment for which he or she is an agent.

10 (c) The agent identification cards shall contain the
11 following:

12 (1) the name of the cardholder;

13 (2) the date of issuance and expiration date of the
14 identification card;

15 (3) a random 10-digit alphanumeric identification
16 number containing at least 4 numbers and at least 4 letters
17 that is unique to the holder;

18 (4) a photograph of the cardholder; and

19 (5) the legal name of the infuser organization
20 employing the agent.

21 (d) An agent identification card shall be immediately
22 returned to the infuser organization of the agent upon
23 termination of his or her employment.

24 (e) Any agent identification card lost by a transporting
25 agent shall be reported to the Department of State Police and
26 the Department of Agriculture immediately upon discovery of the

1 loss.

2 Section 35-31. Ensuring an adequate supply of raw materials
3 to serve infusers.

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

8 (b) The Department of Agriculture may by rule design a
9 method for assessing whether licensed infusers have access to
10 an adequate supply of reasonably affordable raw materials,
11 which may include but not be limited to: (i) a survey of
12 infusers; (ii) a market study on the sales trends of
13 cannabis-infused products manufactured by infusers; and (iii)
14 the costs cultivation centers and craft growers assume for the
15 raw materials they use in any cannabis-infused products they
16 manufacture.

17 (c) The Department of Agriculture shall perform an
18 assessment of whether infusers have access to an adequate
19 supply of reasonably affordable raw materials that shall start
20 no sooner than January 1, 2022 and shall conclude no later than
21 April 1, 2022. The Department of Agriculture may rely on data
22 from the Illinois Cannabis Regulation Oversight Officer as part
23 of this assessment.

24 (d) The Department of Agriculture shall perform an
25 assessment of whether infusers have access to an adequate

1 supply of reasonably affordable raw materials that shall start
2 no sooner than January 1, 2023 and shall conclude no later than
3 April 1, 2023. The Department of Agriculture may rely on data
4 from the Cannabis Regulation Oversight Officer as part of this
5 assessment.

6 (e) The Department of Agriculture may by rule adopt
7 measures to ensure infusers have access to an adequate supply
8 of reasonably affordable raw materials necessary for the
9 manufacture of cannabis-infused products. Such measures may
10 include, but not be limited to (i) requiring cultivation
11 centers and craft growers to set aside a minimum amount of raw
12 materials for the wholesale market or (ii) enabling infusers to
13 apply for a processor license to extract raw materials from
14 cannabis flower.

15 (f) If the Department of Agriculture determines processor
16 licenses may be available to infusing organizations based upon
17 findings made pursuant to subsection (e), infuser
18 organizations may submit to the Department of Agriculture on
19 forms provided by the Department of Agriculture the following
20 information as part of an application to receive a processor
21 license:

22 (1) experience with the extraction, processing, or
23 infusing of oils similar to those derived from cannabis, or
24 other business practices to be performed by the infuser;

25 (2) a description of the applicant's experience with
26 manufacturing equipment and chemicals to be used in

1 processing;

2 (3) expertise in relevant scientific fields;

3 (4) a commitment that any cannabis waste, liquid waste,
4 or hazardous waste shall be disposed of in accordance with
5 8 Ill. Adm. Code 1000.460, except, to the greatest extent
6 feasible, all cannabis plant waste will be rendered
7 unusable by grinding and incorporating the cannabis plant
8 waste with compostable mixed waste to be disposed of in
9 accordance with Ill. Adm. Code 1000.460(g)(1); and

10 (5) any other information the Department of
11 Agriculture deems relevant.

12 (g) The Department of Agriculture may only issue an
13 infusing organization a processor license if, based on the
14 information pursuant to subsection (f) and any other criteria
15 set by the Department of Agriculture, which may include but not
16 be limited an inspection of the site where processing would
17 occur, the Department of Agriculture is reasonably certain the
18 infusing organization will process cannabis in a safe and
19 compliant manner.

20 Section 35-35. Infuser organization background checks.

21 (a) Through the Department of State Police, the Department
22 of Agriculture shall conduct a background check of the
23 prospective principal officers, board members, and agents of an
24 infuser applying for a license or identification card under
25 this Act. The Department of State Police shall charge a fee set

1 by rule for conducting the criminal history record check, which
2 shall be deposited into the State Police Services Fund and
3 shall not exceed the actual cost of the record check. In order
4 to carry out this provision, each infuser organization's
5 prospective principal officer, board member, or agent shall
6 submit a full set of fingerprints to the Department of State
7 Police for the purpose of obtaining a State and federal
8 criminal records check. These fingerprints shall be checked
9 against the fingerprint records now and hereafter, to the
10 extent allowed by law, filed in the Department of State Police
11 and Federal Bureau of Investigation criminal history records
12 databases. The Department of State Police shall furnish,
13 following positive identification, all conviction information
14 to the Department of Agriculture.

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

19 Section 35-40. Renewal of infuser organization licenses
20 and agent identification cards.

21 (a) Licenses and identification cards issued under this Act
22 shall be renewed annually. An infuser organization shall
23 receive written or electronic notice 90 days before the
24 expiration of its current license that the license will expire.
25 The Department of Agriculture shall grant a renewal within 45

1 days of submission of a renewal application if:

2 (1) the infuser organization submits a renewal
3 application and the required nonrefundable renewal fee of
4 \$20,000, or, after January 1, 2021, another amount set by
5 rule by the Department of Agriculture, to be deposited into
6 the Cannabis Regulation Fund;

7 (2) the Department of Agriculture has not suspended or
8 revoked the license of the infuser organization for
9 violating this Act or rules adopted under this Act;

10 (3) the infuser organization has continued to operate
11 in accordance with all plans submitted as part of its
12 application and approved by the Department of Agriculture
13 or any amendments thereto that have been approved by the
14 Department of Agriculture;

15 (4) The infuser has submitted an agent, employee,
16 contracting, and subcontracting diversity report as
17 required by the Department; and

18 (5) The infuser has submitted an environmental impact
19 report.

20 (b) If an infuser organization fails to renew its license
21 before expiration, it shall cease operations until its license
22 is renewed.

23 (c) If an infuser organization agent fails to renew his or
24 her identification card before its expiration, he or she shall
25 cease to work as an agent of the infuser organization until his
26 or her identification card is renewed.

1 (d) Any infuser organization that continues to operate, or
2 any infuser organization agent who continues to work as an
3 agent, after the applicable license or identification card has
4 expired without renewal is subject to the penalties provided
5 under Section 35-25.

6 (e) The Department shall not renew a license or an agent
7 identification card if the applicant is delinquent in filing
8 any required tax returns or paying any amounts owed to the
9 State of Illinois.

10 ARTICLE 40.

11 TRANSPORTING ORGANIZATIONS

12 Section 40-1. Definition. In this Article, "Department"
13 means the Department of Agriculture.

14 Section 40-5. Issuance of licenses.

15 (a) The Department shall issue transporting licenses
16 through a process provided for in this Article no later than
17 July 1, 2020.

18 (b) The Department shall make the application for
19 transporting organization licenses available on January 7,
20 2020 and shall receive such applications no later than March
21 15, 2020. Thereafter, the Department of Agriculture shall make
22 available such applications on every January 7 thereafter or if
23 that date falls on a weekend or holiday, the business day

1 immediately succeeding the weekend or holiday and shall receive
2 such applications no later than March 15 or the succeeding
3 business day thereafter.

4 Section 40-10. Application.

5 (a) When applying for a transporting organization license,
6 the applicant shall electronically submit the following in such
7 form as the Department of Agriculture may direct:

8 (1) the nonrefundable application fee of \$5,000 or,
9 after January 1, 2021, another amount as set by rule by the
10 Department of Agriculture, to be deposited into the
11 Cannabis Regulation Fund;

12 (2) the legal name of the transporting organization;

13 (3) the proposed physical address of the transporting
14 organization, if one is proposed;

15 (4) the name, address, social security number, and date
16 of birth of each principal officer and board member of the
17 transporting organization; each principal officer and
18 board member shall be at least 21 years of age;

19 (5) the details of any administrative or judicial
20 proceeding in which any of the principal officers or board
21 members of the transporting organization (i) pled guilty,
22 were convicted, fined, or had a registration or license
23 suspended or revoked, or (ii) managed or served on the
24 board of a business or non-profit organization that pled
25 guilty, was convicted, fined, or had a registration or

1 license suspended or revoked;

2 (6) proposed operating bylaws that include procedures
3 for the oversight of the transporting organization,
4 including the development and implementation of an
5 accurate recordkeeping plan, staffing plan, and security
6 plan approved by the Department of State Police that are in
7 accordance with the rules issued by the Department of
8 Agriculture under this Act; a physical inventory shall be
9 performed of all cannabis on a weekly basis by the
10 transporting organization;

11 (7) verification from the Department of State Police
12 that all background checks of the prospective principal
13 officers, board members, and agents of the transporting
14 organization have been conducted;

15 (8) a copy of the current local zoning ordinance or
16 permit and verification that the proposed transporting
17 organization is in compliance with the local zoning rules
18 and distance limitations established by the local
19 jurisdiction, if the transporting organization has a
20 business address;

21 (9) proposed employment practices, in which the
22 applicant must demonstrate a plan of action to inform,
23 hire, and educate minorities, women, veterans, and persons
24 with disabilities, engage in fair labor practices, and
25 provide worker protections;

26 (10) whether an applicant can demonstrate experience

1 in or business practices that promote economic empowerment
2 in Disproportionately Impacted Areas;

3 (11) the number and type of equipment the transporting
4 organization will use to transport cannabis and
5 cannabis-infused products;

6 (12) loading, transporting, and unloading plans;

7 (13) a description of the applicant's experience in the
8 distribution or security business;

9 (14) the identity of every person having a financial or
10 voting interest of 5% or more in the transporting
11 organization with respect to which the license is sought,
12 whether a trust, corporation, partnership, limited
13 liability company, or sole proprietorship, including the
14 name and address of each person; and

15 (15) any other information required by rule.

16 (b) Applicants must submit all required information,
17 including the information required in Section 40-35 to the
18 Department. Failure by an applicant to submit all required
19 information may result in the application being disqualified.

20 (c) If the Department receives an application with missing
21 information, the Department of Agriculture may issue a
22 deficiency notice to the applicant. The applicant shall have 10
23 calendar days from the date of the deficiency notice to
24 resubmit the incomplete information. Applications that are
25 still incomplete after this opportunity to cure will not be
26 scored and will be disqualified.

1 Section 40-15. Issuing licenses.

2 (a) The Department of Agriculture shall by rule develop a
3 system to score transporter applications to administratively
4 rank applications based on the clarity, organization, and
5 quality of the applicant's responses to required information.
6 Applicants shall be awarded points based on the following
7 categories:

8 (1) Suitability of employee training plan;

9 (2) Security and recordkeeping plan;

10 (3) Business plan;

11 (4) The applicant's status as a Social Equity
12 Applicant, which shall constitute no less than 20% of total
13 available points;

14 (5) Labor and employment practices, which shall
15 constitute no less than 2% of total available points;

16 (6) Environmental plan that demonstrates an
17 environmental plan of action to minimize the carbon
18 footprint, environmental impact, and resource needs for
19 the transporter, which may include, without limitation,
20 recycling cannabis product packaging;

21 (7) the applicant is 51% or more owned and controlled
22 by an individual or individuals who have been an Illinois
23 resident for the past 5 years as proved by tax records;

24 (8) The applicant is 51% or more controlled and owned
25 by an individual or individuals who meet the qualifications

1 of a veteran as defined by Section 45-57 of the Illinois
2 Procurement Code;

3 (9) a diversity plan that includes a narrative of not
4 more than 2,500 words that establishes a goal of diversity
5 in ownership, management, employment, and contracting to
6 ensure that diverse participants and groups are afforded
7 equality of opportunity; and

8 (10) Any other criteria the Department of Agriculture
9 may set by rule for points.

10 (b) The Department may also award up to 2 bonus points for
11 the applicant's plan to engage with the community. The
12 applicant may demonstrate a desire to engage with its community
13 by participating in one or more of, but not limited to, the
14 following actions: (i) establishment of an incubator program
15 designed to increase participation in the cannabis industry by
16 persons who would qualify as Social Equity Applicants; (ii)
17 providing financial assistance to substance abuse treatment
18 centers; (iii) educating children and teens about the potential
19 harms of cannabis use; or (iv) other measures demonstrating a
20 commitment to the applicant's community. Bonus points will only
21 be awarded if the Department receives applications that receive
22 an equal score for a particular region.

23 (c) Applicants for transportation organization licenses
24 that score at least 85% of available points according to the
25 system developed by rule and meet all other requirements for a
26 transporter license shall be issued a license by the Department

1 of Agriculture within 60 days of receiving the application.
2 Applicants that were registered as medical cannabis
3 cultivation centers prior to January 1, 2020 and who meet all
4 other requirements for a transporter license shall be issued a
5 license by the Department of Agriculture within 60 days of
6 receiving the application.

7 (d) Should the applicant be awarded a transportation
8 organization license, the information and plans that an
9 applicant provided in its application, including any plans
10 submitted for the acquiring of bonus points, shall be a
11 mandatory condition of the permit. Any variation from or
12 failure to perform such plans may result in discipline,
13 including the revocation or nonrenewal of a license.

14 (e) Should the applicant be awarded a transporting
15 organization license, the applicant shall pay a prorated fee of
16 \$10,000 prior to receiving the license, to be deposited into
17 the Cannabis Regulation Fund. The Department of Agriculture may
18 by rule adjust the fee in this Section after January 1, 2021.

19 Section 40-20. Denial of application. An application for a
20 transportation organization license shall be denied if any of
21 the following conditions are met:

22 (1) the applicant failed to submit the materials
23 required by this Article;

24 (2) the applicant would not be in compliance with local
25 zoning rules or permit requirements;

1 (3) one or more of the prospective principal officers
2 or board members causes a violation of Section 40-25;

3 (4) one or more of the principal officers or board
4 members is under 21 years of age;

5 (5) the person has submitted an application for a
6 license under this Act that contains false information; or

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

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

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

18 (b) A transporting organization may not transport cannabis
19 or cannabis-infused products to any person other than a
20 cultivation center, a craft grower, an infuser organization, a
21 dispensing organization, a testing facility, or as otherwise
22 authorized by rule.

23 (c) All cannabis transported by a transporting
24 organization must be entered into a data collection system and
25 placed into a cannabis container for transport.

1 (d) Transporters are subject to random inspections by the
2 Department of Agriculture, the Department of Public Health, and
3 the Department of State Police.

4 (e) A transporting organization agent shall notify local
5 law enforcement, the Department of State Police, and the
6 Department of Agriculture within 24 hours of the discovery of
7 any loss or theft. Notification shall be made by phone, in
8 person, or by written or electronic communication.

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

11 (g) No person or individual who is not a transporting
12 organization agent shall be in a vehicle while transporting
13 cannabis goods.

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

16 (i) It is unlawful for any person to offer or deliver
17 money, or anything else of value, directly or indirectly, to
18 any of the following persons to obtain preferential placement
19 within the dispensing organization, including, without
20 limitation, on shelves and in display cases where purchasers
21 can view products, or on the dispensing organization's website:

22 (1) a person having a transporting organization
23 license, or any officer, associate, member,
24 representative, or agent of the licensee;

25 (2) a person having an Early Applicant Adult Use
26 Dispensing Organization License, an Adult Use Dispensing

1 Organization License, or a medical cannabis dispensing
2 organization license issued under the Compassionate Use of
3 Medical Cannabis Pilot Program Act;

4 (3) a person connected with or in any way representing,
5 or a member of the family of, a person holding an Early
6 Applicant Adult Use Dispensing Organization License, an
7 Adult Use Dispensing Organization License, or a medical
8 cannabis dispensing organization license issued under the
9 Compassionate Use of Medical Cannabis Pilot Program Act; or

10 (4) a stockholder, officer, manager, agent, or
11 representative of a corporation engaged in the retail sale
12 of cannabis, an Early Applicant Adult Use Dispensing
13 Organization License, an Adult Use Dispensing Organization
14 License, or a medical cannabis dispensing organization
15 license issued under the Compassionate Use of Medical
16 Cannabis Pilot Program Act.

17 (j) A transportation organization agent must keep his or
18 her identification card visible at all times when on the
19 property of a cannabis business establishment and during the
20 transportation of cannabis when acting under his or her duties
21 as a transportation organization agent. During these times, the
22 transporter organization agent must also provide the
23 identification card upon request of any law enforcement officer
24 engaged in his or her official duties.

25 (k) A copy of the transporting organization's registration
26 and a manifest for the delivery shall be present in any vehicle

1 transporting cannabis.

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

4 (m) A vehicle transporting cannabis must not bear any
5 markings to indicate the vehicle contains cannabis or bear the
6 name or logo of the cannabis business establishment.

7 (n) Cannabis must be transported in an enclosed, locked
8 storage compartment that is secured or affixed to the vehicle.

9 (o) The Department of Agriculture may, by rule, impose any
10 other requirements or prohibitions on the transportation of
11 cannabis.

12 Section 40-30. Transporting agent identification card.

13 (a) The Department of Agriculture shall:

14 (1) establish by rule the information required in an
15 initial application or renewal application for an agent
16 identification card submitted under this Act and the
17 nonrefundable fee to accompany the initial application or
18 renewal application;

19 (2) verify the information contained in an initial
20 application or renewal application for an agent
21 identification card submitted under this Act and approve or
22 deny an application within 30 days of receiving a completed
23 initial application or renewal application and all
24 supporting documentation required by rule;

25 (3) issue an agent identification card to a qualifying

1 agent within 15 business days of approving the initial
2 application or renewal application;

3 (4) enter the license number of the transporting
4 organization where the agent works; and

5 (5) allow for an electronic initial application and
6 renewal application process, and provide a confirmation by
7 electronic or other methods that an application has been
8 submitted. The Department of Agriculture may by rule
9 require prospective agents to file their applications by
10 electronic means and provide notices to the agents by
11 electronic means.

12 (b) An agent must keep his or her identification card
13 visible at all times when on the property of a cannabis
14 business establishment, including the cannabis business
15 establishment for which he or she is an agent.

16 (c) The agent identification cards shall contain the
17 following:

18 (1) the name of the cardholder;

19 (2) the date of issuance and expiration date of the
20 identification card;

21 (3) a random 10-digit alphanumeric identification
22 number containing at least 4 numbers and at least 4 letters
23 that is unique to the holder;

24 (4) a photograph of the cardholder; and

25 (5) the legal name of the transporter organization
26 employing the agent.

1 (d) An agent identification card shall be immediately
2 returned to the transporter organization of the agent upon
3 termination of his or her employment.

4 (e) Any agent identification card lost by a transporting
5 agent shall be reported to the Department of State Police and
6 the Department of Agriculture immediately upon discovery of the
7 loss.

8 (f) An application for an agent identification card shall
9 be denied if the applicant is delinquent in filing any required
10 tax returns or paying any amounts owed to the State of
11 Illinois.

12 Section 40-35. Transporting organization background
13 checks.

14 (a) Through the Department of State Police, the Department
15 of Agriculture shall conduct a background check of the
16 prospective principal officers, board members, and agents of a
17 transporter applying for a license or identification card under
18 this Act. The Department of State Police shall charge a fee set
19 by rule for conducting the criminal history record check, which
20 shall be deposited into the State Police Services Fund and
21 shall not exceed the actual cost of the record check. In order
22 to carry out this provision, each transporter organization's
23 prospective principal officer, board member, or agent shall
24 submit a full set of fingerprints to the Department of State
25 Police for the purpose of obtaining a State and federal

1 criminal records check. These fingerprints shall be checked
2 against the fingerprint records now and hereafter, to the
3 extent allowed by law, filed in the Department of State Police
4 and Federal Bureau of Investigation criminal history records
5 databases. The Department of State Police shall furnish,
6 following positive identification, all conviction information
7 to the Department of Agriculture.

8 (b) When applying for the initial license or identification
9 card, the background checks for all prospective principal
10 officers, board members, and agents shall be completed before
11 submitting the application to the Department of Agriculture.

12 Section 40-40. Renewal of transporting organization
13 licenses and agent identification cards.

14 (a) Licenses and identification cards issued under this Act
15 shall be renewed annually. A transporting organization shall
16 receive written or electronic notice 90 days before the
17 expiration of its current license that the license will expire.
18 The Department of Agriculture shall grant a renewal within 45
19 days of submission of a renewal application if:

20 (1) the transporting organization submits a renewal
21 application and the required nonrefundable renewal fee of
22 \$10,000, or after January 1, 2021, another amount set by
23 rule by the Department of Agriculture, to be deposited into
24 the Cannabis Regulation Fund;

25 (2) the Department of Agriculture has not suspended or

1 revoked the license of the transporting organization for
2 violating this Act or rules adopted under this Act;

3 (3) the transporting organization has continued to
4 operate in accordance with all plans submitted as part of
5 its application and approved by the Department of
6 Agriculture or any amendments thereto that have been
7 approved by the Department of Agriculture; and

8 (4) the transporter has submitted an agent, employee,
9 contracting, and subcontracting diversity report as
10 required by the Department.

11 (b) If a transporting organization fails to renew its
12 license before expiration, it shall cease operations until its
13 license is renewed.

14 (c) If a transporting organization agent fails to renew his
15 or her identification card before its expiration, he or she
16 shall cease to work as an agent of the transporter organization
17 until his or her identification card is renewed.

18 (d) Any transporting organization that continues to
19 operate, or any transporting organization agent who continues
20 to work as an agent, after the applicable license or
21 identification card has expired without renewal is subject to
22 the penalties provided under Section 45-5.

23 (e) The Department shall not renew a license or an agent
24 identification card if the applicant is delinquent in filing
25 any required tax returns or paying any amounts owed to the
26 State of Illinois.

1 ARTICLE 45.

2 ENFORCEMENT AND IMMUNITIES

3 Section 45-5. License suspension; revocation; other
4 penalties.

5 (a) Notwithstanding any other criminal penalties related
6 to the unlawful possession of cannabis, the Department of
7 Financial and Professional Regulation and the Department of
8 Agriculture may revoke, suspend, place on probation,
9 reprimand, issue cease and desist orders, refuse to issue or
10 renew a license, or take any other disciplinary or
11 nondisciplinary action as each department may deem proper with
12 regard to a cannabis business establishment or cannabis
13 business establishment agent, including fines not to exceed:

14 (1) \$50,000 for each violation of this Act or rules
15 adopted under this Act by a cultivation center or
16 cultivation center agent;

17 (2) \$10,000 for each violation of this Act or rules
18 adopted under this Act by a dispensing organization or
19 dispensing organization agent;

20 (3) \$15,000 for each violation of this Act or rules
21 adopted under this Act by a craft grower or craft grower
22 agent;

23 (4) \$10,000 for each violation of this Act or rules
24 adopted under this Act by an infuser organization or

1 infuser organization agent; and

2 (5) \$10,000 for each violation of this Act or rules
3 adopted under this Act by a transporting organization or
4 transporting organization agent.

5 (b) The Department of Financial and Professional
6 Regulation and the Department of Agriculture, as the case may
7 be, shall consider licensee cooperation in any agency or other
8 investigation in its determination of penalties imposed under
9 this Section.

10 (c) The procedures for disciplining a cannabis business
11 establishment or cannabis business establishment agent and for
12 administrative hearings shall be determined by rule, and shall
13 provide for the review of final decisions under the
14 Administrative Review Law.

15 (d) The Attorney General may also enforce a violation of
16 Section 55-20, Section 55-21, and Section 15-155 as an unlawful
17 practice under the Consumer Fraud and Deceptive Business
18 Practices Act.

19 Section 45-10. Immunities and presumptions related to the
20 handling of cannabis by cannabis business establishments and
21 their agents.

22 (a) A cultivation center, craft grower, infuser
23 organization, or transporting organization is not subject to:
24 (i) prosecution; (ii) search or inspection, except by the
25 Department of Agriculture, the Department of Public Health, or

1 State or local law enforcement under this Act; (iii) seizure;
2 (iv) penalty in any manner, including, but not limited to,
3 civil penalty; (v) denial of any right or privilege; or (vi)
4 disciplinary action by a business licensing board or entity for
5 acting under this Act and rules adopted under this Act to
6 acquire, possess, cultivate, manufacture, process, deliver,
7 transfer, transport, supply, or sell cannabis or cannabis
8 paraphernalia under this Act.

9 (b) A licensed cultivation center agent, licensed craft
10 grower agent, licensed infuser organization agent, or licensed
11 transporting organization agent is not subject to: (i)
12 prosecution; (ii) search; (iii) penalty in any manner,
13 including, but not limited to, civil penalty; (iv) denial of
14 any right or privilege; or (v) disciplinary action by a
15 business licensing board or entity, for engaging in
16 cannabis-related activities authorized under this Act and
17 rules adopted under this Act.

18 (c) A dispensing organization is not subject to: (i)
19 prosecution; (ii) search or inspection, except by the
20 Department of Financial and Professional Regulation, or State
21 or local law enforcement under this Act; (iii) seizure; (iv)
22 penalty in any manner, including, but not limited to, civil
23 penalty; (v) denial of any right or privilege; or (vi)
24 disciplinary action by a business licensing board or entity,
25 for acting under this Act and rules adopted under this Act to
26 acquire, possess, or dispense cannabis, cannabis-infused

1 products, cannabis paraphernalia, or related supplies, and
2 educational materials under this Act.

3 (d) A licensed dispensing organization agent is not subject
4 to: (i) prosecution; (ii) search; or (iii) penalty in any
5 manner, or denial of any right or privilege, including, but not
6 limited to, civil penalty or disciplinary action by a business
7 licensing board or entity, for working for a dispensing
8 organization under this Act and rules adopted under this Act.

9 (e) Any cannabis, cannabis-infused product, cannabis
10 paraphernalia, legal property, or interest in legal property
11 that is possessed, owned, or used in connection with the use of
12 cannabis as allowed under this Act, or acts incidental to that
13 use, may not be seized or forfeited. This Act does not prevent
14 the seizure or forfeiture of cannabis exceeding the amounts
15 allowed under this Act, nor does it prevent seizure or
16 forfeiture if the basis for the action is unrelated to the
17 cannabis that is possessed, manufactured, transferred, or used
18 under this Act.

19 (f) Nothing in this Act shall preclude local or State law
20 enforcement agencies from searching a cultivation center,
21 craft grower, infuser organization, transporting organization,
22 or dispensing organization if there is probable cause to
23 believe that the criminal laws of this State have been violated
24 and the search is conducted in conformity with the Illinois
25 Constitution, the Constitution of the United States, and
26 applicable law.

1 (g) Nothing in this Act shall preclude the Attorney General
2 or other authorized government agency from investigating or
3 bringing a civil action against a cannabis business
4 establishment, or an agent thereof, for a violation of State
5 law, including, but not limited to, civil rights violations and
6 violations of the Consumer Fraud and Deceptive Business
7 Practices Act.

8 Section 45-15. State standards and requirements. Any
9 standards, requirements, and rules regarding the health and
10 safety, environmental protection, testing, security, food
11 safety, and worker protections established by the State shall
12 be the minimum standards for all licensees under this Act
13 statewide, where applicable. Knowing violations of any State or
14 local law, ordinance, or rule conferring worker protections or
15 legal rights on the employees of a licensee may be grounds for
16 disciplinary action under this Act, in addition to penalties
17 established elsewhere.

18 Section 45-20. Violation of tax Acts; refusal, revocation,
19 or suspension of license or agent identification card.

20 (a) In addition to other grounds specified in this Act, the
21 Department of Agriculture and Department of Financial and
22 Professional Regulation, upon notification by the Department
23 of Revenue, shall refuse the issuance or renewal of a license
24 or agent identification card, or suspend or revoke the license

1 or agent identification card, of any person, for any of the
2 following violations of any tax Act administered by the
3 Department of Revenue:

4 (1) Failure to file a tax return.

5 (2) The filing of a fraudulent return.

6 (3) Failure to pay all or part of any tax or penalty
7 finally determined to be due.

8 (4) Failure to keep books and records.

9 (5) Failure to secure and display a certificate or
10 sub-certificate of registration, if required.

11 (6) Willful violation of any rule or regulation of the
12 Department relating to the administration and enforcement
13 of tax liability.

14 (b) After all violations of any of items (1) through (6) of
15 subsection (a) have been corrected or resolved, the Department
16 shall, upon request of the applicant or, if not requested, may
17 notify the entities listed in subsection (a) that the
18 violations have been corrected or resolved. Upon receiving
19 notice from the Department that a violation of any of items (1)
20 through (6) of subsection (a) have been corrected or otherwise
21 resolved to the Department of Revenue's satisfaction, the
22 Department of Agriculture and the Department of Financial and
23 Professional Regulation may issue or renew the license or agent
24 identification card, or vacate an order of suspension or
25 revocation.

1 ARTICLE 50.

2 LABORATORY TESTING

3 Section 50-5. Laboratory testing.

4 (a) Notwithstanding any other provision of law, the
5 following acts, when performed by a cannabis testing facility
6 with a current, valid registration, or a person 21 years of age
7 or older who is acting in his or her capacity as an owner,
8 employee, or agent of a cannabis testing facility, are not
9 unlawful and shall not be an offense under Illinois law or be a
10 basis for seizure or forfeiture of assets under Illinois law:

11 (1) possessing, repackaging, transporting, storing, or
12 displaying cannabis or cannabis-infused products;

13 (2) receiving or transporting cannabis or
14 cannabis-infused products from a cannabis business
15 establishment, a community college licensed under the
16 Community College Cannabis Vocational Training Pilot
17 Program, or a person 21 years of age or older; and

18 (3) returning or transporting cannabis or
19 cannabis-infused products to a cannabis business
20 establishment, a community college licensed under the
21 Community College Cannabis Vocational Training Pilot
22 Program, or a person 21 years of age or older.

23 (b) (1) No laboratory shall handle, test, or analyze
24 cannabis unless approved by the Department of Agriculture in
25 accordance with this Section.

1 (2) No laboratory shall be approved to handle, test, or
2 analyze cannabis unless the laboratory:

3 (A) is accredited by a private laboratory accrediting
4 organization;

5 (B) is independent from all other persons involved in
6 the cannabis industry in Illinois and no person with a
7 direct or indirect interest in the laboratory has a direct
8 or indirect financial, management, or other interest in an
9 Illinois cultivation center, craft grower, dispensary,
10 infuser, transporter, certifying physician, or any other
11 entity in the State that may benefit from the production,
12 manufacture, dispensing, sale, purchase, or use of
13 cannabis; and

14 (C) has employed at least one person to oversee and be
15 responsible for the laboratory testing who has earned, from
16 a college or university accredited by a national or
17 regional certifying authority, at least:

18 (i) a master's level degree in chemical or
19 biological sciences and a minimum of 2 years'
20 post-degree laboratory experience; or

21 (ii) a bachelor's degree in chemical or biological
22 sciences and a minimum of 4 years' post-degree
23 laboratory experience.

24 (3) Each independent testing laboratory that claims to be
25 accredited must provide the Department of Agriculture with a
26 copy of the most recent annual inspection report granting

1 accreditation and every annual report thereafter.

2 (c) Immediately before manufacturing or natural processing
3 of any cannabis or cannabis-infused product or packaging
4 cannabis for sale to a dispensary, each batch shall be made
5 available by the cultivation center, craft grower, or infuser
6 for an employee of an approved laboratory to select a random
7 sample, which shall be tested by the approved laboratory for:

8 (1) microbiological contaminants;

9 (2) mycotoxins;

10 (3) pesticide active ingredients;

11 (4) residual solvent; and

12 (5) an active ingredient analysis.

13 (d) The Department of Agriculture may select a random
14 sample that shall, for the purposes of conducting an active
15 ingredient analysis, be tested by the Department of Agriculture
16 for verification of label information.

17 (e) A laboratory shall immediately return or dispose of any
18 cannabis upon the completion of any testing, use, or research.
19 If cannabis is disposed of, it shall be done in compliance with
20 Department of Agriculture rule.

21 (f) If a sample of cannabis does not pass the
22 microbiological, mycotoxin, pesticide chemical residue, or
23 solvent residue test, based on the standards established by the
24 Department of Agriculture, the following shall apply:

25 (1) If the sample failed the pesticide chemical residue
26 test, the entire batch from which the sample was taken

1 shall, if applicable, be recalled as provided by rule.

2 (2) If the sample failed any other test, the batch may
3 be used to make a CO₂-based or solvent based extract. After
4 processing, the CO₂-based or solvent based extract must
5 still pass all required tests.

6 (g) The Department of Agriculture shall establish
7 standards for microbial, mycotoxin, pesticide residue, solvent
8 residue, or other standards for the presence of possible
9 contaminants, in addition to labeling requirements for
10 contents and potency.

11 (h) The laboratory shall file with the Department of
12 Agriculture an electronic copy of each laboratory test result
13 for any batch that does not pass the microbiological,
14 mycotoxin, or pesticide chemical residue test, at the same time
15 that it transmits those results to the cultivation center. In
16 addition, the laboratory shall maintain the laboratory test
17 results for at least 5 years and make them available at the
18 Department of Agriculture's request.

19 (i) A cultivation center, craft grower, and infuser shall
20 provide to a dispensing organization the laboratory test
21 results for each batch of cannabis product purchased by the
22 dispensing organization, if sampled. Each dispensary
23 organization must have those laboratory results available upon
24 request to purchasers.

25 (j) The Department of Agriculture may adopt rules related
26 to testing in furtherance of this Act.

1 ARTICLE 55.

2 GENERAL PROVISIONS

3 Section 55-5. Preparation of cannabis-infused products.

4 (a) The Department of Agriculture may regulate the
5 production of cannabis-infused products by a cultivation
6 center, a craft grower, an infuser organization, or a
7 dispensing organization and establish rules related to
8 refrigeration, hot-holding, and handling of cannabis-infused
9 products. All cannabis-infused products shall meet the
10 packaging and labeling requirements contained in Section
11 55-21.

12 (b) Cannabis-infused products for sale or distribution at a
13 dispensing organization must be prepared by an approved agent
14 of a cultivation center or infuser organization.

15 (c) A cultivation center or infuser organization that
16 prepares cannabis-infused products for sale or distribution by
17 a dispensing organization shall be under the operational
18 supervision of a Department of Public Health certified food
19 service sanitation manager.

20 (d) Dispensing organizations may not manufacture, process,
21 or produce cannabis-infused products.

22 (e) The Department of Public Health shall adopt and enforce
23 rules for the manufacture and processing of cannabis-infused
24 products, and for that purpose it may at all times enter every

1 building, room, basement, enclosure, or premises occupied or
2 used, or suspected of being occupied or used, for the
3 production, preparation, manufacture for sale, storage, sale,
4 processing, distribution, or transportation of
5 cannabis-infused products, and to inspect the premises
6 together with all utensils, fixtures, furniture, and machinery
7 used for the preparation of these products.

8 (f) The Department of Agriculture shall by rule establish a
9 maximum level of THC that may be contained in each serving of
10 cannabis-infused product, and within the product package.

11 (g) If a local public health agency has a reasonable belief
12 that a cannabis-infused product poses a public health hazard,
13 it may refer the cultivation center, craft grower, or infuser
14 that manufactured or processed the cannabis-infused product to
15 the Department of Public Health. If the Department of Public
16 Health finds that a cannabis-infused product poses a health
17 hazard, it may bring an action for immediate injunctive relief
18 to require that action be taken as the court may deem necessary
19 to meet the hazard of the cultivation facility or seek other
20 relief as provided by rule.

21 Section 55-10. Maintenance of inventory. All dispensing
22 organizations authorized to serve both registered qualifying
23 patients and caregivers and purchasers are required to report
24 which cannabis and cannabis-infused products are purchased for
25 sale under the Compassionate Use of Medical Cannabis Pilot

1 Program Act, and which cannabis and cannabis-infused products
2 are purchased under this Act. Nothing in this Section prohibits
3 a registered qualifying patient under the Compassionate Use of
4 Medical Cannabis Pilot Program Act from purchasing cannabis as
5 a purchaser under this Act.

6 Section 55-15. Destruction of cannabis.

7 (a) All cannabis byproduct, scrap, and harvested cannabis
8 not intended for distribution to a dispensing organization must
9 be destroyed and disposed of under rules adopted by the
10 Department of Agriculture under this Act. Documentation of
11 destruction and disposal shall be retained at the cultivation
12 center, craft grower, infuser organization, transporter, or
13 testing facility as applicable for a period of not less than 5
14 years.

15 (b) A cultivation center, craft grower, or infuser
16 organization shall, before destruction, notify the Department
17 of Agriculture and the Department of State Police. A dispensing
18 organization shall, before destruction, notify the Department
19 of Financial and Professional Regulation and the Department of
20 State Police. The Department of Agriculture may by rule require
21 that an employee of the Department of Agriculture or the
22 Department of Financial and Professional Regulation be present
23 during the destruction of any cannabis byproduct, scrap, and
24 harvested cannabis, as applicable.

25 (c) The cultivation center, craft grower, infuser

1 organization, or dispensing organization shall keep a record of
2 the date of destruction and how much was destroyed.

3 (d) A dispensing organization shall destroy all cannabis,
4 including cannabis-infused products, not sold to purchasers.
5 Documentation of destruction and disposal shall be retained at
6 the dispensing organization for a period of not less than 5
7 years.

8 Section 55-20. Advertising and promotions.

9 (a) No cannabis business establishment nor any other person
10 or entity shall engage in advertising that contains any
11 statement or illustration that:

12 (1) is false or misleading;

13 (2) promotes overconsumption of cannabis or cannabis
14 products;

15 (3) depicts the actual consumption of cannabis or
16 cannabis products;

17 (4) depicts a person under 21 years of age consuming
18 cannabis;

19 (5) makes any health, medicinal, or therapeutic claims
20 about cannabis or cannabis-infused products;

21 (6) includes the image of a cannabis leaf or bud; or

22 (7) includes any image designed or likely to appeal to
23 minors, including cartoons, toys, animals, or children, or
24 any other likeness to images, characters, or phrases that
25 is designed in any manner to be appealing to or encourage

1 consumption of persons under 21 years of age.

2 (b) No cannabis business establishment nor any other person
3 or entity shall place or maintain, or cause to be placed or
4 maintained, an advertisement of cannabis or a cannabis-infused
5 product in any form or through any medium:

6 (1) within 1,000 feet of the perimeter of school
7 grounds, a playground, a recreation center or facility, a
8 child care center, a public park or public library, or a
9 game arcade to which admission is not restricted to persons
10 21 years of age or older;

11 (2) on or in a public transit vehicle or public transit
12 shelter;

13 (3) on or in publicly owned or publicly operated
14 property; or

15 (4) that contains information that:

16 (A) is false or misleading;

17 (B) promotes excessive consumption;

18 (C) depicts a person under 21 years of age
19 consuming cannabis;

20 (D) includes the image of a cannabis leaf; or

21 (E) includes any image designed or likely to appeal
22 to minors, including cartoons, toys, animals, or
23 children, or any other likeness to images, characters,
24 or phrases that are popularly used to advertise to
25 children, or any imitation of candy packaging or
26 labeling, or that promotes consumption of cannabis.

1 (c) Subsections (a) and (b) do not apply to an educational
2 message.

3 (d) Sales promotions. No cannabis business establishment
4 nor any other person or entity may encourage the sale of
5 cannabis or cannabis products by giving away cannabis or
6 cannabis products, by conducting games or competitions related
7 to the consumption of cannabis or cannabis products, or by
8 providing promotional materials or activities of a manner or
9 type that would be appealing to children.

10 Section 55-21. Cannabis product packaging and labeling.

11 (a) Each cannabis product produced for sale shall be
12 registered with the Department of Agriculture on forms provided
13 by the Department of Agriculture. Each product registration
14 shall include a label and the required registration fee at the
15 rate established by the Department of Agriculture for a
16 comparable medical cannabis product, or as established by rule.
17 The registration fee is for the name of the product offered for
18 sale and one fee shall be sufficient for all package sizes.

19 (b) All harvested cannabis intended for distribution to a
20 cannabis enterprise must be packaged in a sealed, labeled
21 container.

22 (c) Any product containing cannabis shall be packaged in a
23 sealed, odor-proof, and child-resistant cannabis container
24 consistent with current standards, including the Consumer
25 Product Safety Commission standards referenced by the Poison

1 Prevention Act.

2 (d) All cannabis-infused products shall be individually
3 wrapped or packaged at the original point of preparation. The
4 packaging of the cannabis-infused product shall conform to the
5 labeling requirements of the Illinois Food, Drug and Cosmetic
6 Act, in addition to the other requirements set forth in this
7 Section.

8 (e) Each cannabis product shall be labeled before sale and
9 each label shall be securely affixed to the package and shall
10 state in legible English and any languages required by the
11 Department of Agriculture:

12 (1) The name and post office box of the registered
13 cultivation center or craft grower where the item was
14 manufactured;

15 (2) The common or usual name of the item and the
16 registered name of the cannabis product that was registered
17 with the Department of Agriculture under subsection (a);

18 (3) A unique serial number that will match the product
19 with a cultivation center or craft grower batch and lot
20 number to facilitate any warnings or recalls the Department
21 of Agriculture, cultivation center, or craft grower deems
22 appropriate;

23 (4) The date of final testing and packaging, if
24 sampled, and the identification of the independent testing
25 laboratory;

26 (5) The date of harvest and "use by" date;

1 (6) The quantity (in ounces or grams) of cannabis
2 contained in the product;

3 (7) A pass/fail rating based on the laboratory's
4 microbiological, mycotoxins, and pesticide and solvent
5 residue analyses, if sampled.

6 (8) Content list.

7 (A) A list of the following, including the minimum
8 and maximum percentage content by weight for
9 subdivisions (d) (8) (A) (i) through (iv):

10 (i) delta-9-tetrahydrocannabinol (THC);

11 (ii) tetrahydrocannabinolic acid (THCA);

12 (iii) cannabidiol (CBD);

13 (iv) cannabidiolic acid (CBDA); and

14 (v) all other ingredients of the item,
15 including any colors, artificial flavors, and
16 preservatives, listed in descending order by
17 predominance of weight shown with common or usual
18 names.

19 (B) The acceptable tolerances for the minimum
20 percentage printed on the label for any of subdivisions
21 (d) (8) (A) (i) through (iv) shall not be below 85% or
22 above 115% of the labeled amount;

23 (f) Packaging must not contain information that:

24 (1) is false or misleading;

25 (2) promotes excessive consumption;

26 (3) depicts a person under 21 years of age consuming

1 cannabis;

2 (4) includes the image of a cannabis leaf;

3 (5) includes any image designed or likely to appeal to
4 minors, including cartoons, toys, animals, or children, or
5 any other likeness to images, characters, or phrases that
6 are popularly used to advertise to children, or any
7 packaging or labeling that bears reasonable resemblance to
8 any product available for consumption as a commercially
9 available candy, or that promotes consumption of cannabis;

10 (6) contains any seal, flag, crest, coat of arms, or
11 other insignia likely to mislead the purchaser to believe
12 that the product has been endorsed, made, or used by the
13 State of Illinois or any of its representatives except
14 where authorized by this Act.

15 (g) Cannabis products produced by concentrating or
16 extracting ingredients from the cannabis plant shall contain
17 the following information, where applicable:

18 (1) If solvents were used to create the concentrate or
19 extract, a statement that discloses the type of extraction
20 method, including any solvents or gases used to create the
21 concentrate or extract; and

22 (2) Any other chemicals or compounds used to produce or
23 were added to the concentrate or extract.

24 (h) All cannabis products must contain warning statements
25 established for purchasers, of a size that is legible and
26 readily visible to a consumer inspecting a package, which may

1 not be covered or obscured in any way. The Department of Public
2 Health shall define and update appropriate health warnings for
3 packages including specific labeling or warning requirements
4 for specific cannabis products.

5 (i) Unless modified by rule to strengthen or respond to new
6 evidence and science, the following warnings shall apply to all
7 cannabis products unless modified by rule: "This product
8 contains cannabis and is intended for use by adults 21 and
9 over. Its use can impair cognition and may be habit forming.
10 This product should not be used by pregnant or breastfeeding
11 women. It is unlawful to sell or provide this item to any
12 individual, and it may not be transported outside the State of
13 Illinois. It is illegal to operate a motor vehicle while under
14 the influence of cannabis. Possession or use of this product
15 may carry significant legal penalties in some jurisdictions and
16 under federal law."

17 (j) Warnings for each of the following product types must
18 be present on labels when offered for sale to a purchaser:

19 (1) Cannabis that may be smoked must contain a
20 statement that "Smoking is hazardous to your health."

21 (2) Cannabis-infused products (other than those
22 intended for topical application) must contain a statement
23 "CAUTION: This product contains cannabis, and intoxication
24 following use may be delayed 2 or more hours. This product
25 was produced in a facility that cultivates cannabis, and
26 that may also process common food allergens."

1 (3) Cannabis-infused products intended for topical
2 application must contain a statement "DO NOT EAT" in bold,
3 capital letters.

4 (k) Each cannabis-infused product intended for consumption
5 must be individually packaged, must include the total milligram
6 content of THC and CBD, and may not include more than a total
7 of 100 milligrams of THC per package. A package may contain
8 multiple servings of 10 milligrams of THC, and indicated by
9 scoring, wrapping, or by other indicators designating
10 individual serving sizes. The Department of Agriculture may
11 change the total amount of THC allowed for each package, or the
12 total amount of THC allowed for each serving size, by rule.

13 (1) No individual other than the purchaser may alter or
14 destroy any labeling affixed to the primary packaging of
15 cannabis or cannabis-infused products.

16 (m) For each commercial weighing and measuring device used
17 at a facility, the cultivation center or craft grower must:

18 (1) Ensure that the commercial device is licensed under
19 the Weights and Measures Act and the associated
20 administrative rules (8 Ill. Adm. Code 600);

21 (2) Maintain documentation of the licensure of the
22 commercial device; and

23 (3) Provide a copy of the license of the commercial
24 device to the Department of Agriculture for review upon
25 request.

26 (n) It is the responsibility of the Department to ensure

1 that packaging and labeling requirements, including product
2 warnings, are enforced at all times for products provided to
3 purchasers. Product registration requirements and container
4 requirements may be modified by rule by the Department of
5 Agriculture.

6 (o) Labeling, including warning labels, may be modified by
7 rule by the Department of Agriculture.

8 Section 55-25. Local ordinances. Unless otherwise provided
9 under this Act or otherwise in accordance with State law:

10 (1) A unit of local government, including a home rule
11 unit or any non-home rule county within the unincorporated
12 territory of the county, may enact reasonable zoning
13 ordinances or resolutions, not in conflict with this Act or
14 rules adopted pursuant to this Act, regulating cannabis
15 business establishments. No unit of local government,
16 including a home rule unit or any non-home rule county
17 within the unincorporated territory of the county, may
18 prohibit home cultivation or unreasonably prohibit use of
19 cannabis authorized by this Act.

20 (2) A unit of local government, including a home rule
21 unit or any non-home rule county within the unincorporated
22 territory of the county, may enact ordinances or rules not
23 in conflict with this Act or with rules adopted pursuant to
24 this Act governing the time, place, manner, and number of
25 cannabis business establishment operations, including

1 minimum distance limitations between cannabis business
2 establishments and locations it deems sensitive, including
3 colleges and universities, through the use of conditional
4 use permits. A unit of local government, including a home
5 rule unit, may establish civil penalties for violation of
6 an ordinance or rules governing the time, place, and manner
7 of operation of a cannabis business establishment or a
8 conditional use permit in the jurisdiction of the unit of
9 local government. No unit of local government, including a
10 home rule unit or non-home rule county within an
11 unincorporated territory of the county, may unreasonably
12 restrict the time, place, manner, and number of cannabis
13 business establishment operations authorized by this Act.

14 (3) A unit of local government, including a home rule
15 unit, or any non-home rule county within the unincorporated
16 territory of the county may regulate the on-premises
17 consumption of cannabis at or in a cannabis business
18 establishment within its jurisdiction in a manner
19 consistent with this Act. A cannabis business
20 establishment or other entity authorized or permitted by a
21 unit of local government to allow on-site consumption shall
22 not be deemed a public place within the meaning of the
23 Smoke Free Illinois Act.

24 (4) A unit of local government, including a home rule
25 unit or any non-home rule county within the unincorporated
26 territory of the county, may not regulate the activities

1 described in paragraph (1), (2), or (3) in a manner more
2 restrictive than the regulation of those activities by the
3 State under this Act. This Section is a limitation under
4 subsection (i) of Section 6 of Article VII of the Illinois
5 Constitution on the concurrent exercise by home rule units
6 of powers and functions exercised by the State.

7 (5) A unit of local government, including a home rule
8 unit or any non-home rule county within the unincorporated
9 territory of the county, may enact ordinances to prohibit
10 or significantly limit a cannabis business establishment's
11 location.

12 Section 55-28. Restricted cannabis zones.

13 (a) As used in this Section:

14 "Legal voter" means a person:

15 (1) who is duly registered to vote in a municipality
16 with a population of over 500,000;

17 (2) whose name appears on a poll list compiled by the
18 city board of election commissioners since the last
19 preceding election, regardless of whether the election was
20 a primary, general, or special election;

21 (3) who, at the relevant time, is a resident of the
22 address at which he or she is registered to vote; and

23 (4) whose address, at the relevant time, is located in
24 the precinct where such person seeks to circulate or sign a
25 petition under this Section.

1 As used in the definition of "legal voter", "relevant time"
2 means any time that:

3 (i) a notice of intent is filed, pursuant to subsection
4 (c) of this Section, to initiate the petition process under
5 this Section;

6 (ii) the petition is circulated for signature in the
7 applicable precinct; or

8 (iii) the petition is signed by registered voters in
9 the applicable precinct.

10 "Petition" means the petition described in this Section.

11 "Precinct" means the smallest constituent territory within
12 a municipality with a population of over 500,000 in which
13 electors vote as a unit at the same polling place in any
14 election governed by the Election Code.

15 "Restricted cannabis zone" means a precinct within which
16 home cultivation, one or more types of cannabis business
17 establishments, or both has been prohibited pursuant to an
18 ordinance initiated by a petition under this Section.

19 (b) The legal voters of any precinct within a municipality
20 with a population of over 500,000 may petition their local
21 alderman, using a petition form made available online by the
22 city clerk, to introduce an ordinance establishing the precinct
23 as a restricted zone. Such petition shall specify whether it
24 seeks an ordinance to prohibit, within the precinct: (i) home
25 cultivation; (ii) one or more types of cannabis business
26 establishments; or (iii) home cultivation and one or more types

1 of cannabis business establishments.

2 Upon receiving a petition containing the signatures of at
3 least 25% of the registered voters of the precinct, and
4 concluding that the petition is legally sufficient following
5 the posting and review process in subsection (c) of this
6 Section, the city clerk shall notify the local alderman of the
7 ward in which the precinct is located. Upon being notified,
8 that alderman, following an assessment of relevant factors
9 within the precinct, including but not limited to, its
10 geography, density and character, the prevalence of
11 residentially zoned property, current licensed cannabis
12 business establishments in the precinct, the current amount of
13 home cultivation in the precinct, and the prevailing viewpoint
14 with regard to the issue raised in the petition, may introduce
15 an ordinance to the municipality's governing body creating a
16 restricted cannabis zone in that precinct.

17 (c) A person seeking to initiate the petition process
18 described in this Section shall first submit to the city clerk
19 notice of intent to do so, on a form made available online by
20 the city clerk. That notice shall include a description of the
21 potentially affected area and the scope of the restriction
22 sought. The city clerk shall publicly post the submitted notice
23 online.

24 To be legally sufficient, a petition must contain the
25 requisite number of valid signatures and all such signatures
26 must be obtained within 90 days of the date that the city clerk

1 publicly posts the notice of intent. Upon receipt, the city
2 clerk shall post the petition on the municipality's website for
3 a 30-day comment period. The city clerk is authorized to take
4 all necessary and appropriate steps to verify the legal
5 sufficiency of a submitted petition. Following the petition
6 review and comment period, the city clerk shall publicly post
7 online the status of the petition as accepted or rejected, and
8 if rejected, the reasons therefor. If the city clerk rejects a
9 petition as legally insufficient, a minimum of 12 months must
10 elapse from the time the city clerk posts the rejection notice
11 before a new notice of intent for that same precinct may be
12 submitted.

13 (d) Notwithstanding any law to the contrary, the
14 municipality may enact an ordinance creating a restricted
15 cannabis zone. The ordinance shall:

16 (1) identify the applicable precinct boundaries as of
17 the date of the petition;

18 (2) state whether the ordinance prohibits within the
19 defined boundaries of the precinct, and in what
20 combination: (A) one or more types of cannabis business
21 establishments; or (B) home cultivation;

22 (3) be in effect for 4 years, unless repealed earlier;
23 and

24 (4) once in effect, be subject to renewal by ordinance
25 at the expiration of the 4-year period without the need for
26 another supporting petition.

1 Section 55-30. Confidentiality.

2 (a) Information provided by the cannabis business
3 establishment licensees or applicants to the Department of
4 Agriculture, the Department of Public Health, the Department of
5 Financial and Professional Regulation, the Department of
6 Commerce and Economic Opportunity, or other agency shall be
7 limited to information necessary for the purposes of
8 administering this Act. The information is subject to the
9 provisions and limitations contained in the Freedom of
10 Information Act and may be disclosed in accordance with Section
11 55-65.

12 (b) The following information received and records kept by
13 the Department of Agriculture, the Department of Public Health,
14 the Department of State Police, and the Department of Financial
15 and Professional Regulation for purposes of administering this
16 Article are subject to all applicable federal privacy laws, are
17 confidential and exempt from disclosure under the Freedom of
18 Information Act, except as provided in this Act, and not
19 subject to disclosure to any individual or public or private
20 entity, except to the Department of Financial and Professional
21 Regulation, the Department of Agriculture, the Department of
22 Public Health, and the Department of State Police as necessary
23 to perform official duties under this Article. The following
24 information received and kept by the Department of Financial
25 and Professional Regulation or the Department of Agriculture,

1 excluding any existing or non-existing Illinois or national
2 criminal history record information, may be disclosed to the
3 Department of Public Health, the Department of Agriculture, the
4 Department of Revenue, or the Department of State Police upon
5 request:

6 (1) Applications and renewals, their contents, and
7 supporting information submitted by or on behalf of
8 dispensing organizations in compliance with this Article,
9 including their physical addresses;

10 (2) Any plans, procedures, policies, or other records
11 relating to dispensing organization security;

12 (3) Information otherwise exempt from disclosure by
13 State or federal law.

14 (c) The name and address of a dispensing organization
15 licensed under this Act shall be subject to disclosure under
16 the Freedom of Information Act. The name and cannabis business
17 establishment address of the person or entity holding each
18 cannabis business establishment license shall be subject to
19 disclosure.

20 (d) All information collected by the Department of
21 Financial and Professional Regulation in the course of an
22 examination, inspection, or investigation of a licensee or
23 applicant, including, but not limited to, any complaint against
24 a licensee or applicant filed with the Department and
25 information collected to investigate any such complaint, shall
26 be maintained for the confidential use of the Department and

1 shall not be disclosed, except as otherwise provided in the
2 Act. A formal complaint against a licensee by the Department or
3 any disciplinary order issued by the Department against a
4 licensee or applicant shall be a public record, except as
5 otherwise prohibited by law, as required by law, or as
6 necessary to enforce the provisions of this Act. Complaints
7 from consumers or members of the general public received
8 regarding a specific, named licensee or complaints regarding
9 conduct by unlicensed entities shall be subject to disclosure
10 under the Freedom of Information Act

11 (e) The Department of Agriculture, the Department of State
12 Police, and the Department of Financial and Professional
13 Regulation shall not share or disclose any existing or
14 non-existing Illinois or national criminal history record
15 information to any person or entity not expressly authorized by
16 this Act. As used in this Section, "any existing or
17 non-existing Illinois or national criminal history record
18 information" means any Illinois or national criminal history
19 record information, including but not limited to the lack of or
20 non-existence of these records.

21 (f) Each Department responsible for licensure under this
22 Act shall publish on the Department's website a list of the
23 ownership information of cannabis business establishment
24 licensees under the Department's jurisdiction. The list shall
25 include, but is not limited to: the name of the person or
26 entity holding each cannabis business establishment license;

1 and the address at which the entity is operating under this
2 Act. This list shall be published and updated monthly.

3 Section 55-35. Administrative rulemaking.

4 (a) No later than 180 days after the effective date of this
5 Act, the Department of Agriculture, the Department of State
6 Police, the Department of Financial and Professional
7 Regulation, the Department of Revenue, the Department of
8 Commerce and Economic Opportunity, and the Treasurer's Office
9 shall adopt permanent rules in accordance with their
10 responsibilities under this Act. The Department of
11 Agriculture, the Department of State Police, the Department of
12 Financial and Professional Regulation, the Department of
13 Revenue, and the Department of Commerce and Economic
14 Opportunity may adopt rules necessary to regulate personal
15 cannabis use through the use of emergency rulemaking in
16 accordance with subsection (gg) of Section 5-45 of the Illinois
17 Administrative Procedure Act. The General Assembly finds that
18 the adoption of rules to regulate cannabis use is deemed an
19 emergency and necessary for the public interest, safety, and
20 welfare.

21 (b) The Department of Agriculture rules may address, but
22 are not limited to, the following matters related to
23 cultivation centers, craft growers, infuser organizations, and
24 transporting organizations with the goal of protecting against
25 diversion and theft, without imposing an undue burden on the

1 cultivation centers, craft growers, infuser organizations, or
2 transporting organizations:

3 (1) oversight requirements for cultivation centers,
4 craft growers, infuser organizations, and transporting
5 organizations;

6 (2) recordkeeping requirements for cultivation
7 centers, craft growers, infuser organizations, and
8 transporting organizations;

9 (3) security requirements for cultivation centers,
10 craft growers, infuser organizations, and transporting
11 organizations, which shall include that each cultivation
12 center, craft grower, infuser organization, and
13 transporting organization location must be protected by a
14 fully operational security alarm system;

15 (4) standards for enclosed, locked facilities under
16 this Act;

17 (5) procedures for suspending or revoking the
18 identification cards of agents of cultivation centers,
19 craft growers, infuser organizations, and transporting
20 organizations that commit violations of this Act or the
21 rules adopted under this Section;

22 (6) rules concerning the intrastate transportation of
23 cannabis from a cultivation center, craft grower, infuser
24 organization, and transporting organization to a
25 dispensing organization;

26 (7) standards concerning the testing, quality,

1 cultivation, and processing of cannabis; and

2 (8) any other matters under oversight by the Department
3 of Agriculture as are necessary for the fair, impartial,
4 stringent, and comprehensive administration of this Act.

5 (c) The Department of Financial and Professional
6 Regulation rules may address, but are not limited to, the
7 following matters related to dispensing organizations, with
8 the goal of protecting against diversion and theft, without
9 imposing an undue burden on the dispensing organizations:

10 (1) oversight requirements for dispensing
11 organizations;

12 (2) recordkeeping requirements for dispensing
13 organizations;

14 (3) security requirements for dispensing
15 organizations, which shall include that each dispensing
16 organization location must be protected by a fully
17 operational security alarm system;

18 (4) procedures for suspending or revoking the licenses
19 of dispensing organization agents that commit violations
20 of this Act or the rules adopted under this Act;

21 (5) any other matters under oversight by the Department
22 of Financial and Professional Regulation that are
23 necessary for the fair, impartial, stringent, and
24 comprehensive administration of this Act.

25 (d) The Department of Revenue rules may address, but are
26 not limited to, the following matters related to the payment of

1 taxes by cannabis business establishments:

2 (1) recording of sales;

3 (2) documentation of taxable income and expenses;

4 (3) transfer of funds for the payment of taxes; or

5 (4) any other matter under the oversight of the
6 Department of Revenue.

7 (e) The Department of Commerce and Economic Opportunity
8 rules may address, but are not limited to, a loan program or
9 grant program to assist Social Equity Applicants access the
10 capital needed to start a cannabis business establishment. The
11 names of recipients and the amounts of any moneys received
12 through a loan program or grant program shall be a public
13 record.

14 (f) The Department of State Police rules may address
15 enforcement of its authority under this Act. The Department of
16 State Police shall not make rules that infringe on the
17 exclusive authority of the Department of Financial and
18 Professional Regulation or the Department of Agriculture over
19 licensees under this Act.

20 (g) The Department of Public Health shall develop and
21 disseminate:

22 (1) educational information about the health risks
23 associated with the use of cannabis; and

24 (2) one or more public education campaigns in
25 coordination with local health departments and community
26 organizations, including one or more prevention campaigns

1 directed at children, adolescents, parents, and pregnant
2 or breastfeeding women, to inform them of the potential
3 health risks associated with intentional or unintentional
4 cannabis use.

5 Section 55-40. Enforcement.

6 (a) If the Department of Agriculture, Department of State
7 Police, Department of Financial and Professional Regulation,
8 Department of Commerce and Economic Opportunity, or Department
9 of Revenue fails to adopt rules to implement this Act within
10 the times provided in this Act, any citizen may commence a
11 mandamus action in the circuit court to compel the agencies to
12 perform the actions mandated under Section 55-35.

13 (b) If the Department of Agriculture or the Department of
14 Financial and Professional Regulation fails to issue a valid
15 agent identification card in response to a valid initial
16 application or renewal application submitted under this Act or
17 fails to issue a verbal or written notice of denial of the
18 application within 30 days of its submission, the agent
19 identification card is deemed granted and a copy of the agent
20 identification initial application or renewal application
21 shall be deemed a valid agent identification card.

22 (c) Authorized employees of State or local law enforcement
23 agencies shall immediately notify the Department of
24 Agriculture and the Department of Financial and Professional
25 Regulation when any person in possession of an agent

1 identification card has been convicted of or pled guilty to
2 violating this Act.

3 Section 55-45. Administrative hearings.

4 (a) Administrative hearings related to the duties and
5 responsibilities assigned to the Department of Public Health
6 shall be conducted under the Department of Public Health's
7 rules governing administrative hearings.

8 (b) Administrative hearings related to the duties and
9 responsibilities assigned to the Department of Financial and
10 Professional Regulation and dispensing organization agents
11 shall be conducted under the Department of Financial and
12 Professional Regulation's rules governing administrative
13 hearings.

14 (c) Administrative hearings related to the duties and
15 responsibilities assigned to the Department of Agriculture,
16 cultivation centers, or cultivation center agents shall be
17 conducted under the Department of Agriculture's rules
18 governing administrative hearings.

19 Section 55-50. Petition for rehearing. Within 20 days after
20 the service of any order or decision of the Department of
21 Public Health, the Department of Agriculture, the Department of
22 Financial and Professional Regulation, or the Department of
23 State Police upon any party to the proceeding, the party may
24 apply for a rehearing in respect to any matters determined by

1 them under this Act, except for decisions made under the
2 Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser
3 Excise Tax Law, the County Cannabis Retailers' Occupation Tax
4 Law, and the Municipal Cannabis Retailers' Occupation Tax Law,
5 which shall be governed by the provisions of those Laws. If a
6 rehearing is granted, an agency shall hold the rehearing and
7 render a decision within 30 days from the filing of the
8 application for rehearing with the agency. The time for holding
9 such rehearing and rendering a decision may be extended for a
10 period not to exceed 30 days, for good cause shown, and by
11 notice in writing to all parties of interest. If an agency
12 fails to act on the application for rehearing within 30 days,
13 or the date the time for rendering a decision was extended for
14 good cause shown, the order or decision of the agency is final.
15 No action for the judicial review of any order or decision of
16 an agency shall be allowed unless the party commencing such
17 action has first filed an application for a rehearing and the
18 agency has acted or failed to act upon the application. Only
19 one rehearing may be granted by an agency on application of any
20 one party.

21 Section 55-55. Review of administrative decisions. All
22 final administrative decisions of the Department of Public
23 Health, the Department of Agriculture, the Department of
24 Financial and Professional Regulation, and the Department of
25 State Police are subject to judicial review under the

1 Administrative Review Law and the rules adopted under that Law.
2 The term "administrative decision" is defined as in Section
3 3-101 of the Code of Civil Procedure.

4 Section 55-60. Suspension or revocation of a license.

5 (a) The Department of Financial and Professional
6 Regulation or the Department of Agriculture may suspend or
7 revoke a license for a violation of this Act or a rule adopted
8 in accordance with this Act by the Department of Agriculture
9 and the Department of Financial and Professional Regulation.

10 (b) The Department of Agriculture and the Department of
11 Financial and Professional Regulation may suspend or revoke an
12 agent identification card for a violation of this Act or a rule
13 adopted in accordance with this Act.

14 Section 55-65. Financial institutions.

15 (a) A financial institution that provides financial
16 services customarily provided by financial institutions to a
17 cannabis business establishment authorized under this Act or
18 the Compassionate Use of Medical Cannabis Pilot Program Act, or
19 to a person that is affiliated with such cannabis business
20 establishment, is exempt from any criminal law of this State as
21 it relates to cannabis-related conduct authorized under State
22 law.

23 (b) Upon request of a financial institution, a cannabis
24 business establishment or proposed cannabis business

1 establishment may provide to the financial institution the
2 following information:

3 (1) Whether a cannabis business establishment with
4 which the financial institution is doing or is considering
5 doing business holds a license under this Act or the
6 Compassionate Use of Medical Cannabis Pilot Program Act;

7 (2) The name of any other business or individual
8 affiliate with the cannabis business establishment;

9 (3) A copy of the application, and any supporting
10 documentation submitted with the application, for a
11 license or a permit submitted on behalf of the proposed
12 cannabis business establishment;

13 (4) If applicable, data relating to sales and the
14 volume of product sold by the cannabis business
15 establishment;

16 (5) Any past or pending violation by the person of this
17 Act, the Compassionate Use of Medical Cannabis Pilot
18 Program Act, or the rules adopted under these Acts where
19 applicable; and

20 (6) Any penalty imposed upon the person for violating
21 this Act, the Compassionate Use of Medical Cannabis Pilot
22 Program Act, or the rules adopted under these Acts.

23 (c) (Blank).

24 (d) (Blank).

25 (e) Information received by a financial institution under
26 this Section is confidential. Except as otherwise required or

1 permitted by this Act, State law or rule, or federal law or
2 regulation, a financial institution may not make the
3 information available to any person other than:

4 (1) the customer to whom the information applies;

5 (2) a trustee, conservator, guardian, personal
6 representative, or agent of the customer to whom the
7 information applies; a federal or State regulator when
8 requested in connection with an examination of the
9 financial institution or if otherwise necessary for
10 complying with federal or State law;

11 (3) a federal or State regulator when requested in
12 connection with an examination of the financial
13 institution or if otherwise necessary for complying with
14 federal or State law; and

15 (4) a third party performing services for the financial
16 institution, provided the third party is performing such
17 services under a written agreement that expressly or by
18 operation of law prohibits the third party's sharing and
19 use of such confidential information for any purpose other
20 than as provided in its agreement to provide services to
21 the financial institution.

22 Section 55-75. Contracts enforceable. It is the public
23 policy of this State that contracts related to the operation of
24 a lawful cannabis business establishment under this Act are
25 enforceable. It is the public policy of this State that no

1 contract entered into by a lawful cannabis business
2 establishment or its agents on behalf of a cannabis business
3 establishment, or by those who allow property to be used by a
4 cannabis business establishment, shall be unenforceable on the
5 basis that cultivating, obtaining, manufacturing, processing,
6 distributing, dispensing, transporting, selling, possessing,
7 or using cannabis or hemp is prohibited by federal law.

8 Section 55-80. Annual reports.

9 (a) The Department of Financial and Professional
10 Regulation shall submit to the General Assembly and Governor a
11 report, by September 30 of each year, that does not disclose
12 any information identifying information about cultivation
13 centers, craft growers, infuser organizations, transporting
14 organizations, or dispensing organizations, but does contain,
15 at a minimum, all of the following information for the previous
16 fiscal year:

17 (1) The number of licenses issued to dispensing
18 organizations by county, or, in counties with greater than
19 3,000,000 residents, by zip code;

20 (2) The total number of dispensing organization owners
21 that are Social Equity Applicants or minority persons,
22 women, or persons with disabilities as those terms are
23 defined in the Business Enterprise for Minorities, Women,
24 and Persons with Disabilities Act;

25 (3) The total number of revenues received from

1 dispensing organizations, segregated from revenues
2 received from dispensing organizations under the
3 Compassionate Use of Medical Cannabis Pilot Program Act by
4 county, separated by source of revenue;

5 (4) The total amount of revenue received from
6 dispensing organizations that share a premises or majority
7 ownership with a craft grower;

8 (5) The total amount of revenue received from
9 dispensing organizations that share a premises or majority
10 ownership with an infuser; and

11 (6) An analysis of revenue generated from taxation,
12 licensing, and other fees for the State, including
13 recommendations to change the tax rate applied.

14 (b) The Department of Agriculture shall submit to the
15 General Assembly and Governor a report, by September 30 of each
16 year, that does not disclose any information identifying
17 information about cultivation centers, craft growers, infuser
18 organizations, transporting organizations, or dispensing
19 organizations, but does contain, at a minimum, all of the
20 following information for the previous fiscal year:

21 (1) The number of licenses issued to cultivation
22 centers, craft growers, infusers, and transporters by
23 license type, and, in counties with more than 3,000,000
24 residents, by zip code;

25 (2) The total number of cultivation centers, craft
26 growers, infusers, and transporters by license type that

1 are Social Equity Applicants or minority persons, women, or
2 persons with disabilities as those terms are defined in the
3 Business Enterprise for Minorities, Women, and Persons
4 with Disabilities Act;

5 (3) The total amount of revenue received from
6 cultivation centers, craft growers, infusers, and
7 transporters, separated by license types and source of
8 revenue;

9 (4) The total amount of revenue received from craft
10 growers and infusers that share a premises or majority
11 ownership with a dispensing organization;

12 (5) The total amount of revenue received from craft
13 growers that share a premises or majority ownership with an
14 infuser, but do not share a premises or ownership with a
15 dispensary;

16 (6) The total amount of revenue received from infusers
17 that share a premises or majority ownership with a craft
18 grower, but do not share a premises or ownership with a
19 dispensary;

20 (7) The total amount of revenue received from craft
21 growers that share a premises or majority ownership with a
22 dispensing organization, but do not share a premises or
23 ownership with an infuser;

24 (8) The total amount of revenue received from infusers
25 that share a premises or majority ownership with a
26 dispensing organization, but do not share a premises or

1 ownership with a craft grower;

2 (9) The total amount of revenue received from
3 transporters; and

4 (10) An analysis of revenue generated from taxation,
5 licensing, and other fees for the State, including
6 recommendations to change the tax rate applied.

7 (c) The Department of State Police shall submit to the
8 General Assembly and Governor a report, by September 30 of each
9 year that contains, at a minimum, all of the following
10 information for the previous fiscal year:

11 (1) The effect of regulation and taxation of cannabis
12 on law enforcement resources;

13 (2) The impact of regulation and taxation of cannabis
14 on highway safety and rates of impaired driving, where
15 impairment was determined based on failure of a field
16 sobriety test;

17 (3) The available and emerging methods for detecting
18 the metabolites for delta-9-tetrahydrocannabinol in bodily
19 fluids, including, without limitation, blood and saliva;

20 (4) The effectiveness of current DUI laws and
21 recommendations for improvements to policy to better
22 ensure safe highways and fair laws.

23 (d) The Adult Use Cannabis Health Advisory Committee shall
24 submit to the General Assembly and Governor a report, by
25 September 30 of each year, that does not disclose any
26 identifying information about any individuals, but does

1 contain, at a minimum:

2 (1) Self-reported youth cannabis use, as published in
3 the most recent Illinois Youth Survey available;

4 (2) Self-reported adult cannabis use, as published in
5 the most recent Behavioral Risk Factor Surveillance Survey
6 available;

7 (3) Hospital room admissions and hospital utilization
8 rates caused by cannabis consumption, including the
9 presence or detection of other drugs;

10 (4) Overdoses of cannabis and poison control data,
11 including the presence of other drugs that may have
12 contributed;

13 (5) Incidents of impaired driving caused by the
14 consumption of cannabis or cannabis products, including
15 the presence of other drugs or alcohol that may have
16 contributed to the impaired driving;

17 (6) Prevalence of infants born testing positive for
18 cannabis or delta-9-tetrahydrocannabinol, including
19 demographic and racial information on which infants are
20 tested;

21 (7) Public perceptions of use and risk of harm;

22 (8) Revenue collected from cannabis taxation and how
23 that revenue was used;

24 (9) Cannabis retail licenses granted and locations;

25 (10) Cannabis-related arrests; and

26 (11) The number of individuals completing required bud

1 tender training.

2 (e) Each agency or committee submitting reports under this
3 Section may consult with one another in the preparation of each
4 report.

5 Section 55-85. Medical cannabis.

6 (a) Nothing in this Act shall be construed to limit any
7 privileges or rights of a medical cannabis patient including
8 minor patients, primary caregiver, medical cannabis
9 cultivation center, or medical cannabis dispensing
10 organization under the Compassionate Use of Medical Cannabis
11 Pilot Program Act, and where there is conflict between this Act
12 and the Compassionate Use of Medical Cannabis Pilot Program Act
13 as they relate to medical cannabis patients, the Compassionate
14 Use of Medical Cannabis Pilot Program Act shall prevail.

15 (b) Dispensary locations that obtain an Early Approval
16 Adult Use Dispensary Organization License or an Adult Use
17 Dispensary Organization License in accordance with this Act at
18 the same location as a medical cannabis dispensing organization
19 registered under the Compassionate Use of Medical Cannabis
20 Pilot Program Act shall maintain an inventory of medical
21 cannabis and medical cannabis products on a monthly basis that
22 is substantially similar in variety and quantity to the
23 products offered at the dispensary during the 6-month period
24 immediately before the effective date of this Act.

25 (c) Beginning June 30, 2020, the Department of Agriculture

1 shall make a quarterly determination whether inventory
2 requirements established for dispensaries in subsection (b)
3 should be adjusted due to changing patient need.

4 Section 55-90. Home rule preemption. Except as otherwise
5 provided in this Act, the regulation and licensing of the
6 activities described in this Act are exclusive powers and
7 functions of the State. Except as otherwise provided in this
8 Act, a unit of local government, including a home rule unit,
9 may not regulate or license the activities described in this
10 Act. This Section is a denial and limitation of home rule
11 powers and functions under subsection (h) of Section 6 of
12 Article VII of the Illinois Constitution.

13 Section 55-95. Conflict of interest. A person is ineligible
14 to apply for, hold, or own financial or voting interest in any
15 cannabis business license under this Act if, within a 2-year
16 period from the effective date of this Act, the person or his
17 or her spouse or immediately family member was a member of the
18 General Assembly or a State employee at an agency that
19 regulates cannabis business establishment license holders who
20 participated personally and substantially in the award of
21 licenses under this Act. A person who violates this Section
22 shall be guilty under subsection (b) of Section 50-5 of the
23 State Officials and Employees Ethics Act.

1 ARTICLE 60.

2 CANNABIS CULTIVATION PRIVILEGE TAX

3 Section 60-1. Short title. This Article may be referred to
4 as the Cannabis Cultivation Privilege Tax Law.

5 Section 60-5. Definitions. In this Article:

6 "Cannabis" has the meaning given to that term in Article 1
7 of this Act, except that it does not include cannabis that is
8 subject to tax under the Compassionate Use of Medical Cannabis
9 Pilot Program Act.

10 "Craft grower" has the meaning given to that term in
11 Article 1 of this Act.

12 "Cultivation center" has the meaning given to that term in
13 Article 1 of this Act.

14 "Cultivator" or "taxpayer" means a cultivation center or
15 craft grower who is subject to tax under this Article.

16 "Department" means the Department of Revenue.

17 "Director" means the Director of Revenue.

18 "Dispensing organization" or "dispensary" has the meaning
19 given to that term in Article 1 of this Act.

20 "Gross receipts" from the sales of cannabis by a cultivator
21 means the total selling price or the amount of such sales, as
22 defined in this Article. In the case of charges and time sales,
23 the amount thereof shall be included only when payments are
24 received by the cultivator.

1 "Person" means a natural individual, firm, partnership,
2 association, joint stock company, joint adventure, public or
3 private corporation, limited liability company, or a receiver,
4 executor, trustee, guardian, or other representative appointed
5 by order of any court.

6 "Infuser" means "infuser organization" or "infuser" as
7 defined in Article 1 of this Act.

8 "Selling price" or "amount of sale" means the consideration
9 for a sale valued in money whether received in money or
10 otherwise, including cash, credits, property, and services,
11 and shall be determined without any deduction on account of the
12 cost of the property sold, the cost of materials used, labor or
13 service cost, or any other expense whatsoever, but does not
14 include separately stated charges identified on the invoice by
15 cultivators to reimburse themselves for their tax liability
16 under this Article.

17 Section 60-10. Tax imposed.

18 (a) Beginning September 1, 2019, a tax is imposed upon the
19 privilege of cultivating cannabis at the rate of 7% of the
20 gross receipts from the first sale of cannabis by a cultivator.
21 The sale of any product that contains any amount of cannabis or
22 any derivative thereof is subject to the tax under this Section
23 on the full selling price of the product. The Department may
24 determine the selling price of the cannabis when the seller and
25 purchaser are affiliated persons, when the sale and purchase of

1 cannabis is not an arm's length transaction, or when cannabis
2 is transferred by a craft grower to the craft grower's
3 dispensing organization or infuser or processing organization
4 and a value is not established for the cannabis. The value
5 determined by the Department shall be commensurate with the
6 actual price received for products of like quality, character,
7 and use in the area. If there are no sales of cannabis of like
8 quality, character, and use in the same area, then the
9 Department shall establish a reasonable value based on sales of
10 products of like quality, character, and use in other areas of
11 the State, taking into consideration any other relevant
12 factors.

13 (b) The Cannabis Cultivation Privilege Tax imposed under
14 this Article is solely the responsibility of the cultivator who
15 makes the first sale and is not the responsibility of a
16 subsequent purchaser, a dispensing organization, or an
17 infuser. Persons subject to the tax imposed under this Article
18 may, however, reimburse themselves for their tax liability
19 hereunder by separately stating reimbursement for their tax
20 liability as an additional charge.

21 (c) The tax imposed under this Article shall be in addition
22 to all other occupation, privilege, or excise taxes imposed by
23 the State of Illinois or by any unit of local government.

24 Section 60-15. Registration of cultivators. Every
25 cultivator and craft grower subject to the tax under this

1 Article shall apply to the Department of Revenue for a
2 certificate of registration under this Article. All
3 applications for registration under this Article shall be made
4 by electronic means in the form and manner required by the
5 Department. For that purpose, the provisions of Section 2a of
6 the Retailers' Occupation Tax Act are incorporated into this
7 Article to the extent not inconsistent with this Article. In
8 addition, no certificate of registration shall be issued under
9 this Article unless the applicant is licensed under this Act.

10 Section 60-20. Return and payment of cannabis cultivation
11 privilege tax. Each person who is required to pay the tax
12 imposed by this Article shall make a return to the Department
13 on or before the 20th day of each month for the preceding
14 calendar month stating the following:

- 15 (1) the taxpayer's name;
- 16 (2) the address of the taxpayer's principal place of
17 business and the address of the principal place of business
18 (if that is a different address) from which the taxpayer is
19 engaged in the business of cultivating cannabis subject to
20 tax under this Article;
- 21 (3) the total amount of receipts received by the
22 taxpayer during the preceding calendar month from sales of
23 cannabis subject to tax under this Article by the taxpayer
24 during the preceding calendar month;
- 25 (4) the total amount received by the taxpayer during

1 the preceding calendar month on charge and time sales of
2 cannabis subject to tax imposed under this Article by the
3 taxpayer before the month for which the return is filed;

4 (5) deductions allowed by law;

5 (6) gross receipts that were received by the taxpayer
6 during the preceding calendar month and upon the basis of
7 which the tax is imposed;

8 (7) the amount of tax due;

9 (8) the signature of the taxpayer; and

10 (9) any other information as the Department may
11 reasonably require.

12 All returns required to be filed and payments required to
13 be made under this Article shall be by electronic means.
14 Taxpayers who demonstrate hardship in paying electronically
15 may petition the Department to waive the electronic payment
16 requirement. The Department may require a separate return for
17 the tax under this Article or combine the return for the tax
18 under this Article with the return for the tax under the
19 Compassionate Use of Medical Cannabis Pilot Program Act. If the
20 return for the tax under this Article is combined with the
21 return for tax under the Compassionate Use of Medical Cannabis
22 Pilot Program Act, then the vendor's discount allowed under
23 this Section and any cap on that discount shall apply to the
24 combined return. The taxpayer making the return provided for in
25 this Section shall also pay to the Department, in accordance
26 with this Section, the amount of tax imposed by this Article,

1 less a discount of 1.75%, but not to exceed \$1,000 per return
2 period, which is allowed to reimburse the taxpayer for the
3 expenses incurred in keeping records, collecting tax,
4 preparing and filing returns, remitting the tax, and supplying
5 data to the Department upon request. No discount may be claimed
6 by a taxpayer on returns not timely filed and for taxes not
7 timely remitted. No discount may be claimed by a taxpayer for
8 any return that is not filed electronically. No discount may be
9 claimed by a taxpayer for any payment that is not made
10 electronically, unless a waiver has been granted under this
11 Section. Any amount that is required to be shown or reported on
12 any return or other document under this Article shall, if the
13 amount is not a whole-dollar amount, be increased to the
14 nearest whole-dollar amount if the fractional part of a dollar
15 is \$0.50 or more and decreased to the nearest whole-dollar
16 amount if the fractional part of a dollar is less than \$0.50.
17 If a total amount of less than \$1 is payable, refundable, or
18 creditable, the amount shall be disregarded if it is less than
19 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.
20 Notwithstanding any other provision of this Article concerning
21 the time within which a taxpayer may file a return, any such
22 taxpayer who ceases to engage in the kind of business that
23 makes the person responsible for filing returns under this
24 Article shall file a final return under this Article with the
25 Department within one month after discontinuing such business.

26 Each taxpayer under this Article shall make estimated

1 payments to the Department on or before the 7th, 15th, 22nd,
2 and last day of the month during which tax liability to the
3 Department is incurred. The payments shall be in an amount not
4 less than the lower of either 22.5% of the taxpayer's actual
5 tax liability for the month or 25% of the taxpayer's actual tax
6 liability for the same calendar month of the preceding year.
7 The amount of the quarter-monthly payments shall be credited
8 against the final tax liability of the taxpayer's return for
9 that month. If any quarter-monthly payment is not paid at the
10 time or in the amount required by this Section, then the
11 taxpayer shall be liable for penalties and interest on the
12 difference between the minimum amount due as a payment and the
13 amount of the quarter-monthly payment actually and timely paid,
14 except insofar as the taxpayer has previously made payments for
15 that month to the Department in excess of the minimum payments
16 previously due as provided in this Section.

17 If any payment provided for in this Section exceeds the
18 taxpayer's liabilities under this Article, as shown on an
19 original monthly return, the Department shall, if requested by
20 the taxpayer, issue to the taxpayer a credit memorandum no
21 later than 30 days after the date of payment. The credit
22 evidenced by the credit memorandum may be assigned by the
23 taxpayer to a similar taxpayer under this Act, in accordance
24 with reasonable rules to be prescribed by the Department. If no
25 such request is made, the taxpayer may credit the excess
26 payment against tax liability subsequently to be remitted to

1 the Department under this Act, in accordance with reasonable
2 rules prescribed by the Department. If the Department
3 subsequently determines that all or any part of the credit
4 taken was not actually due to the taxpayer, the taxpayer's
5 discount shall be reduced, if necessary, to reflect the
6 difference between the credit taken and that actually due, and
7 that taxpayer shall be liable for penalties and interest on the
8 difference.

9 If a taxpayer fails to sign a return within 30 days after
10 the proper notice and demand for signature by the Department is
11 received by the taxpayer, the return shall be considered valid
12 and any amount shown to be due on the return shall be deemed
13 assessed.

14 Section 60-25. Infuser information returns. If it is deemed
15 necessary for the administration of this Article, the
16 Department may adopt rules that require infusers to file
17 information returns regarding the sale of cannabis by infusers
18 to dispensaries. The Department may require infusers to file
19 all information returns by electronic means.

20 Section 60-30. Deposit of proceeds. All moneys received by
21 the Department under this Article shall be deposited into the
22 Cannabis Regulation Fund.

23 Section 60-35. Department administration and enforcement.

1 The Department shall have full power to administer and enforce
2 this Article, to collect all taxes, penalties, and interest due
3 hereunder, to dispose of taxes, penalties and interest so
4 collected in the manner hereinafter provided, and to determine
5 all rights to credit memoranda, arising on account of the
6 erroneous payment of tax, penalty, or interest hereunder. In
7 the administration of, and compliance with, this Article, the
8 Department and persons who are subject to this Article shall
9 have the same rights, remedies, privileges, immunities,
10 powers, and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties, and definitions of
12 terms, and employ the same modes of procedure, as are
13 prescribed in Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c,
14 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a,
15 12, and 13 of the Retailers' Occupation Tax Act and all of the
16 provisions of the Uniform Penalty and Interest Act, which are
17 not inconsistent with this Article, as fully as if those
18 provisions were set forth herein. For purposes of this Section,
19 references in the Retailers' Occupation Tax Act to a "sale of
20 tangible personal property at retail" mean the "sale of
21 cannabis by a cultivator".

22 Section 60-40. Invoices. Every sales invoice for cannabis
23 issued by a cultivator to a cannabis business establishment
24 shall contain the cultivator's certificate of registration
25 number assigned under this Article, date, invoice number,

1 purchaser's name and address, selling price, amount of
2 cannabis, concentrate, or cannabis-infused product, and any
3 other reasonable information as the Department may provide by
4 rule is necessary for the administration of this Article.
5 Cultivators shall retain the invoices for inspection by the
6 Department.

7 Section 60-45. Rules. The Department may adopt rules
8 related to the enforcement of this Article.

9 ARTICLE 65.

10 CANNABIS PURCHASER EXCISE TAX

11 Section 65-1. Short title. This Article may be referred to
12 as the Cannabis Purchaser Excise Tax Law.

13 Section 65-5. Definitions. In this Article:

14 "Adjusted delta-9-tetrahydrocannabinol level" means, for a
15 delta-9-tetrahydrocannabinol dominant product, the sum of the
16 percentage of delta-9-tetrahydrocannabinol plus .877
17 multiplied by the percentage of tetrahydrocannabinolic acid.

18 "Cannabis" has the meaning given to that term in Article 1
19 of this Act, except that it does not include cannabis that is
20 subject to tax under the Compassionate Use of Medical Cannabis
21 Pilot Program Act.

22 "Cannabis-infused product" means beverage food, oils,

1 ointments, tincture, topical formulation, or another product
2 containing cannabis that is not intended to be smoked.

3 "Cannabis retailer" means a dispensing organization that
4 sells cannabis for use and not for resale.

5 "Craft grower" has the meaning given to that term in
6 Article 1 of this Act.

7 "Department" means the Department of Revenue.

8 "Director" means the Director of Revenue.

9 "Dispensing organization" or "dispensary" has the meaning
10 given to that term in Article 1 of this Act.

11 "Person" means a natural individual, firm, partnership,
12 association, joint stock company, joint adventure, public or
13 private corporation, limited liability company, or a receiver,
14 executor, trustee, guardian, or other representative appointed
15 by order of any court.

16 "Infuser organization" or "infuser" means a facility
17 operated by an organization or business that is licensed by the
18 Department of Agriculture to directly incorporate cannabis or
19 cannabis concentrate into a product formulation to produce a
20 cannabis-infused product.

21 "Purchase price" means the consideration paid for a
22 purchase of cannabis, valued in money, whether received in
23 money or otherwise, including cash, gift cards, credits, and
24 property and shall be determined without any deduction on
25 account of the cost of materials used, labor or service costs,
26 or any other expense whatsoever. However, "purchase price" does

1 not include consideration paid for:

2 (1) any charge for a payment that is not honored by a
3 financial institution;

4 (2) any finance or credit charge, penalty or charge for
5 delayed payment, or discount for prompt payment; and

6 (3) any amounts added to a purchaser's bill because of
7 charges made under the tax imposed by this Article, the
8 Municipal Cannabis Retailers' Occupation Tax Law, the
9 County Cannabis Retailers' Occupation Tax Law, the
10 Retailers' Occupation Tax Act, the Use Tax Act, the Service
11 Occupation Tax Act, the Service Use Tax Act, or any locally
12 imposed occupation or use tax.

13 "Purchaser" means a person who acquires cannabis for a
14 valuable consideration.

15 "Taxpayer" means a cannabis retailer who is required to
16 collect the tax imposed under this Article.

17 Section 65-10. Tax imposed.

18 (a) Beginning January 1, 2020, a tax is imposed upon
19 purchasers for the privilege of using cannabis at the following
20 rates:

21 (1) Any cannabis, other than a cannabis-infused
22 product, with an adjusted delta-9-tetrahydrocannabinol
23 level at or below 35% shall be taxed at a rate of 10% of the
24 purchase price;

25 (2) Any cannabis, other than a cannabis-infused

1 product, with an adjusted delta-9-tetrahydrocannabinol
2 level above 35% shall be taxed at a rate of 25% of the
3 purchase price; and

4 (3) A cannabis-infused product shall be taxed at a rate
5 of 20% of the purchase price.

6 (b) The purchase of any product that contains any amount of
7 cannabis or any derivative thereof is subject to the tax under
8 subsection (a) of this Section on the full purchase price of
9 the product.

10 (c) The tax imposed under this Section is not imposed on
11 cannabis that is subject to tax under the Compassionate Use of
12 Medical Cannabis Pilot Program Act. The tax imposed by this
13 Section is not imposed with respect to any transaction in
14 interstate commerce, to the extent the transaction may not,
15 under the Constitution and statutes of the United States, be
16 made the subject of taxation by this State.

17 (d) The tax imposed under this Article shall be in addition
18 to all other occupation, privilege, or excise taxes imposed by
19 the State of Illinois or by any municipal corporation or
20 political subdivision thereof.

21 (e) The tax imposed under this Article shall not be imposed
22 on any purchase by a purchaser if the cannabis retailer is
23 prohibited by federal or State Constitution, treaty,
24 convention, statute, or court decision from collecting the tax
25 from the purchaser.

1 Section 65-11. Bundling of taxable and nontaxable items;
2 prohibition; taxation. If a cannabis retailer sells cannabis,
3 concentrate, or cannabis-infused products in combination or
4 bundled with items that are not subject to tax under this Act
5 for one price in violation of the prohibition on this activity
6 under Section 15-70, then the tax under this Act is imposed on
7 the purchase price of the entire bundled product.

8 Section 65-15. Collection of tax.

9 (a) The tax imposed by this Article shall be collected from
10 the purchaser by the cannabis retailer at the rate stated in
11 Section 65-10 with respect to cannabis sold by the cannabis
12 retailer to the purchaser, and shall be remitted to the
13 Department as provided in Section 65-30. All sales to a
14 purchaser who is not a cardholder under the Compassionate Use
15 of Medical Cannabis Pilot Program Act are presumed subject to
16 tax collection. Cannabis retailers shall collect the tax from
17 purchasers by adding the tax to the amount of the purchase
18 price received from the purchaser for selling cannabis to the
19 purchaser. The tax imposed by this Article shall, when
20 collected, be stated as a distinct item separate and apart from
21 the purchase price of the cannabis.

22 (b) If a cannabis retailer collects Cannabis Purchaser
23 Excise Tax measured by a purchase price that is not subject to
24 Cannabis Purchaser Excise Tax, or if a cannabis retailer, in
25 collecting Cannabis Purchaser Excise Tax measured by a purchase

1 price that is subject to tax under this Act, collects more from
2 the purchaser than the required amount of the Cannabis
3 Purchaser Excise Tax on the transaction, the purchaser shall
4 have a legal right to claim a refund of that amount from the
5 cannabis retailer. If, however, that amount is not refunded to
6 the purchaser for any reason, the cannabis retailer is liable
7 to pay that amount to the Department.

8 (c) Any person purchasing cannabis subject to tax under
9 this Article as to which there has been no charge made to him
10 or her of the tax imposed by Section 65-10 shall make payment
11 of the tax imposed by Section 65-10 in the form and manner
12 provided by the Department not later than the 20th day of the
13 month following the month of purchase of the cannabis.

14 Section 65-20. Registration of cannabis retailers. Every
15 cannabis retailer required to collect the tax under this
16 Article shall apply to the Department for a certificate of
17 registration under this Article. All applications for
18 registration under this Article shall be made by electronic
19 means in the form and manner required by the Department. For
20 that purpose, the provisions of Section 2a of the Retailers'
21 Occupation Tax Act are incorporated into this Article to the
22 extent not inconsistent with this Article. In addition, no
23 certificate of registration shall be issued under this Article
24 unless the applicant is licensed under this Act.

1 Section 65-25. Tax collected as debt owed to State. Any
2 cannabis retailer required to collect the tax imposed by this
3 Article shall be liable to the Department for the tax, whether
4 or not the tax has been collected by the cannabis retailer, and
5 any such tax shall constitute a debt owed by the cannabis
6 retailer to this State. To the extent that a cannabis retailer
7 required to collect the tax imposed by this Act has actually
8 collected that tax, the tax is held in trust for the benefit of
9 the Department.

10 Section 65-30. Return and payment of tax by cannabis
11 retailer. Each cannabis retailer that is required or authorized
12 to collect the tax imposed by this Article shall make a return
13 to the Department, by electronic means, on or before the 20th
14 day of each month for the preceding calendar month stating the
15 following:

- 16 (1) the cannabis retailer's name;
- 17 (2) the address of the cannabis retailer's principal
18 place of business and the address of the principal place of
19 business (if that is a different address) from which the
20 cannabis retailer engaged in the business of selling
21 cannabis subject to tax under this Article;
- 22 (3) the total purchase price received by the cannabis
23 retailer for cannabis subject to tax under this Article;
- 24 (4) the amount of tax due at each rate;
- 25 (5) the signature of the cannabis retailer; and

1 (6) any other information as the Department may
2 reasonably require.

3 All returns required to be filed and payments required to
4 be made under this Article shall be by electronic means.
5 Cannabis retailers who demonstrate hardship in paying
6 electronically may petition the Department to waive the
7 electronic payment requirement.

8 Any amount that is required to be shown or reported on any
9 return or other document under this Article shall, if the
10 amount is not a whole-dollar amount, be increased to the
11 nearest whole-dollar amount if the fractional part of a dollar
12 is \$0.50 or more and decreased to the nearest whole-dollar
13 amount if the fractional part of a dollar is less than \$0.50.
14 If a total amount of less than \$1 is payable, refundable, or
15 creditable, the amount shall be disregarded if it is less than
16 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

17 The cannabis retailer making the return provided for in
18 this Section shall also pay to the Department, in accordance
19 with this Section, the amount of tax imposed by this Article,
20 less a discount of 1.75%, but not to exceed \$1,000 per return
21 period, which is allowed to reimburse the cannabis retailer for
22 the expenses incurred in keeping records, collecting tax,
23 preparing and filing returns, remitting the tax, and supplying
24 data to the Department upon request. No discount may be claimed
25 by a cannabis retailer on returns not timely filed and for
26 taxes not timely remitted. No discount may be claimed by a

1 taxpayer for any return that is not filed electronically. No
2 discount may be claimed by a taxpayer for any payment that is
3 not made electronically, unless a waiver has been granted under
4 this Section.

5 Notwithstanding any other provision of this Article
6 concerning the time within which a cannabis retailer may file a
7 return, any such cannabis retailer who ceases to engage in the
8 kind of business that makes the person responsible for filing
9 returns under this Article shall file a final return under this
10 Article with the Department within one month after
11 discontinuing the business.

12 Each cannabis retailer shall make estimated payments to the
13 Department on or before the 7th, 15th, 22nd, and last day of
14 the month during which tax liability to the Department is
15 incurred. The payments shall be in an amount not less than the
16 lower of either 22.5% of the cannabis retailer's actual tax
17 liability for the month or 25% of the cannabis retailer's
18 actual tax liability for the same calendar month of the
19 preceding year. The amount of the quarter-monthly payments
20 shall be credited against the final tax liability of the
21 cannabis retailer's return for that month. If any such
22 quarter-monthly payment is not paid at the time or in the
23 amount required by this Section, then the cannabis retailer
24 shall be liable for penalties and interest on the difference
25 between the minimum amount due as a payment and the amount of
26 the quarter-monthly payment actually and timely paid, except

1 insofar as the cannabis retailer has previously made payments
2 for that month to the Department in excess of the minimum
3 payments previously due as provided in this Section.

4 If any payment provided for in this Section exceeds the
5 taxpayer's liabilities under this Article, as shown on an
6 original monthly return, the Department shall, if requested by
7 the taxpayer, issue to the taxpayer a credit memorandum no
8 later than 30 days after the date of payment. The credit
9 evidenced by the credit memorandum may be assigned by the
10 taxpayer to a similar taxpayer under this Article, in
11 accordance with reasonable rules to be prescribed by the
12 Department. If no such request is made, the taxpayer may credit
13 the excess payment against tax liability subsequently to be
14 remitted to the Department under this Article, in accordance
15 with reasonable rules prescribed by the Department. If the
16 Department subsequently determines that all or any part of the
17 credit taken was not actually due to the taxpayer, the
18 taxpayer's discount shall be reduced, if necessary, to reflect
19 the difference between the credit taken and that actually due,
20 and that taxpayer shall be liable for penalties and interest on
21 the difference. If a cannabis retailer fails to sign a return
22 within 30 days after the proper notice and demand for signature
23 by the Department is received by the cannabis retailer, the
24 return shall be considered valid and any amount shown to be due
25 on the return shall be deemed assessed.

1 Section 65-35. Deposit of proceeds. All moneys received by
2 the Department under this Article shall be paid into the
3 Cannabis Regulation Fund.

4 Section 65-36. Recordkeeping; books and records.

5 (a) Every retailer of cannabis, whether or not the retailer
6 has obtained a certificate of registration under Section 65-20,
7 shall keep complete and accurate records of cannabis held,
8 purchased, sold, or otherwise disposed of, and shall preserve
9 and keep all invoices, bills of lading, sales records, and
10 copies of bills of sale, returns, and other pertinent papers
11 and documents relating to the purchase, sale, or disposition of
12 cannabis. Such records need not be maintained on the licensed
13 premises but must be maintained in the State of Illinois.
14 However, all original invoices or copies thereof covering
15 purchases of cannabis must be retained on the licensed premises
16 for a period of 90 days after such purchase, unless the
17 Department has granted a waiver in response to a written
18 request in cases where records are kept at a central business
19 location within the State of Illinois. The Department shall
20 adopt rules regarding the eligibility for a waiver, revocation
21 of a waiver, and requirements and standards for maintenance and
22 accessibility of records located at a central location under a
23 waiver provided under this Section.

24 (b) Books, records, papers, and documents that are required
25 by this Article to be kept shall, at all times during the usual

1 business hours of the day, be subject to inspection by the
2 Department or its duly authorized agents and employees. The
3 books, records, papers, and documents for any period with
4 respect to which the Department is authorized to issue a notice
5 of tax liability shall be preserved until the expiration of
6 that period.

7 Section 65-38. Violations and penalties.

8 (a) When the amount due is under \$300, any retailer of
9 cannabis who fails to file a return, willfully fails or refuses
10 to make any payment to the Department of the tax imposed by
11 this Article, or files a fraudulent return, or any officer or
12 agent of a corporation engaged in the business of selling
13 cannabis to purchasers located in this State who signs a
14 fraudulent return filed on behalf of the corporation, or any
15 accountant or other agent who knowingly enters false
16 information on the return of any taxpayer under this Article is
17 guilty of a Class 4 felony.

18 (b) When the amount due is \$300 or more, any retailer of
19 cannabis who files, or causes to be filed, a fraudulent return,
20 or any officer or agent of a corporation engaged in the
21 business of selling cannabis to purchasers located in this
22 State who files or causes to be filed or signs or causes to be
23 signed a fraudulent return filed on behalf of the corporation,
24 or any accountant or other agent who knowingly enters false
25 information on the return of any taxpayer under this Article is

1 guilty of a Class 3 felony.

2 (c) Any person who violates any provision of Section 65-20,
3 fails to keep books and records as required under this Article,
4 or willfully violates a rule of the Department for the
5 administration and enforcement of this Article is guilty of a
6 Class 4 felony. A person commits a separate offense on each day
7 that he or she engages in business in violation of Section
8 65-20 or a rule of the Department for the administration and
9 enforcement of this Article. If a person fails to produce the
10 books and records for inspection by the Department upon
11 request, a prima facie presumption shall arise that the person
12 has failed to keep books and records as required under this
13 Article. A person who is unable to rebut this presumption is in
14 violation of this Article and is subject to the penalties
15 provided in this Section.

16 (d) Any person who violates any provision of Sections
17 65-20, fails to keep books and records as required under this
18 Article, or willfully violates a rule of the Department for the
19 administration and enforcement of this Article, is guilty of a
20 business offense and may be fined up to \$5,000. If a person
21 fails to produce books and records for inspection by the
22 Department upon request, a prima facie presumption shall arise
23 that the person has failed to keep books and records as
24 required under this Article. A person who is unable to rebut
25 this presumption is in violation of this Article and is subject
26 to the penalties provided in this Section. A person commits a

1 separate offense on each day that he or she engages in business
2 in violation of Section 65-20.

3 (e) Any taxpayer or agent of a taxpayer who with the intent
4 to defraud purports to make a payment due to the Department by
5 issuing or delivering a check or other order upon a real or
6 fictitious depository for the payment of money, knowing that it
7 will not be paid by the depository, is guilty of a deceptive
8 practice in violation of Section 17-1 of the Criminal Code of
9 2012.

10 (f) Any person who fails to keep books and records or fails
11 to produce books and records for inspection, as required by
12 Section 65-36, is liable to pay to the Department, for deposit
13 in the Tax Compliance and Administration Fund, a penalty of
14 \$1,000 for the first failure to keep books and records or
15 failure to produce books and records for inspection, as
16 required by Section 65-36, and \$3,000 for each subsequent
17 failure to keep books and records or failure to produce books
18 and records for inspection, as required by Section 65-36.

19 (g) Any person who knowingly acts as a retailer of cannabis
20 in this State without first having obtained a certificate of
21 registration to do so in compliance with Section 65-20 of this
22 Article shall be guilty of a Class 4 felony.

23 (h) A person commits the offense of tax evasion under this
24 Article when he or she knowingly attempts in any manner to
25 evade or defeat the tax imposed on him or her or on any other
26 person, or the payment thereof, and he or she commits an

1 affirmative act in furtherance of the evasion. As used in this
2 Section, "affirmative act in furtherance of the evasion" means
3 an act designed in whole or in part to (i) conceal,
4 misrepresent, falsify, or manipulate any material fact or (ii)
5 tamper with or destroy documents or materials related to a
6 person's tax liability under this Article. Two or more acts of
7 sales tax evasion may be charged as a single count in any
8 indictment, information, or complaint and the amount of tax
9 deficiency may be aggregated for purposes of determining the
10 amount of tax that is attempted to be or is evaded and the
11 period between the first and last acts may be alleged as the
12 date of the offense.

13 (1) When the amount of tax, the assessment or payment
14 of which is attempted to be or is evaded is less than \$500,
15 a person is guilty of a Class 4 felony.

16 (2) When the amount of tax, the assessment or payment
17 of which is attempted to be or is evaded is \$500 or more
18 but less than \$10,000, a person is guilty of a Class 3
19 felony.

20 (3) When the amount of tax, the assessment or payment
21 of which is attempted to be or is evaded is \$10,000 or more
22 but less than \$100,000, a person is guilty of a Class 2
23 felony.

24 (4) When the amount of tax, the assessment or payment
25 of which is attempted to be or is evaded is \$100,000 or
26 more, a person is guilty of a Class 1 felony.

1 Any person who knowingly sells, purchases, installs,
2 transfers, possesses, uses, or accesses any automated sales
3 suppression device, zapper, or phantom-ware in this State is
4 guilty of a Class 3 felony.

5 As used in this Section:

6 "Automated sales suppression device" or "zapper" means a
7 software program that falsifies the electronic records of an
8 electronic cash register or other point-of-sale system,
9 including, but not limited to, transaction data and transaction
10 reports. The term includes the software program, any device
11 that carries the software program, or an Internet link to the
12 software program.

13 "Phantom-ware" means a hidden programming option embedded
14 in the operating system of an electronic cash register or
15 hardwired into an electronic cash register that can be used to
16 create a second set of records or that can eliminate or
17 manipulate transaction records in an electronic cash register.

18 "Electronic cash register" means a device that keeps a
19 register or supporting documents through the use of an
20 electronic device or computer system designed to record
21 transaction data for the purpose of computing, compiling, or
22 processing retail sales transaction data in any manner.

23 "Transaction data" includes: items purchased by a
24 purchaser; the price of each item; a taxability determination
25 for each item; a segregated tax amount for each taxed item; the
26 amount of cash or credit tendered; the net amount returned to

1 the customer in change; the date and time of the purchase; the
2 name, address, and identification number of the vendor; and the
3 receipt or invoice number of the transaction.

4 "Transaction report" means a report that documents,
5 without limitation, the sales, taxes, or fees collected, media
6 totals, and discount voids at an electronic cash register and
7 that is printed on a cash register tape at the end of a day or
8 shift, or a report that documents every action at an electronic
9 cash register and is stored electronically.

10 A prosecution for any act in violation of this Section may
11 be commenced at any time within 5 years of the commission of
12 that act.

13 (i) The Department may adopt rules to administer the
14 penalties under this Section.

15 (j) Any person whose principal place of business is in this
16 State and who is charged with a violation under this Section
17 shall be tried in the county where his or her principal place
18 of business is located unless he or she asserts a right to be
19 tried in another venue.

20 (k) Except as otherwise provided in subsection (h), a
21 prosecution for a violation described in this Section may be
22 commenced within 3 years after the commission of the act
23 constituting the violation.

24 Section 65-40. Department administration and enforcement.
25 The Department shall have full power to administer and enforce

1 this Article, to collect all taxes and penalties due hereunder,
2 to dispose of taxes and penalties so collected in the manner
3 hereinafter provided, and to determine all rights to credit
4 memoranda, arising on account of the erroneous payment of tax
5 or penalty hereunder.

6 In the administration of, and compliance with, this
7 Article, the Department and persons who are subject to this
8 Article shall have the same rights, remedies, privileges,
9 immunities, powers, and duties, and be subject to the same
10 conditions, restrictions, limitations, penalties, and
11 definitions of terms, and employ the same modes of procedure,
12 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,
13 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and
14 Sections 1, 2-12, 2b, 4 (except that the time limitation
15 provisions shall run from the date when the tax is due rather
16 than from the date when gross receipts are received), 5 (except
17 that the time limitation provisions on the issuance of notices
18 of tax liability shall run from the date when the tax is due
19 rather than from the date when gross receipts are received and
20 except that in the case of a failure to file a return required
21 by this Act, no notice of tax liability shall be issued on and
22 after each July 1 and January 1 covering tax due with that
23 return during any month or period more than 6 years before that
24 July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g,
25 5h, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers'
26 Occupation Tax Act and all of the provisions of the Uniform

1 Penalty and Interest Act, which are not inconsistent with this
2 Article, as fully as if those provisions were set forth herein.
3 References in the incorporated Sections of the Retailers'
4 Occupation Tax Act and the Use Tax Act to retailers, to
5 sellers, or to persons engaged in the business of selling
6 tangible personal property mean cannabis retailers when used in
7 this Article. References in the incorporated Sections to sales
8 of tangible personal property mean sales of cannabis subject to
9 tax under this Article when used in this Article.

10 Section 65-41. Arrest; search and seizure without warrant.
11 Any duly authorized employee of the Department: (i) may arrest
12 without warrant any person committing in his or her presence a
13 violation of any of the provisions of this Article; (ii) may
14 without a search warrant inspect all cannabis located in any
15 place of business; (iii) may seize any cannabis in the
16 possession of the retailer in violation of this Act; and (iv)
17 may seize any cannabis on which the tax imposed by Article 60
18 of this Act has not been paid. The cannabis so seized is
19 subject to confiscation and forfeiture as provided in Sections
20 65-42 and 65-43.

21 Section 65-42. Seizure and forfeiture. After seizing any
22 cannabis as provided in Section 65-41, the Department must hold
23 a hearing and determine whether the retailer was properly
24 registered to sell the cannabis at the time of its seizure by

1 the Department. The Department shall give not less than 20
2 days' notice of the time and place of the hearing to the owner
3 of the cannabis, if the owner is known, and also to the person
4 in whose possession the cannabis was found, if that person is
5 known and if the person in possession is not the owner of the
6 cannabis. If neither the owner nor the person in possession of
7 the cannabis is known, the Department must cause publication of
8 the time and place of the hearing to be made at least once in
9 each week for 3 weeks successively in a newspaper of general
10 circulation in the county where the hearing is to be held.

11 If, as the result of the hearing, the Department determines
12 that the retailer was not properly registered at the time the
13 cannabis was seized, the Department must enter an order
14 declaring the cannabis confiscated and forfeited to the State,
15 to be held by the Department for disposal by it as provided in
16 Section 65-43. The Department must give notice of the order to
17 the owner of the cannabis, if the owner is known, and also to
18 the person in whose possession the cannabis was found, if that
19 person is known and if the person in possession is not the
20 owner of the cannabis. If neither the owner nor the person in
21 possession of the cannabis is known, the Department must cause
22 publication of the order to be made at least once in each week
23 for 3 weeks successively in a newspaper of general circulation
24 in the county where the hearing was held.

25 Section 65-43. Search warrant; issuance and return;

1 process; confiscation of cannabis; forfeitures.

2 (a) If a peace officer of this State or any duly authorized
3 officer or employee of the Department has reason to believe
4 that any violation of this Article or a rule of the Department
5 for the administration and enforcement of this Article has
6 occurred and that the person violating this Article or rule has
7 in that person's possession any cannabis in violation of this
8 Article or a rule of the Department for the administration and
9 enforcement of this Article, that peace officer or officer or
10 employee of the Department may file or cause to be filed his or
11 her complaint in writing, verified by affidavit, with any court
12 within whose jurisdiction the premises to be searched are
13 situated, stating the facts upon which the belief is founded,
14 the premises to be searched, and the property to be seized, and
15 procure a search warrant and execute that warrant. Upon the
16 execution of the search warrant, the peace officer, or officer
17 or employee of the Department, executing the search warrant
18 shall make due return of the warrant to the court issuing the
19 warrant, together with an inventory of the property taken under
20 the warrant. The court must then issue process against the
21 owner of the property if the owner is known; otherwise, process
22 must be issued against the person in whose possession the
23 property is found, if that person is known. In case of
24 inability to serve process upon the owner or the person in
25 possession of the property at the time of its seizure, notice
26 of the proceedings before the court must be given in the same

1 manner as required by the law governing cases of attachment.
2 Upon the return of the process duly served or upon the posting
3 or publishing of notice made, as appropriate, the court or
4 jury, if a jury is demanded, shall proceed to determine whether
5 the property so seized was held or possessed in violation of
6 this Article or a rule of the Department for the administration
7 and enforcement of this Article. If a violation is found,
8 judgment shall be entered confiscating the property and
9 forfeiting it to the State and ordering its delivery to the
10 Department. In addition, the court may tax and assess the costs
11 of the proceedings.

12 (b) When any cannabis has been declared forfeited to the
13 State by the Department, as provided in Section 65-42 and this
14 Section, and when all proceedings for the judicial review of
15 the Department's decision have terminated, the Department
16 shall, to the extent that its decision is sustained on review,
17 destroy or maintain and use such cannabis in an undercover
18 capacity.

19 (c) The Department may, before any destruction of cannabis,
20 permit the true holder of trademark rights in the cannabis to
21 inspect such cannabis in order to assist the Department in any
22 investigation regarding such cannabis.

23 Section 65-45. Cannabis retailers; purchase and possession
24 of cannabis. Cannabis retailers shall purchase cannabis for
25 resale only from cannabis business establishments as

1 authorized by this Act.

2 Section 65-50. Rulemaking. The Department may adopt rules
3 in accordance with the Illinois Administrative Procedure Act
4 and prescribe forms relating to the administration and
5 enforcement of this Article as it deems appropriate.

6 ARTICLE 900.

7 AMENDATORY PROVISIONS

8 Section 900-5. The Illinois Administrative Procedure Act
9 is amended by changing Section 5-45 as follows:

10 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

11 Sec. 5-45. Emergency rulemaking.

12 (a) "Emergency" means the existence of any situation that
13 any agency finds reasonably constitutes a threat to the public
14 interest, safety, or welfare.

15 (b) If any agency finds that an emergency exists that
16 requires adoption of a rule upon fewer days than is required by
17 Section 5-40 and states in writing its reasons for that
18 finding, the agency may adopt an emergency rule without prior
19 notice or hearing upon filing a notice of emergency rulemaking
20 with the Secretary of State under Section 5-70. The notice
21 shall include the text of the emergency rule and shall be
22 published in the Illinois Register. Consent orders or other

1 court orders adopting settlements negotiated by an agency may
2 be adopted under this Section. Subject to applicable
3 constitutional or statutory provisions, an emergency rule
4 becomes effective immediately upon filing under Section 5-65 or
5 at a stated date less than 10 days thereafter. The agency's
6 finding and a statement of the specific reasons for the finding
7 shall be filed with the rule. The agency shall take reasonable
8 and appropriate measures to make emergency rules known to the
9 persons who may be affected by them.

10 (c) An emergency rule may be effective for a period of not
11 longer than 150 days, but the agency's authority to adopt an
12 identical rule under Section 5-40 is not precluded. No
13 emergency rule may be adopted more than once in any 24-month
14 period, except that this limitation on the number of emergency
15 rules that may be adopted in a 24-month period does not apply
16 to (i) emergency rules that make additions to and deletions
17 from the Drug Manual under Section 5-5.16 of the Illinois
18 Public Aid Code or the generic drug formulary under Section
19 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
20 emergency rules adopted by the Pollution Control Board before
21 July 1, 1997 to implement portions of the Livestock Management
22 Facilities Act, (iii) emergency rules adopted by the Illinois
23 Department of Public Health under subsections (a) through (i)
24 of Section 2 of the Department of Public Health Act when
25 necessary to protect the public's health, (iv) emergency rules
26 adopted pursuant to subsection (n) of this Section, (v)

1 emergency rules adopted pursuant to subsection (o) of this
2 Section, or (vi) emergency rules adopted pursuant to subsection
3 (c-5) of this Section. Two or more emergency rules having
4 substantially the same purpose and effect shall be deemed to be
5 a single rule for purposes of this Section.

6 (c-5) To facilitate the maintenance of the program of group
7 health benefits provided to annuitants, survivors, and retired
8 employees under the State Employees Group Insurance Act of
9 1971, rules to alter the contributions to be paid by the State,
10 annuitants, survivors, retired employees, or any combination
11 of those entities, for that program of group health benefits,
12 shall be adopted as emergency rules. The adoption of those
13 rules shall be considered an emergency and necessary for the
14 public interest, safety, and welfare.

15 (d) In order to provide for the expeditious and timely
16 implementation of the State's fiscal year 1999 budget,
17 emergency rules to implement any provision of Public Act 90-587
18 or 90-588 or any other budget initiative for fiscal year 1999
19 may be adopted in accordance with this Section by the agency
20 charged with administering that provision or initiative,
21 except that the 24-month limitation on the adoption of
22 emergency rules and the provisions of Sections 5-115 and 5-125
23 do not apply to rules adopted under this subsection (d). The
24 adoption of emergency rules authorized by this subsection (d)
25 shall be deemed to be necessary for the public interest,
26 safety, and welfare.

1 (e) In order to provide for the expeditious and timely
2 implementation of the State's fiscal year 2000 budget,
3 emergency rules to implement any provision of Public Act 91-24
4 or any other budget initiative for fiscal year 2000 may be
5 adopted in accordance with this Section by the agency charged
6 with administering that provision or initiative, except that
7 the 24-month limitation on the adoption of emergency rules and
8 the provisions of Sections 5-115 and 5-125 do not apply to
9 rules adopted under this subsection (e). The adoption of
10 emergency rules authorized by this subsection (e) shall be
11 deemed to be necessary for the public interest, safety, and
12 welfare.

13 (f) In order to provide for the expeditious and timely
14 implementation of the State's fiscal year 2001 budget,
15 emergency rules to implement any provision of Public Act 91-712
16 or any other budget initiative for fiscal year 2001 may be
17 adopted in accordance with this Section by the agency charged
18 with administering that provision or initiative, except that
19 the 24-month limitation on the adoption of emergency rules and
20 the provisions of Sections 5-115 and 5-125 do not apply to
21 rules adopted under this subsection (f). The adoption of
22 emergency rules authorized by this subsection (f) shall be
23 deemed to be necessary for the public interest, safety, and
24 welfare.

25 (g) In order to provide for the expeditious and timely
26 implementation of the State's fiscal year 2002 budget,

1 emergency rules to implement any provision of Public Act 92-10
2 or any other budget initiative for fiscal year 2002 may be
3 adopted in accordance with this Section by the agency charged
4 with administering that provision or initiative, except that
5 the 24-month limitation on the adoption of emergency rules and
6 the provisions of Sections 5-115 and 5-125 do not apply to
7 rules adopted under this subsection (g). The adoption of
8 emergency rules authorized by this subsection (g) shall be
9 deemed to be necessary for the public interest, safety, and
10 welfare.

11 (h) In order to provide for the expeditious and timely
12 implementation of the State's fiscal year 2003 budget,
13 emergency rules to implement any provision of Public Act 92-597
14 or any other budget initiative for fiscal year 2003 may be
15 adopted in accordance with this Section by the agency charged
16 with administering that provision or initiative, except that
17 the 24-month limitation on the adoption of emergency rules and
18 the provisions of Sections 5-115 and 5-125 do not apply to
19 rules adopted under this subsection (h). The adoption of
20 emergency rules authorized by this subsection (h) shall be
21 deemed to be necessary for the public interest, safety, and
22 welfare.

23 (i) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 2004 budget,
25 emergency rules to implement any provision of Public Act 93-20
26 or any other budget initiative for fiscal year 2004 may be

1 adopted in accordance with this Section by the agency charged
2 with administering that provision or initiative, except that
3 the 24-month limitation on the adoption of emergency rules and
4 the provisions of Sections 5-115 and 5-125 do not apply to
5 rules adopted under this subsection (i). The adoption of
6 emergency rules authorized by this subsection (i) shall be
7 deemed to be necessary for the public interest, safety, and
8 welfare.

9 (j) In order to provide for the expeditious and timely
10 implementation of the provisions of the State's fiscal year
11 2005 budget as provided under the Fiscal Year 2005 Budget
12 Implementation (Human Services) Act, emergency rules to
13 implement any provision of the Fiscal Year 2005 Budget
14 Implementation (Human Services) Act may be adopted in
15 accordance with this Section by the agency charged with
16 administering that provision, except that the 24-month
17 limitation on the adoption of emergency rules and the
18 provisions of Sections 5-115 and 5-125 do not apply to rules
19 adopted under this subsection (j). The Department of Public Aid
20 may also adopt rules under this subsection (j) necessary to
21 administer the Illinois Public Aid Code and the Children's
22 Health Insurance Program Act. The adoption of emergency rules
23 authorized by this subsection (j) shall be deemed to be
24 necessary for the public interest, safety, and welfare.

25 (k) In order to provide for the expeditious and timely
26 implementation of the provisions of the State's fiscal year

1 2006 budget, emergency rules to implement any provision of
2 Public Act 94-48 or any other budget initiative for fiscal year
3 2006 may be adopted in accordance with this Section by the
4 agency charged with administering that provision or
5 initiative, except that the 24-month limitation on the adoption
6 of emergency rules and the provisions of Sections 5-115 and
7 5-125 do not apply to rules adopted under this subsection (k).
8 The Department of Healthcare and Family Services may also adopt
9 rules under this subsection (k) necessary to administer the
10 Illinois Public Aid Code, the Senior Citizens and Persons with
11 Disabilities Property Tax Relief Act, the Senior Citizens and
12 Disabled Persons Prescription Drug Discount Program Act (now
13 the Illinois Prescription Drug Discount Program Act), and the
14 Children's Health Insurance Program Act. The adoption of
15 emergency rules authorized by this subsection (k) shall be
16 deemed to be necessary for the public interest, safety, and
17 welfare.

18 (1) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2007 budget, the Department of Healthcare and Family Services
21 may adopt emergency rules during fiscal year 2007, including
22 rules effective July 1, 2007, in accordance with this
23 subsection to the extent necessary to administer the
24 Department's responsibilities with respect to amendments to
25 the State plans and Illinois waivers approved by the federal
26 Centers for Medicare and Medicaid Services necessitated by the

1 requirements of Title XIX and Title XXI of the federal Social
2 Security Act. The adoption of emergency rules authorized by
3 this subsection (l) shall be deemed to be necessary for the
4 public interest, safety, and welfare.

5 (m) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2008 budget, the Department of Healthcare and Family Services
8 may adopt emergency rules during fiscal year 2008, including
9 rules effective July 1, 2008, in accordance with this
10 subsection to the extent necessary to administer the
11 Department's responsibilities with respect to amendments to
12 the State plans and Illinois waivers approved by the federal
13 Centers for Medicare and Medicaid Services necessitated by the
14 requirements of Title XIX and Title XXI of the federal Social
15 Security Act. The adoption of emergency rules authorized by
16 this subsection (m) shall be deemed to be necessary for the
17 public interest, safety, and welfare.

18 (n) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2010 budget, emergency rules to implement any provision of
21 Public Act 96-45 or any other budget initiative authorized by
22 the 96th General Assembly for fiscal year 2010 may be adopted
23 in accordance with this Section by the agency charged with
24 administering that provision or initiative. The adoption of
25 emergency rules authorized by this subsection (n) shall be
26 deemed to be necessary for the public interest, safety, and

1 welfare. The rulemaking authority granted in this subsection
2 (n) shall apply only to rules promulgated during Fiscal Year
3 2010.

4 (o) In order to provide for the expeditious and timely
5 implementation of the provisions of the State's fiscal year
6 2011 budget, emergency rules to implement any provision of
7 Public Act 96-958 or any other budget initiative authorized by
8 the 96th General Assembly for fiscal year 2011 may be adopted
9 in accordance with this Section by the agency charged with
10 administering that provision or initiative. The adoption of
11 emergency rules authorized by this subsection (o) is deemed to
12 be necessary for the public interest, safety, and welfare. The
13 rulemaking authority granted in this subsection (o) applies
14 only to rules promulgated on or after July 1, 2010 (the
15 effective date of Public Act 96-958) through June 30, 2011.

16 (p) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 97-689,
18 emergency rules to implement any provision of Public Act 97-689
19 may be adopted in accordance with this subsection (p) by the
20 agency charged with administering that provision or
21 initiative. The 150-day limitation of the effective period of
22 emergency rules does not apply to rules adopted under this
23 subsection (p), and the effective period may continue through
24 June 30, 2013. The 24-month limitation on the adoption of
25 emergency rules does not apply to rules adopted under this
26 subsection (p). The adoption of emergency rules authorized by

1 this subsection (p) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (q) In order to provide for the expeditious and timely
4 implementation of the provisions of Articles 7, 8, 9, 11, and
5 12 of Public Act 98-104, emergency rules to implement any
6 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
7 may be adopted in accordance with this subsection (q) by the
8 agency charged with administering that provision or
9 initiative. The 24-month limitation on the adoption of
10 emergency rules does not apply to rules adopted under this
11 subsection (q). The adoption of emergency rules authorized by
12 this subsection (q) is deemed to be necessary for the public
13 interest, safety, and welfare.

14 (r) In order to provide for the expeditious and timely
15 implementation of the provisions of Public Act 98-651,
16 emergency rules to implement Public Act 98-651 may be adopted
17 in accordance with this subsection (r) by the Department of
18 Healthcare and Family Services. The 24-month limitation on the
19 adoption of emergency rules does not apply to rules adopted
20 under this subsection (r). The adoption of emergency rules
21 authorized by this subsection (r) is deemed to be necessary for
22 the public interest, safety, and welfare.

23 (s) In order to provide for the expeditious and timely
24 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
25 the Illinois Public Aid Code, emergency rules to implement any
26 provision of Section 5-5b.1 or Section 5A-2 of the Illinois

1 Public Aid Code may be adopted in accordance with this
2 subsection (s) by the Department of Healthcare and Family
3 Services. The rulemaking authority granted in this subsection
4 (s) shall apply only to those rules adopted prior to July 1,
5 2015. Notwithstanding any other provision of this Section, any
6 emergency rule adopted under this subsection (s) shall only
7 apply to payments made for State fiscal year 2015. The adoption
8 of emergency rules authorized by this subsection (s) is deemed
9 to be necessary for the public interest, safety, and welfare.

10 (t) In order to provide for the expeditious and timely
11 implementation of the provisions of Article II of Public Act
12 99-6, emergency rules to implement the changes made by Article
13 II of Public Act 99-6 to the Emergency Telephone System Act may
14 be adopted in accordance with this subsection (t) by the
15 Department of State Police. The rulemaking authority granted in
16 this subsection (t) shall apply only to those rules adopted
17 prior to July 1, 2016. The 24-month limitation on the adoption
18 of emergency rules does not apply to rules adopted under this
19 subsection (t). The adoption of emergency rules authorized by
20 this subsection (t) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (u) In order to provide for the expeditious and timely
23 implementation of the provisions of the Burn Victims Relief
24 Act, emergency rules to implement any provision of the Act may
25 be adopted in accordance with this subsection (u) by the
26 Department of Insurance. The rulemaking authority granted in

1 this subsection (u) shall apply only to those rules adopted
2 prior to December 31, 2015. The adoption of emergency rules
3 authorized by this subsection (u) is deemed to be necessary for
4 the public interest, safety, and welfare.

5 (v) In order to provide for the expeditious and timely
6 implementation of the provisions of Public Act 99-516,
7 emergency rules to implement Public Act 99-516 may be adopted
8 in accordance with this subsection (v) by the Department of
9 Healthcare and Family Services. The 24-month limitation on the
10 adoption of emergency rules does not apply to rules adopted
11 under this subsection (v). The adoption of emergency rules
12 authorized by this subsection (v) is deemed to be necessary for
13 the public interest, safety, and welfare.

14 (w) In order to provide for the expeditious and timely
15 implementation of the provisions of Public Act 99-796,
16 emergency rules to implement the changes made by Public Act
17 99-796 may be adopted in accordance with this subsection (w) by
18 the Adjutant General. The adoption of emergency rules
19 authorized by this subsection (w) is deemed to be necessary for
20 the public interest, safety, and welfare.

21 (x) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 99-906,
23 emergency rules to implement subsection (i) of Section 16-115D,
24 subsection (g) of Section 16-128A, and subsection (a) of
25 Section 16-128B of the Public Utilities Act may be adopted in
26 accordance with this subsection (x) by the Illinois Commerce

1 Commission. The rulemaking authority granted in this
2 subsection (x) shall apply only to those rules adopted within
3 180 days after June 1, 2017 (the effective date of Public Act
4 99-906). The adoption of emergency rules authorized by this
5 subsection (x) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (y) In order to provide for the expeditious and timely
8 implementation of the provisions of Public Act 100-23,
9 emergency rules to implement the changes made by Public Act
10 100-23 to Section 4.02 of the Illinois Act on the Aging,
11 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
12 Section 55-30 of the Alcoholism and Other Drug Abuse and
13 Dependency Act, and Sections 74 and 75 of the Mental Health and
14 Developmental Disabilities Administrative Act may be adopted
15 in accordance with this subsection (y) by the respective
16 Department. The adoption of emergency rules authorized by this
17 subsection (y) is deemed to be necessary for the public
18 interest, safety, and welfare.

19 (z) In order to provide for the expeditious and timely
20 implementation of the provisions of Public Act 100-554,
21 emergency rules to implement the changes made by Public Act
22 100-554 to Section 4.7 of the Lobbyist Registration Act may be
23 adopted in accordance with this subsection (z) by the Secretary
24 of State. The adoption of emergency rules authorized by this
25 subsection (z) is deemed to be necessary for the public
26 interest, safety, and welfare.

1 (aa) In order to provide for the expeditious and timely
2 initial implementation of the changes made to Articles 5, 5A,
3 12, and 14 of the Illinois Public Aid Code under the provisions
4 of Public Act 100-581, the Department of Healthcare and Family
5 Services may adopt emergency rules in accordance with this
6 subsection (aa). The 24-month limitation on the adoption of
7 emergency rules does not apply to rules to initially implement
8 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
9 Public Aid Code adopted under this subsection (aa). The
10 adoption of emergency rules authorized by this subsection (aa)
11 is deemed to be necessary for the public interest, safety, and
12 welfare.

13 (bb) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 100-587,
15 emergency rules to implement the changes made by Public Act
16 100-587 to Section 4.02 of the Illinois Act on the Aging,
17 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
18 subsection (b) of Section 55-30 of the Alcoholism and Other
19 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
20 Mental Health Rehabilitation Act of 2013, and Section 75 and
21 subsection (b) of Section 74 of the Mental Health and
22 Developmental Disabilities Administrative Act may be adopted
23 in accordance with this subsection (bb) by the respective
24 Department. The adoption of emergency rules authorized by this
25 subsection (bb) is deemed to be necessary for the public
26 interest, safety, and welfare.

1 (cc) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 100-587,
3 emergency rules may be adopted in accordance with this
4 subsection (cc) to implement the changes made by Public Act
5 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
6 Pension Code by the Board created under Article 14 of the Code;
7 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
8 the Board created under Article 15 of the Code; and Sections
9 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
10 created under Article 16 of the Code. The adoption of emergency
11 rules authorized by this subsection (cc) is deemed to be
12 necessary for the public interest, safety, and welfare.

13 (dd) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 100-864,
15 emergency rules to implement the changes made by Public Act
16 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
17 may be adopted in accordance with this subsection (dd) by the
18 Secretary of State. The adoption of emergency rules authorized
19 by this subsection (dd) is deemed to be necessary for the
20 public interest, safety, and welfare.

21 (ee) In order to provide for the expeditious and timely
22 implementation of the provisions of this amendatory Act of the
23 100th General Assembly, emergency rules implementing the
24 Illinois Underground Natural Gas Storage Safety Act may be
25 adopted in accordance with this subsection by the Department of
26 Natural Resources. The adoption of emergency rules authorized

1 by this subsection is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (ff) In order to provide for the expeditious and timely
4 implementation of the provisions of this amendatory Act of the
5 101st General Assembly, emergency rules may be adopted by the
6 Department of Labor in accordance with this subsection (ff) to
7 implement the changes made by this amendatory Act of the 101st
8 General Assembly to the Minimum Wage Law. The adoption of
9 emergency rules authorized by this subsection (ff) is deemed to
10 be necessary for the public interest, safety, and welfare.

11 (gg) In order to provide for the expeditious and timely
12 implementation of the Cannabis Regulation and Tax Act and this
13 amendatory Act of the 101st General Assembly, the Department of
14 Revenue, the Department of Public Health, the Department of
15 Agriculture, the Department of State Police, and the Department
16 of Financial and Professional Regulation may adopt emergency
17 rules in accordance with this subsection (gg). The rulemaking
18 authority granted in this subsection (gg) shall apply only to
19 rules adopted before December 31, 2021. Notwithstanding the
20 provisions of subsection (c), emergency rules adopted under
21 this subsection (gg) shall be effective for 180 days. The
22 adoption of emergency rules authorized by this subsection (gg)
23 is deemed to be necessary for the public interest, safety, and
24 welfare.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
26 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.

1 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
2 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 101-1, eff.
3 2-19-19.)

4 Section 900-8. The Freedom of Information Act is amended by
5 changing Section 7.5 as follows:

6 (5 ILCS 140/7.5)

7 Sec. 7.5. Statutory exemptions. To the extent provided for
8 by the statutes referenced below, the following shall be exempt
9 from inspection and copying:

10 (a) All information determined to be confidential
11 under Section 4002 of the Technology Advancement and
12 Development Act.

13 (b) Library circulation and order records identifying
14 library users with specific materials under the Library
15 Records Confidentiality Act.

16 (c) Applications, related documents, and medical
17 records received by the Experimental Organ Transplantation
18 Procedures Board and any and all documents or other records
19 prepared by the Experimental Organ Transplantation
20 Procedures Board or its staff relating to applications it
21 has received.

22 (d) Information and records held by the Department of
23 Public Health and its authorized representatives relating
24 to known or suspected cases of sexually transmissible

1 disease or any information the disclosure of which is
2 restricted under the Illinois Sexually Transmissible
3 Disease Control Act.

4 (e) Information the disclosure of which is exempted
5 under Section 30 of the Radon Industry Licensing Act.

6 (f) Firm performance evaluations under Section 55 of
7 the Architectural, Engineering, and Land Surveying
8 Qualifications Based Selection Act.

9 (g) Information the disclosure of which is restricted
10 and exempted under Section 50 of the Illinois Prepaid
11 Tuition Act.

12 (h) Information the disclosure of which is exempted
13 under the State Officials and Employees Ethics Act, and
14 records of any lawfully created State or local inspector
15 general's office that would be exempt if created or
16 obtained by an Executive Inspector General's office under
17 that Act.

18 (i) Information contained in a local emergency energy
19 plan submitted to a municipality in accordance with a local
20 emergency energy plan ordinance that is adopted under
21 Section 11-21.5-5 of the Illinois Municipal Code.

22 (j) Information and data concerning the distribution
23 of surcharge moneys collected and remitted by carriers
24 under the Emergency Telephone System Act.

25 (k) Law enforcement officer identification information
26 or driver identification information compiled by a law

1 enforcement agency or the Department of Transportation
2 under Section 11-212 of the Illinois Vehicle Code.

3 (l) Records and information provided to a residential
4 health care facility resident sexual assault and death
5 review team or the Executive Council under the Abuse
6 Prevention Review Team Act.

7 (m) Information provided to the predatory lending
8 database created pursuant to Article 3 of the Residential
9 Real Property Disclosure Act, except to the extent
10 authorized under that Article.

11 (n) Defense budgets and petitions for certification of
12 compensation and expenses for court appointed trial
13 counsel as provided under Sections 10 and 15 of the Capital
14 Crimes Litigation Act. This subsection (n) shall apply
15 until the conclusion of the trial of the case, even if the
16 prosecution chooses not to pursue the death penalty prior
17 to trial or sentencing.

18 (o) Information that is prohibited from being
19 disclosed under Section 4 of the Illinois Health and
20 Hazardous Substances Registry Act.

21 (p) Security portions of system safety program plans,
22 investigation reports, surveys, schedules, lists, data, or
23 information compiled, collected, or prepared by or for the
24 Regional Transportation Authority under Section 2.11 of
25 the Regional Transportation Authority Act or the St. Clair
26 County Transit District under the Bi-State Transit Safety

1 Act.

2 (q) Information prohibited from being disclosed by the
3 Personnel Record Records Review Act.

4 (r) Information prohibited from being disclosed by the
5 Illinois School Student Records Act.

6 (s) Information the disclosure of which is restricted
7 under Section 5-108 of the Public Utilities Act.

8 (t) All identified or deidentified health information
9 in the form of health data or medical records contained in,
10 stored in, submitted to, transferred by, or released from
11 the Illinois Health Information Exchange, and identified
12 or deidentified health information in the form of health
13 data and medical records of the Illinois Health Information
14 Exchange in the possession of the Illinois Health
15 Information Exchange Authority due to its administration
16 of the Illinois Health Information Exchange. The terms
17 "identified" and "deidentified" shall be given the same
18 meaning as in the Health Insurance Portability and
19 Accountability Act of 1996, Public Law 104-191, or any
20 subsequent amendments thereto, and any regulations
21 promulgated thereunder.

22 (u) Records and information provided to an independent
23 team of experts under the Developmental Disability and
24 Mental Health Safety Act (also known as Brian's Law).

25 (v) Names and information of people who have applied
26 for or received Firearm Owner's Identification Cards under

1 the Firearm Owners Identification Card Act or applied for
2 or received a concealed carry license under the Firearm
3 Concealed Carry Act, unless otherwise authorized by the
4 Firearm Concealed Carry Act; and databases under the
5 Firearm Concealed Carry Act, records of the Concealed Carry
6 Licensing Review Board under the Firearm Concealed Carry
7 Act, and law enforcement agency objections under the
8 Firearm Concealed Carry Act.

9 (w) Personally identifiable information which is
10 exempted from disclosure under subsection (g) of Section
11 19.1 of the Toll Highway Act.

12 (x) Information which is exempted from disclosure
13 under Section 5-1014.3 of the Counties Code or Section
14 8-11-21 of the Illinois Municipal Code.

15 (y) Confidential information under the Adult
16 Protective Services Act and its predecessor enabling
17 statute, the Elder Abuse and Neglect Act, including
18 information about the identity and administrative finding
19 against any caregiver of a verified and substantiated
20 decision of abuse, neglect, or financial exploitation of an
21 eligible adult maintained in the Registry established
22 under Section 7.5 of the Adult Protective Services Act.

23 (z) Records and information provided to a fatality
24 review team or the Illinois Fatality Review Team Advisory
25 Council under Section 15 of the Adult Protective Services
26 Act.

1 (aa) Information which is exempted from disclosure
2 under Section 2.37 of the Wildlife Code.

3 (bb) Information which is or was prohibited from
4 disclosure by the Juvenile Court Act of 1987.

5 (cc) Recordings made under the Law Enforcement
6 Officer-Worn Body Camera Act, except to the extent
7 authorized under that Act.

8 (dd) Information that is prohibited from being
9 disclosed under Section 45 of the Condominium and Common
10 Interest Community Ombudsperson Act.

11 (ee) Information that is exempted from disclosure
12 under Section 30.1 of the Pharmacy Practice Act.

13 (ff) Information that is exempted from disclosure
14 under the Revised Uniform Unclaimed Property Act.

15 (gg) Information that is prohibited from being
16 disclosed under Section 7-603.5 of the Illinois Vehicle
17 Code.

18 (hh) Records that are exempt from disclosure under
19 Section 1A-16.7 of the Election Code.

20 (ii) Information which is exempted from disclosure
21 under Section 2505-800 of the Department of Revenue Law of
22 the Civil Administrative Code of Illinois.

23 (jj) Information and reports that are required to be
24 submitted to the Department of Labor by registering day and
25 temporary labor service agencies but are exempt from
26 disclosure under subsection (a-1) of Section 45 of the Day

1 and Temporary Labor Services Act.

2 (kk) Information prohibited from disclosure under the
3 Seizure and Forfeiture Reporting Act.

4 (ll) Information the disclosure of which is restricted
5 and exempted under Section 5-30.8 of the Illinois Public
6 Aid Code.

7 (mm) ~~(ll)~~ Records that are exempt from disclosure under
8 Section 4.2 of the Crime Victims Compensation Act.

9 (nn) ~~(ll)~~ Information that is exempt from disclosure
10 under Section 70 of the Higher Education Student Assistance
11 Act.

12 (oo) Information that is exempt from disclosure under
13 the Cannabis Regulation and Tax Act.

14 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
15 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
16 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
17 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
18 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,
19 eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19;
20 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised
21 10-12-18.)

22 Section 900-10. The Department of Revenue Law of the Civil
23 Administrative Code of Illinois is amended by changing Section
24 2505-210 as follows:

1 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

2 Sec. 2505-210. Electronic funds transfer.

3 (a) The Department may provide means by which persons
4 having a tax liability under any Act administered by the
5 Department may use electronic funds transfer to pay the tax
6 liability.

7 (b) Mandatory payment by electronic funds transfer. Except
8 as otherwise provided in a tax Act administered by the
9 Department Beginning on October 1, 2002, and through September
10 30, 2010, a taxpayer who has an annual tax liability of
11 \$200,000 or more shall make all payments of that tax to the
12 Department by electronic funds transfer. Beginning October 1,
13 2010, a taxpayer (other than an individual taxpayer) who has an
14 annual tax liability of \$20,000 or more and an individual
15 taxpayer who has an annual tax liability of \$200,000 or more
16 shall make all payments of that tax to the Department by
17 electronic funds transfer. Before August 1 of each year,
18 beginning in 2002, the Department shall notify all taxpayers
19 required to make payments by electronic funds transfer. All
20 taxpayers required to make payments by electronic funds
21 transfer shall make those payments for a minimum of one year
22 beginning on October 1. For purposes of this subsection (b),
23 the term "annual tax liability" means, except as provided in
24 subsections (c) and (d) of this Section, the sum of the
25 taxpayer's liabilities under a tax Act administered by the
26 Department for the immediately preceding calendar year.

1 (c) For purposes of subsection (b), the term "annual tax
2 liability" means, for a taxpayer that incurs a tax liability
3 under the Retailers' Occupation Tax Act, Service Occupation Tax
4 Act, Use Tax Act, Service Use Tax Act, or any other State or
5 local occupation or use tax law that is administered by the
6 Department, the sum of the taxpayer's liabilities under the
7 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use
8 Tax Act, Service Use Tax Act, and all other State and local
9 occupation and use tax laws administered by the Department for
10 the immediately preceding calendar year.

11 (d) For purposes of subsection (b), the term "annual tax
12 liability" means, for a taxpayer that incurs an Illinois income
13 tax liability, the greater of:

14 (1) the amount of the taxpayer's tax liability under
15 Article 7 of the Illinois Income Tax Act for the
16 immediately preceding calendar year; or

17 (2) the taxpayer's estimated tax payment obligation
18 under Article 8 of the Illinois Income Tax Act for the
19 immediately preceding calendar year.

20 (e) The Department shall adopt such rules as are necessary
21 to effectuate a program of electronic funds transfer and the
22 requirements of this Section.

23 (Source: P.A. 100-1171, eff. 1-4-19.)

24 Section 900-12. The Criminal Identification Act is amended
25 by changing Section 5.2 as follows:

1 (20 ILCS 2630/5.2)

2 Sec. 5.2. Expungement, sealing, and immediate sealing.

3 (a) General Provisions.

4 (1) Definitions. In this Act, words and phrases have
5 the meanings set forth in this subsection, except when a
6 particular context clearly requires a different meaning.

7 (A) The following terms shall have the meanings
8 ascribed to them in the Unified Code of Corrections,
9 730 ILCS 5/5-1-2 through 5/5-1-22:

10 (i) Business Offense (730 ILCS 5/5-1-2),

11 (ii) Charge (730 ILCS 5/5-1-3),

12 (iii) Court (730 ILCS 5/5-1-6),

13 (iv) Defendant (730 ILCS 5/5-1-7),

14 (v) Felony (730 ILCS 5/5-1-9),

15 (vi) Imprisonment (730 ILCS 5/5-1-10),

16 (vii) Judgment (730 ILCS 5/5-1-12),

17 (viii) Misdemeanor (730 ILCS 5/5-1-14),

18 (ix) Offense (730 ILCS 5/5-1-15),

19 (x) Parole (730 ILCS 5/5-1-16),

20 (xi) Petty Offense (730 ILCS 5/5-1-17),

21 (xii) Probation (730 ILCS 5/5-1-18),

22 (xiii) Sentence (730 ILCS 5/5-1-19),

23 (xiv) Supervision (730 ILCS 5/5-1-21), and

24 (xv) Victim (730 ILCS 5/5-1-22).

25 (B) As used in this Section, "charge not initiated

1 by arrest" means a charge (as defined by 730 ILCS
2 5/5-1-3) brought against a defendant where the
3 defendant is not arrested prior to or as a direct
4 result of the charge.

5 (C) "Conviction" means a judgment of conviction or
6 sentence entered upon a plea of guilty or upon a
7 verdict or finding of guilty of an offense, rendered by
8 a legally constituted jury or by a court of competent
9 jurisdiction authorized to try the case without a jury.
10 An order of supervision successfully completed by the
11 petitioner is not a conviction. An order of qualified
12 probation (as defined in subsection (a)(1)(J))
13 successfully completed by the petitioner is not a
14 conviction. An order of supervision or an order of
15 qualified probation that is terminated
16 unsatisfactorily is a conviction, unless the
17 unsatisfactory termination is reversed, vacated, or
18 modified and the judgment of conviction, if any, is
19 reversed or vacated.

20 (D) "Criminal offense" means a petty offense,
21 business offense, misdemeanor, felony, or municipal
22 ordinance violation (as defined in subsection
23 (a)(1)(H)). As used in this Section, a minor traffic
24 offense (as defined in subsection (a)(1)(G)) shall not
25 be considered a criminal offense.

26 (E) "Expunge" means to physically destroy the

1 records or return them to the petitioner and to
2 obliterate the petitioner's name from any official
3 index or public record, or both. Nothing in this Act
4 shall require the physical destruction of the circuit
5 court file, but such records relating to arrests or
6 charges, or both, ordered expunged shall be impounded
7 as required by subsections (d)(9)(A)(ii) and
8 (d)(9)(B)(ii).

9 (F) As used in this Section, "last sentence" means
10 the sentence, order of supervision, or order of
11 qualified probation (as defined by subsection
12 (a)(1)(J)), for a criminal offense (as defined by
13 subsection (a)(1)(D)) that terminates last in time in
14 any jurisdiction, regardless of whether the petitioner
15 has included the criminal offense for which the
16 sentence or order of supervision or qualified
17 probation was imposed in his or her petition. If
18 multiple sentences, orders of supervision, or orders
19 of qualified probation terminate on the same day and
20 are last in time, they shall be collectively considered
21 the "last sentence" regardless of whether they were
22 ordered to run concurrently.

23 (G) "Minor traffic offense" means a petty offense,
24 business offense, or Class C misdemeanor under the
25 Illinois Vehicle Code or a similar provision of a
26 municipal or local ordinance.

1 (G-5) "Minor Cannabis Offense" means a violation
2 of Section 4 or 5 of the Cannabis Control Act
3 concerning not more than 30 grams of any substance
4 containing cannabis, provided the violation did not
5 include a penalty enhancement under Section 7 of the
6 Cannabis Control Act and is not associated with an
7 arrest, conviction or other disposition for a violent
8 crime as defined in subsection (c) of Section 3 of the
9 Rights of Crime Victims and Witnesses Act.

10 (H) "Municipal ordinance violation" means an
11 offense defined by a municipal or local ordinance that
12 is criminal in nature and with which the petitioner was
13 charged or for which the petitioner was arrested and
14 released without charging.

15 (I) "Petitioner" means an adult or a minor
16 prosecuted as an adult who has applied for relief under
17 this Section.

18 (J) "Qualified probation" means an order of
19 probation under Section 10 of the Cannabis Control Act,
20 Section 410 of the Illinois Controlled Substances Act,
21 Section 70 of the Methamphetamine Control and
22 Community Protection Act, Section 5-6-3.3 or 5-6-3.4
23 of the Unified Code of Corrections, Section
24 12-4.3(b) (1) and (2) of the Criminal Code of 1961 (as
25 those provisions existed before their deletion by
26 Public Act 89-313), Section 10-102 of the Illinois

1 Alcoholism and Other Drug Dependency Act, Section
2 40-10 of the Substance Use Disorder Act, or Section 10
3 of the Steroid Control Act. For the purpose of this
4 Section, "successful completion" of an order of
5 qualified probation under Section 10-102 of the
6 Illinois Alcoholism and Other Drug Dependency Act and
7 Section 40-10 of the Substance Use Disorder Act means
8 that the probation was terminated satisfactorily and
9 the judgment of conviction was vacated.

10 (K) "Seal" means to physically and electronically
11 maintain the records, unless the records would
12 otherwise be destroyed due to age, but to make the
13 records unavailable without a court order, subject to
14 the exceptions in Sections 12 and 13 of this Act. The
15 petitioner's name shall also be obliterated from the
16 official index required to be kept by the circuit court
17 clerk under Section 16 of the Clerks of Courts Act, but
18 any index issued by the circuit court clerk before the
19 entry of the order to seal shall not be affected.

20 (L) "Sexual offense committed against a minor"
21 includes but is not limited to the offenses of indecent
22 solicitation of a child or criminal sexual abuse when
23 the victim of such offense is under 18 years of age.

24 (M) "Terminate" as it relates to a sentence or
25 order of supervision or qualified probation includes
26 either satisfactory or unsatisfactory termination of

1 the sentence, unless otherwise specified in this
2 Section. A sentence is terminated notwithstanding any
3 outstanding financial legal obligation.

4 (2) Minor Traffic Offenses. Orders of supervision or
5 convictions for minor traffic offenses shall not affect a
6 petitioner's eligibility to expunge or seal records
7 pursuant to this Section.

8 (2.5) Commencing 180 days after July 29, 2016 (the
9 effective date of Public Act 99-697), the law enforcement
10 agency issuing the citation shall automatically expunge,
11 on or before January 1 and July 1 of each year, the law
12 enforcement records of a person found to have committed a
13 civil law violation of subsection (a) of Section 4 of the
14 Cannabis Control Act or subsection (c) of Section 3.5 of
15 the Drug Paraphernalia Control Act in the law enforcement
16 agency's possession or control and which contains the final
17 satisfactory disposition which pertain to the person
18 issued a citation for that offense. The law enforcement
19 agency shall provide by rule the process for access,
20 review, and to confirm the automatic expungement by the law
21 enforcement agency issuing the citation. Commencing 180
22 days after July 29, 2016 (the effective date of Public Act
23 99-697), the clerk of the circuit court shall expunge, upon
24 order of the court, or in the absence of a court order on
25 or before January 1 and July 1 of each year, the court
26 records of a person found in the circuit court to have

1 committed a civil law violation of subsection (a) of
2 Section 4 of the Cannabis Control Act or subsection (c) of
3 Section 3.5 of the Drug Paraphernalia Control Act in the
4 clerk's possession or control and which contains the final
5 satisfactory disposition which pertain to the person
6 issued a citation for any of those offenses.

7 (3) Exclusions. Except as otherwise provided in
8 subsections (b) (5), (b) (6), (b) (8), (e), (e-5), and (e-6)
9 of this Section, the court shall not order:

10 (A) the sealing or expungement of the records of
11 arrests or charges not initiated by arrest that result
12 in an order of supervision for or conviction of: (i)
13 any sexual offense committed against a minor; (ii)
14 Section 11-501 of the Illinois Vehicle Code or a
15 similar provision of a local ordinance; or (iii)
16 Section 11-503 of the Illinois Vehicle Code or a
17 similar provision of a local ordinance, unless the
18 arrest or charge is for a misdemeanor violation of
19 subsection (a) of Section 11-503 or a similar provision
20 of a local ordinance, that occurred prior to the
21 offender reaching the age of 25 years and the offender
22 has no other conviction for violating Section 11-501 or
23 11-503 of the Illinois Vehicle Code or a similar
24 provision of a local ordinance.

25 (B) the sealing or expungement of records of minor
26 traffic offenses (as defined in subsection (a) (1) (G)),

1 unless the petitioner was arrested and released
2 without charging.

3 (C) the sealing of the records of arrests or
4 charges not initiated by arrest which result in an
5 order of supervision or a conviction for the following
6 offenses:

7 (i) offenses included in Article 11 of the
8 Criminal Code of 1961 or the Criminal Code of 2012
9 or a similar provision of a local ordinance, except
10 Section 11-14 and a misdemeanor violation of
11 Section 11-30 of the Criminal Code of 1961 or the
12 Criminal Code of 2012, or a similar provision of a
13 local ordinance;

14 (ii) Section 11-1.50, 12-3.4, 12-15, 12-30,
15 26-5, or 48-1 of the Criminal Code of 1961 or the
16 Criminal Code of 2012, or a similar provision of a
17 local ordinance;

18 (iii) Sections 12-3.1 or 12-3.2 of the
19 Criminal Code of 1961 or the Criminal Code of 2012,
20 or Section 125 of the Stalking No Contact Order
21 Act, or Section 219 of the Civil No Contact Order
22 Act, or a similar provision of a local ordinance;

23 (iv) Class A misdemeanors or felony offenses
24 under the Humane Care for Animals Act; or

25 (v) any offense or attempted offense that
26 would subject a person to registration under the

1 Sex Offender Registration Act.

2 (D) (blank).

3 (b) Expungement.

4 (1) A petitioner may petition the circuit court to
5 expunge the records of his or her arrests and charges not
6 initiated by arrest when each arrest or charge not
7 initiated by arrest sought to be expunged resulted in: (i)
8 acquittal, dismissal, or the petitioner's release without
9 charging, unless excluded by subsection (a)(3)(B); (ii) a
10 conviction which was vacated or reversed, unless excluded
11 by subsection (a)(3)(B); (iii) an order of supervision and
12 such supervision was successfully completed by the
13 petitioner, unless excluded by subsection (a)(3)(A) or
14 (a)(3)(B); or (iv) an order of qualified probation (as
15 defined in subsection (a)(1)(J)) and such probation was
16 successfully completed by the petitioner.

17 (1.5) When a petitioner seeks to have a record of
18 arrest expunged under this Section, and the offender has
19 been convicted of a criminal offense, the State's Attorney
20 may object to the expungement on the grounds that the
21 records contain specific relevant information aside from
22 the mere fact of the arrest.

23 (2) Time frame for filing a petition to expunge.

24 (A) When the arrest or charge not initiated by
25 arrest sought to be expunged resulted in an acquittal,
26 dismissal, the petitioner's release without charging,

1 or the reversal or vacation of a conviction, there is
2 no waiting period to petition for the expungement of
3 such records.

4 (B) When the arrest or charge not initiated by
5 arrest sought to be expunged resulted in an order of
6 supervision, successfully completed by the petitioner,
7 the following time frames will apply:

8 (i) Those arrests or charges that resulted in
9 orders of supervision under Section 3-707, 3-708,
10 3-710, or 5-401.3 of the Illinois Vehicle Code or a
11 similar provision of a local ordinance, or under
12 Section 11-1.50, 12-3.2, or 12-15 of the Criminal
13 Code of 1961 or the Criminal Code of 2012, or a
14 similar provision of a local ordinance, shall not
15 be eligible for expungement until 5 years have
16 passed following the satisfactory termination of
17 the supervision.

18 (i-5) Those arrests or charges that resulted
19 in orders of supervision for a misdemeanor
20 violation of subsection (a) of Section 11-503 of
21 the Illinois Vehicle Code or a similar provision of
22 a local ordinance, that occurred prior to the
23 offender reaching the age of 25 years and the
24 offender has no other conviction for violating
25 Section 11-501 or 11-503 of the Illinois Vehicle
26 Code or a similar provision of a local ordinance

1 shall not be eligible for expungement until the
2 petitioner has reached the age of 25 years.

3 (ii) Those arrests or charges that resulted in
4 orders of supervision for any other offenses shall
5 not be eligible for expungement until 2 years have
6 passed following the satisfactory termination of
7 the supervision.

8 (C) When the arrest or charge not initiated by
9 arrest sought to be expunged resulted in an order of
10 qualified probation, successfully completed by the
11 petitioner, such records shall not be eligible for
12 expungement until 5 years have passed following the
13 satisfactory termination of the probation.

14 (3) Those records maintained by the Department for
15 persons arrested prior to their 17th birthday shall be
16 expunged as provided in Section 5-915 of the Juvenile Court
17 Act of 1987.

18 (4) Whenever a person has been arrested for or
19 convicted of any offense, in the name of a person whose
20 identity he or she has stolen or otherwise come into
21 possession of, the aggrieved person from whom the identity
22 was stolen or otherwise obtained without authorization,
23 upon learning of the person having been arrested using his
24 or her identity, may, upon verified petition to the chief
25 judge of the circuit wherein the arrest was made, have a
26 court order entered nunc pro tunc by the Chief Judge to

1 correct the arrest record, conviction record, if any, and
2 all official records of the arresting authority, the
3 Department, other criminal justice agencies, the
4 prosecutor, and the trial court concerning such arrest, if
5 any, by removing his or her name from all such records in
6 connection with the arrest and conviction, if any, and by
7 inserting in the records the name of the offender, if known
8 or ascertainable, in lieu of the aggrieved's name. The
9 records of the circuit court clerk shall be sealed until
10 further order of the court upon good cause shown and the
11 name of the aggrieved person obliterated on the official
12 index required to be kept by the circuit court clerk under
13 Section 16 of the Clerks of Courts Act, but the order shall
14 not affect any index issued by the circuit court clerk
15 before the entry of the order. Nothing in this Section
16 shall limit the Department of State Police or other
17 criminal justice agencies or prosecutors from listing
18 under an offender's name the false names he or she has
19 used.

20 (5) Whenever a person has been convicted of criminal
21 sexual assault, aggravated criminal sexual assault,
22 predatory criminal sexual assault of a child, criminal
23 sexual abuse, or aggravated criminal sexual abuse, the
24 victim of that offense may request that the State's
25 Attorney of the county in which the conviction occurred
26 file a verified petition with the presiding trial judge at

1 the petitioner's trial to have a court order entered to
2 seal the records of the circuit court clerk in connection
3 with the proceedings of the trial court concerning that
4 offense. However, the records of the arresting authority
5 and the Department of State Police concerning the offense
6 shall not be sealed. The court, upon good cause shown,
7 shall make the records of the circuit court clerk in
8 connection with the proceedings of the trial court
9 concerning the offense available for public inspection.

10 (6) If a conviction has been set aside on direct review
11 or on collateral attack and the court determines by clear
12 and convincing evidence that the petitioner was factually
13 innocent of the charge, the court that finds the petitioner
14 factually innocent of the charge shall enter an expungement
15 order for the conviction for which the petitioner has been
16 determined to be innocent as provided in subsection (b) of
17 Section 5-5-4 of the Unified Code of Corrections.

18 (7) Nothing in this Section shall prevent the
19 Department of State Police from maintaining all records of
20 any person who is admitted to probation upon terms and
21 conditions and who fulfills those terms and conditions
22 pursuant to Section 10 of the Cannabis Control Act, Section
23 410 of the Illinois Controlled Substances Act, Section 70
24 of the Methamphetamine Control and Community Protection
25 Act, Section 5-6-3.3 or 5-6-3.4 of the Unified Code of
26 Corrections, Section 12-4.3 or subdivision (b)(1) of

1 Section 12-3.05 of the Criminal Code of 1961 or the
2 Criminal Code of 2012, Section 10-102 of the Illinois
3 Alcoholism and Other Drug Dependency Act, Section 40-10 of
4 the Substance Use Disorder Act, or Section 10 of the
5 Steroid Control Act.

6 (8) If the petitioner has been granted a certificate of
7 innocence under Section 2-702 of the Code of Civil
8 Procedure, the court that grants the certificate of
9 innocence shall also enter an order expunging the
10 conviction for which the petitioner has been determined to
11 be innocent as provided in subsection (h) of Section 2-702
12 of the Code of Civil Procedure.

13 (c) Sealing.

14 (1) Applicability. Notwithstanding any other provision
15 of this Act to the contrary, and cumulative with any rights
16 to expungement of criminal records, this subsection
17 authorizes the sealing of criminal records of adults and of
18 minors prosecuted as adults. Subsection (g) of this Section
19 provides for immediate sealing of certain records.

20 (2) Eligible Records. The following records may be
21 sealed:

22 (A) All arrests resulting in release without
23 charging;

24 (B) Arrests or charges not initiated by arrest
25 resulting in acquittal, dismissal, or conviction when
26 the conviction was reversed or vacated, except as

1 excluded by subsection (a) (3) (B);

2 (C) Arrests or charges not initiated by arrest
3 resulting in orders of supervision, including orders
4 of supervision for municipal ordinance violations,
5 successfully completed by the petitioner, unless
6 excluded by subsection (a) (3);

7 (D) Arrests or charges not initiated by arrest
8 resulting in convictions, including convictions on
9 municipal ordinance violations, unless excluded by
10 subsection (a) (3);

11 (E) Arrests or charges not initiated by arrest
12 resulting in orders of first offender probation under
13 Section 10 of the Cannabis Control Act, Section 410 of
14 the Illinois Controlled Substances Act, Section 70 of
15 the Methamphetamine Control and Community Protection
16 Act, or Section 5-6-3.3 of the Unified Code of
17 Corrections; and

18 (F) Arrests or charges not initiated by arrest
19 resulting in felony convictions unless otherwise
20 excluded by subsection (a) paragraph (3) of this
21 Section.

22 (3) When Records Are Eligible to Be Sealed. Records
23 identified as eligible under subsection (c) (2) may be
24 sealed as follows:

25 (A) Records identified as eligible under
26 subsection (c) (2) (A) and (c) (2) (B) may be sealed at any

1 time.

2 (B) Except as otherwise provided in subparagraph
3 (E) of this paragraph (3), records identified as
4 eligible under subsection (c)(2)(C) may be sealed 2
5 years after the termination of petitioner's last
6 sentence (as defined in subsection (a)(1)(F)).

7 (C) Except as otherwise provided in subparagraph
8 (E) of this paragraph (3), records identified as
9 eligible under subsections (c)(2)(D), (c)(2)(E), and
10 (c)(2)(F) may be sealed 3 years after the termination
11 of the petitioner's last sentence (as defined in
12 subsection (a)(1)(F)). Convictions requiring public
13 registration under the Arsonist Registration Act, the
14 Sex Offender Registration Act, or the Murderer and
15 Violent Offender Against Youth Registration Act may
16 not be sealed until the petitioner is no longer
17 required to register under that relevant Act.

18 (D) Records identified in subsection
19 (a)(3)(A)(iii) may be sealed after the petitioner has
20 reached the age of 25 years.

21 (E) Records identified as eligible under
22 subsections (c)(2)(C), (c)(2)(D), (c)(2)(E), or
23 (c)(2)(F) may be sealed upon termination of the
24 petitioner's last sentence if the petitioner earned a
25 high school diploma, associate's degree, career
26 certificate, vocational technical certification, or

1 bachelor's degree, or passed the high school level Test
2 of General Educational Development, during the period
3 of his or her sentence, aftercare release, or mandatory
4 supervised release. This subparagraph shall apply only
5 to a petitioner who has not completed the same
6 educational goal prior to the period of his or her
7 sentence, aftercare release, or mandatory supervised
8 release. If a petition for sealing eligible records
9 filed under this subparagraph is denied by the court,
10 the time periods under subparagraph (B) or (C) shall
11 apply to any subsequent petition for sealing filed by
12 the petitioner.

13 (4) Subsequent felony convictions. A person may not
14 have subsequent felony conviction records sealed as
15 provided in this subsection (c) if he or she is convicted
16 of any felony offense after the date of the sealing of
17 prior felony convictions as provided in this subsection
18 (c). The court may, upon conviction for a subsequent felony
19 offense, order the unsealing of prior felony conviction
20 records previously ordered sealed by the court.

21 (5) Notice of eligibility for sealing. Upon entry of a
22 disposition for an eligible record under this subsection
23 (c), the petitioner shall be informed by the court of the
24 right to have the records sealed and the procedures for the
25 sealing of the records.

26 (d) Procedure. The following procedures apply to

1 expungement under subsections (b), (e), and (e-6) and sealing
2 under subsections (c) and (e-5):

3 (1) Filing the petition. Upon becoming eligible to
4 petition for the expungement or sealing of records under
5 this Section, the petitioner shall file a petition
6 requesting the expungement or sealing of records with the
7 clerk of the court where the arrests occurred or the
8 charges were brought, or both. If arrests occurred or
9 charges were brought in multiple jurisdictions, a petition
10 must be filed in each such jurisdiction. The petitioner
11 shall pay the applicable fee, except no fee shall be
12 required if the petitioner has obtained a court order
13 waiving fees under Supreme Court Rule 298 or it is
14 otherwise waived.

15 (1.5) County fee waiver pilot program. In a county of
16 3,000,000 or more inhabitants, no fee shall be required to
17 be paid by a petitioner if the records sought to be
18 expunged or sealed were arrests resulting in release
19 without charging or arrests or charges not initiated by
20 arrest resulting in acquittal, dismissal, or conviction
21 when the conviction was reversed or vacated, unless
22 excluded by subsection (a) (3) (B). The provisions of this
23 paragraph (1.5), other than this sentence, are inoperative
24 on and after January 1, 2019.

25 (2) Contents of petition. The petition shall be
26 verified and shall contain the petitioner's name, date of

1 birth, current address and, for each arrest or charge not
2 initiated by arrest sought to be sealed or expunged, the
3 case number, the date of arrest (if any), the identity of
4 the arresting authority, and such other information as the
5 court may require. During the pendency of the proceeding,
6 the petitioner shall promptly notify the circuit court
7 clerk of any change of his or her address. If the
8 petitioner has received a certificate of eligibility for
9 sealing from the Prisoner Review Board under paragraph (10)
10 of subsection (a) of Section 3-3-2 of the Unified Code of
11 Corrections, the certificate shall be attached to the
12 petition.

13 (3) Drug test. The petitioner must attach to the
14 petition proof that the petitioner has passed a test taken
15 within 30 days before the filing of the petition showing
16 the absence within his or her body of all illegal
17 substances as defined by the Illinois Controlled
18 Substances Act, the Methamphetamine Control and Community
19 Protection Act, and the Cannabis Control Act if he or she
20 is petitioning to:

21 (A) seal felony records under clause (c) (2) (E);

22 (B) seal felony records for a violation of the
23 Illinois Controlled Substances Act, the
24 Methamphetamine Control and Community Protection Act,
25 or the Cannabis Control Act under clause (c) (2) (F);

26 (C) seal felony records under subsection (e-5); or

1 (D) expunge felony records of a qualified
2 probation under clause (b) (1) (iv).

3 (4) Service of petition. The circuit court clerk shall
4 promptly serve a copy of the petition and documentation to
5 support the petition under subsection (e-5) or (e-6) on the
6 State's Attorney or prosecutor charged with the duty of
7 prosecuting the offense, the Department of State Police,
8 the arresting agency and the chief legal officer of the
9 unit of local government effecting the arrest.

10 (5) Objections.

11 (A) Any party entitled to notice of the petition
12 may file an objection to the petition. All objections
13 shall be in writing, shall be filed with the circuit
14 court clerk, and shall state with specificity the basis
15 of the objection. Whenever a person who has been
16 convicted of an offense is granted a pardon by the
17 Governor which specifically authorizes expungement, an
18 objection to the petition may not be filed.

19 (B) Objections to a petition to expunge or seal
20 must be filed within 60 days of the date of service of
21 the petition.

22 (6) Entry of order.

23 (A) The Chief Judge of the circuit wherein the
24 charge was brought, any judge of that circuit
25 designated by the Chief Judge, or in counties of less
26 than 3,000,000 inhabitants, the presiding trial judge

1 at the petitioner's trial, if any, shall rule on the
2 petition to expunge or seal as set forth in this
3 subsection (d) (6).

4 (B) Unless the State's Attorney or prosecutor, the
5 Department of State Police, the arresting agency, or
6 the chief legal officer files an objection to the
7 petition to expunge or seal within 60 days from the
8 date of service of the petition, the court shall enter
9 an order granting or denying the petition.

10 (C) Notwithstanding any other provision of law,
11 the court shall not deny a petition for sealing under
12 this Section because the petitioner has not satisfied
13 an outstanding legal financial obligation established,
14 imposed, or originated by a court, law enforcement
15 agency, or a municipal, State, county, or other unit of
16 local government, including, but not limited to, any
17 cost, assessment, fine, or fee. An outstanding legal
18 financial obligation does not include any court
19 ordered restitution to a victim under Section 5-5-6 of
20 the Unified Code of Corrections, unless the
21 restitution has been converted to a civil judgment.
22 Nothing in this subparagraph (C) waives, rescinds, or
23 abrogates a legal financial obligation or otherwise
24 eliminates or affects the right of the holder of any
25 financial obligation to pursue collection under
26 applicable federal, State, or local law.

1 (7) Hearings. If an objection is filed, the court shall
2 set a date for a hearing and notify the petitioner and all
3 parties entitled to notice of the petition of the hearing
4 date at least 30 days prior to the hearing. Prior to the
5 hearing, the State's Attorney shall consult with the
6 Department as to the appropriateness of the relief sought
7 in the petition to expunge or seal. At the hearing, the
8 court shall hear evidence on whether the petition should or
9 should not be granted, and shall grant or deny the petition
10 to expunge or seal the records based on the evidence
11 presented at the hearing. The court may consider the
12 following:

13 (A) the strength of the evidence supporting the
14 defendant's conviction;

15 (B) the reasons for retention of the conviction
16 records by the State;

17 (C) the petitioner's age, criminal record history,
18 and employment history;

19 (D) the period of time between the petitioner's
20 arrest on the charge resulting in the conviction and
21 the filing of the petition under this Section; and

22 (E) the specific adverse consequences the
23 petitioner may be subject to if the petition is denied.

24 (8) Service of order. After entering an order to
25 expunge or seal records, the court must provide copies of
26 the order to the Department, in a form and manner

1 prescribed by the Department, to the petitioner, to the
2 State's Attorney or prosecutor charged with the duty of
3 prosecuting the offense, to the arresting agency, to the
4 chief legal officer of the unit of local government
5 effecting the arrest, and to such other criminal justice
6 agencies as may be ordered by the court.

7 (9) Implementation of order.

8 (A) Upon entry of an order to expunge records
9 pursuant to (b) (2) (A) or (b) (2) (B) (ii), or both:

10 (i) the records shall be expunged (as defined
11 in subsection (a) (1) (E)) by the arresting agency,
12 the Department, and any other agency as ordered by
13 the court, within 60 days of the date of service of
14 the order, unless a motion to vacate, modify, or
15 reconsider the order is filed pursuant to
16 paragraph (12) of subsection (d) of this Section;

17 (ii) the records of the circuit court clerk
18 shall be impounded until further order of the court
19 upon good cause shown and the name of the
20 petitioner obliterated on the official index
21 required to be kept by the circuit court clerk
22 under Section 16 of the Clerks of Courts Act, but
23 the order shall not affect any index issued by the
24 circuit court clerk before the entry of the order;
25 and

26 (iii) in response to an inquiry for expunged

1 records, the court, the Department, or the agency
2 receiving such inquiry, shall reply as it does in
3 response to inquiries when no records ever
4 existed.

5 (B) Upon entry of an order to expunge records
6 pursuant to (b) (2) (B) (i) or (b) (2) (C), or both:

7 (i) the records shall be expunged (as defined
8 in subsection (a) (1) (E)) by the arresting agency
9 and any other agency as ordered by the court,
10 within 60 days of the date of service of the order,
11 unless a motion to vacate, modify, or reconsider
12 the order is filed pursuant to paragraph (12) of
13 subsection (d) of this Section;

14 (ii) the records of the circuit court clerk
15 shall be impounded until further order of the court
16 upon good cause shown and the name of the
17 petitioner obliterated on the official index
18 required to be kept by the circuit court clerk
19 under Section 16 of the Clerks of Courts Act, but
20 the order shall not affect any index issued by the
21 circuit court clerk before the entry of the order;

22 (iii) the records shall be impounded by the
23 Department within 60 days of the date of service of
24 the order as ordered by the court, unless a motion
25 to vacate, modify, or reconsider the order is filed
26 pursuant to paragraph (12) of subsection (d) of

1 this Section;

2 (iv) records impounded by the Department may
3 be disseminated by the Department only as required
4 by law or to the arresting authority, the State's
5 Attorney, and the court upon a later arrest for the
6 same or a similar offense or for the purpose of
7 sentencing for any subsequent felony, and to the
8 Department of Corrections upon conviction for any
9 offense; and

10 (v) in response to an inquiry for such records
11 from anyone not authorized by law to access such
12 records, the court, the Department, or the agency
13 receiving such inquiry shall reply as it does in
14 response to inquiries when no records ever
15 existed.

16 (B-5) Upon entry of an order to expunge records
17 under subsection (e-6):

18 (i) the records shall be expunged (as defined
19 in subsection (a)(1)(E)) by the arresting agency
20 and any other agency as ordered by the court,
21 within 60 days of the date of service of the order,
22 unless a motion to vacate, modify, or reconsider
23 the order is filed under paragraph (12) of
24 subsection (d) of this Section;

25 (ii) the records of the circuit court clerk
26 shall be impounded until further order of the court

1 upon good cause shown and the name of the
2 petitioner obliterated on the official index
3 required to be kept by the circuit court clerk
4 under Section 16 of the Clerks of Courts Act, but
5 the order shall not affect any index issued by the
6 circuit court clerk before the entry of the order;

7 (iii) the records shall be impounded by the
8 Department within 60 days of the date of service of
9 the order as ordered by the court, unless a motion
10 to vacate, modify, or reconsider the order is filed
11 under paragraph (12) of subsection (d) of this
12 Section;

13 (iv) records impounded by the Department may
14 be disseminated by the Department only as required
15 by law or to the arresting authority, the State's
16 Attorney, and the court upon a later arrest for the
17 same or a similar offense or for the purpose of
18 sentencing for any subsequent felony, and to the
19 Department of Corrections upon conviction for any
20 offense; and

21 (v) in response to an inquiry for these records
22 from anyone not authorized by law to access the
23 records, the court, the Department, or the agency
24 receiving the inquiry shall reply as it does in
25 response to inquiries when no records ever
26 existed.

1 (C) Upon entry of an order to seal records under
2 subsection (c), the arresting agency, any other agency
3 as ordered by the court, the Department, and the court
4 shall seal the records (as defined in subsection
5 (a) (1) (K)). 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 existed.

10 (D) The Department shall send written notice to the
11 petitioner of its compliance with each order to expunge
12 or seal records within 60 days of the date of service
13 of that order or, if a motion to vacate, modify, or
14 reconsider is filed, within 60 days of service of the
15 order resolving the motion, if that order requires the
16 Department to expunge or seal records. In the event of
17 an appeal from the circuit court order, the Department
18 shall send written notice to the petitioner of its
19 compliance with an Appellate Court or Supreme Court
20 judgment to expunge or seal records within 60 days of
21 the issuance of the court's mandate. The notice is not
22 required while any motion to vacate, modify, or
23 reconsider, or any appeal or petition for
24 discretionary appellate review, is pending.

25 (E) Upon motion, the court may order that a sealed
26 judgment or other court record necessary to

1 demonstrate the amount of any legal financial
2 obligation due and owing be made available for the
3 limited purpose of collecting any legal financial
4 obligations owed by the petitioner that were
5 established, imposed, or originated in the criminal
6 proceeding for which those records have been sealed.
7 The records made available under this subparagraph (E)
8 shall not be entered into the official index required
9 to be kept by the circuit court clerk under Section 16
10 of the Clerks of Courts Act and shall be immediately
11 re-impounded upon the collection of the outstanding
12 financial obligations.

13 (F) Notwithstanding any other provision of this
14 Section, a circuit court clerk may access a sealed
15 record for the limited purpose of collecting payment
16 for any legal financial obligations that were
17 established, imposed, or originated in the criminal
18 proceedings for which those records have been sealed.

19 (10) Fees. The Department may charge the petitioner a
20 fee equivalent to the cost of processing any order to
21 expunge or seal records. Notwithstanding any provision of
22 the Clerks of Courts Act to the contrary, the circuit court
23 clerk may charge a fee equivalent to the cost associated
24 with the sealing or expungement of records by the circuit
25 court clerk. From the total filing fee collected for the
26 petition to seal or expunge, the circuit court clerk shall

1 deposit \$10 into the Circuit Court Clerk Operation and
2 Administrative Fund, to be used to offset the costs
3 incurred by the circuit court clerk in performing the
4 additional duties required to serve the petition to seal or
5 expunge on all parties. The circuit court clerk shall
6 collect and forward the Department of State Police portion
7 of the fee to the Department and it shall be deposited in
8 the State Police Services Fund. If the record brought under
9 an expungement petition was previously sealed under this
10 Section, the fee for the expungement petition for that same
11 record shall be waived.

12 (11) Final Order. No court order issued under the
13 expungement or sealing provisions of this Section shall
14 become final for purposes of appeal until 30 days after
15 service of the order on the petitioner and all parties
16 entitled to notice of the petition.

17 (12) Motion to Vacate, Modify, or Reconsider. Under
18 Section 2-1203 of the Code of Civil Procedure, the
19 petitioner or any party entitled to notice may file a
20 motion to vacate, modify, or reconsider the order granting
21 or denying the petition to expunge or seal within 60 days
22 of service of the order. If filed more than 60 days after
23 service of the order, a petition to vacate, modify, or
24 reconsider shall comply with subsection (c) of Section
25 2-1401 of the Code of Civil Procedure. Upon filing of a
26 motion to vacate, modify, or reconsider, notice of the

1 motion shall be served upon the petitioner and all parties
2 entitled to notice of the petition.

3 (13) Effect of Order. An order granting a petition
4 under the expungement or sealing provisions of this Section
5 shall not be considered void because it fails to comply
6 with the provisions of this Section or because of any error
7 asserted in a motion to vacate, modify, or reconsider. The
8 circuit court retains jurisdiction to determine whether
9 the order is voidable and to vacate, modify, or reconsider
10 its terms based on a motion filed under paragraph (12) of
11 this subsection (d).

12 (14) Compliance with Order Granting Petition to Seal
13 Records. Unless a court has entered a stay of an order
14 granting a petition to seal, all parties entitled to notice
15 of the petition must fully comply with the terms of the
16 order within 60 days of service of the order even if a
17 party is seeking relief from the order through a motion
18 filed under paragraph (12) of this subsection (d) or is
19 appealing the order.

20 (15) Compliance with Order Granting Petition to
21 Expunge Records. While a party is seeking relief from the
22 order granting the petition to expunge through a motion
23 filed under paragraph (12) of this subsection (d) or is
24 appealing the order, and unless a court has entered a stay
25 of that order, the parties entitled to notice of the
26 petition must seal, but need not expunge, the records until

1 there is a final order on the motion for relief or, in the
2 case of an appeal, the issuance of that court's mandate.

3 (16) The changes to this subsection (d) made by Public
4 Act 98-163 apply to all petitions pending on August 5, 2013
5 (the effective date of Public Act 98-163) and to all orders
6 ruling on a petition to expunge or seal on or after August
7 5, 2013 (the effective date of Public Act 98-163).

8 (e) Whenever a person who has been convicted of an offense
9 is granted a pardon by the Governor which specifically
10 authorizes expungement, he or she may, upon verified petition
11 to the Chief Judge of the circuit where the person had been
12 convicted, any judge of the circuit designated by the Chief
13 Judge, or in counties of less than 3,000,000 inhabitants, the
14 presiding trial judge at the defendant's trial, have a court
15 order entered expunging the record of arrest from the official
16 records of the arresting authority and order that the records
17 of the circuit court clerk and the Department be sealed until
18 further order of the court upon good cause shown or as
19 otherwise provided herein, and the name of the defendant
20 obliterated from the official index requested to be kept by the
21 circuit court clerk under Section 16 of the Clerks of Courts
22 Act in connection with the arrest and conviction for the
23 offense for which he or she had been pardoned but the order
24 shall not affect any index issued by the circuit court clerk
25 before the entry of the order. All records sealed by the
26 Department may be disseminated by the Department only to the

1 arresting authority, the State's Attorney, and the court upon a
2 later arrest for the same or similar offense or for the purpose
3 of sentencing for any subsequent felony. Upon conviction for
4 any subsequent offense, the Department of Corrections shall
5 have access to all sealed records of the Department pertaining
6 to that individual. Upon entry of the order of expungement, the
7 circuit court clerk shall promptly mail a copy of the order to
8 the person who was pardoned.

9 (e-5) Whenever a person who has been convicted of an
10 offense is granted a certificate of eligibility for sealing by
11 the Prisoner Review Board which specifically authorizes
12 sealing, he or she may, upon verified petition to the Chief
13 Judge of the circuit where the person had been convicted, any
14 judge of the circuit designated by the Chief Judge, or in
15 counties of less than 3,000,000 inhabitants, the presiding
16 trial judge at the petitioner's trial, have a court order
17 entered sealing the record of arrest from the official records
18 of the arresting authority and order that the records of the
19 circuit court clerk and the Department be sealed until further
20 order of the court upon good cause shown or as otherwise
21 provided herein, and the name of the petitioner obliterated
22 from the official index requested to be kept by the circuit
23 court clerk under Section 16 of the Clerks of Courts Act in
24 connection with the arrest and conviction for the offense for
25 which he or she had been granted the certificate but the order
26 shall not affect any index issued by the circuit court clerk

1 before the entry of the order. All records sealed by the
2 Department may be disseminated by the Department only as
3 required by this Act or to the arresting authority, a law
4 enforcement agency, the State's Attorney, and the court upon a
5 later arrest for the same or similar offense or for the purpose
6 of sentencing for any subsequent felony. Upon conviction for
7 any subsequent offense, the Department of Corrections shall
8 have access to all sealed records of the Department pertaining
9 to that individual. Upon entry of the order of sealing, the
10 circuit court clerk shall promptly mail a copy of the order to
11 the person who was granted the certificate of eligibility for
12 sealing.

13 (e-6) Whenever a person who has been convicted of an
14 offense is granted a certificate of eligibility for expungement
15 by the Prisoner Review Board which specifically authorizes
16 expungement, he or she may, upon verified petition to the Chief
17 Judge of the circuit where the person had been convicted, any
18 judge of the circuit designated by the Chief Judge, or in
19 counties of less than 3,000,000 inhabitants, the presiding
20 trial judge at the petitioner's trial, have a court order
21 entered expunging the record of arrest from the official
22 records of the arresting authority and order that the records
23 of the circuit court clerk and the Department be sealed until
24 further order of the court upon good cause shown or as
25 otherwise provided herein, and the name of the petitioner
26 obliterated from the official index requested to be kept by the

1 circuit court clerk under Section 16 of the Clerks of Courts
2 Act in connection with the arrest and conviction for the
3 offense for which he or she had been granted the certificate
4 but the order shall not affect any index issued by the circuit
5 court clerk before the entry of the order. All records sealed
6 by the Department may be disseminated by the Department only as
7 required by this Act or to the arresting authority, a law
8 enforcement agency, the State's Attorney, and the court upon a
9 later arrest for the same or similar offense or for the purpose
10 of sentencing for any subsequent felony. Upon conviction for
11 any subsequent offense, the Department of Corrections shall
12 have access to all expunged records of the Department
13 pertaining to that individual. Upon entry of the order of
14 expungement, the circuit court clerk shall promptly mail a copy
15 of the order to the person who was granted the certificate of
16 eligibility for expungement.

17 (f) Subject to available funding, the Illinois Department
18 of Corrections shall conduct a study of the impact of sealing,
19 especially on employment and recidivism rates, utilizing a
20 random sample of those who apply for the sealing of their
21 criminal records under Public Act 93-211. At the request of the
22 Illinois Department of Corrections, records of the Illinois
23 Department of Employment Security shall be utilized as
24 appropriate to assist in the study. The study shall not
25 disclose any data in a manner that would allow the
26 identification of any particular individual or employing unit.

1 The study shall be made available to the General Assembly no
2 later than September 1, 2010.

3 (g) Immediate Sealing.

4 (1) Applicability. Notwithstanding any other provision
5 of this Act to the contrary, and cumulative with any rights
6 to expungement or sealing of criminal records, this
7 subsection authorizes the immediate sealing of criminal
8 records of adults and of minors prosecuted as adults.

9 (2) Eligible Records. Arrests or charges not initiated
10 by arrest resulting in acquittal or dismissal with
11 prejudice, except as excluded by subsection (a)(3)(B),
12 that occur on or after January 1, 2018 (the effective date
13 of Public Act 100-282), may be sealed immediately if the
14 petition is filed with the circuit court clerk on the same
15 day and during the same hearing in which the case is
16 disposed.

17 (3) When Records are Eligible to be Immediately Sealed.
18 Eligible records under paragraph (2) of this subsection (g)
19 may be sealed immediately after entry of the final
20 disposition of a case, notwithstanding the disposition of
21 other charges in the same case.

22 (4) Notice of Eligibility for Immediate Sealing. Upon
23 entry of a disposition for an eligible record under this
24 subsection (g), the defendant shall be informed by the
25 court of his or her right to have eligible records
26 immediately sealed and the procedure for the immediate

1 sealing of these records.

2 (5) Procedure. The following procedures apply to
3 immediate sealing under this subsection (g).

4 (A) Filing the Petition. Upon entry of the final
5 disposition of the case, the defendant's attorney may
6 immediately petition the court, on behalf of the
7 defendant, for immediate sealing of eligible records
8 under paragraph (2) of this subsection (g) that are
9 entered on or after January 1, 2018 (the effective date
10 of Public Act 100-282). The immediate sealing petition
11 may be filed with the circuit court clerk during the
12 hearing in which the final disposition of the case is
13 entered. If the defendant's attorney does not file the
14 petition for immediate sealing during the hearing, the
15 defendant may file a petition for sealing at any time
16 as authorized under subsection (c) (3) (A).

17 (B) Contents of Petition. The immediate sealing
18 petition shall be verified and shall contain the
19 petitioner's name, date of birth, current address, and
20 for each eligible record, the case number, the date of
21 arrest if applicable, the identity of the arresting
22 authority if applicable, and other information as the
23 court may require.

24 (C) Drug Test. The petitioner shall not be required
25 to attach proof that he or she has passed a drug test.

26 (D) Service of Petition. A copy of the petition

1 shall be served on the State's Attorney in open court.
2 The petitioner shall not be required to serve a copy of
3 the petition on any other agency.

4 (E) Entry of Order. The presiding trial judge shall
5 enter an order granting or denying the petition for
6 immediate sealing during the hearing in which it is
7 filed. Petitions for immediate sealing shall be ruled
8 on in the same hearing in which the final disposition
9 of the case is entered.

10 (F) Hearings. The court shall hear the petition for
11 immediate sealing on the same day and during the same
12 hearing in which the disposition is rendered.

13 (G) Service of Order. An order to immediately seal
14 eligible records shall be served in conformance with
15 subsection (d) (8).

16 (H) Implementation of Order. An order to
17 immediately seal records shall be implemented in
18 conformance with subsections (d) (9) (C) and (d) (9) (D).

19 (I) Fees. The fee imposed by the circuit court
20 clerk and the Department of State Police shall comply
21 with paragraph (1) of subsection (d) of this Section.

22 (J) Final Order. No court order issued under this
23 subsection (g) shall become final for purposes of
24 appeal until 30 days after service of the order on the
25 petitioner and all parties entitled to service of the
26 order in conformance with subsection (d) (8).

1 (K) Motion to Vacate, Modify, or Reconsider. Under
2 Section 2-1203 of the Code of Civil Procedure, the
3 petitioner, State's Attorney, or the Department of
4 State Police may file a motion to vacate, modify, or
5 reconsider the order denying the petition to
6 immediately seal within 60 days of service of the
7 order. If filed more than 60 days after service of the
8 order, a petition to vacate, modify, or reconsider
9 shall comply with subsection (c) of Section 2-1401 of
10 the Code of Civil Procedure.

11 (L) Effect of Order. An order granting an immediate
12 sealing petition shall not be considered void because
13 it fails to comply with the provisions of this Section
14 or because of an error asserted in a motion to vacate,
15 modify, or reconsider. The circuit court retains
16 jurisdiction to determine whether the order is
17 voidable, and to vacate, modify, or reconsider its
18 terms based on a motion filed under subparagraph (L) of
19 this subsection (g).

20 (M) Compliance with Order Granting Petition to
21 Seal Records. Unless a court has entered a stay of an
22 order granting a petition to immediately seal, all
23 parties entitled to service of the order must fully
24 comply with the terms of the order within 60 days of
25 service of the order.

26 (h) Sealing; trafficking victims.

1 (1) A trafficking victim as defined by paragraph (10)
2 of subsection (a) of Section 10-9 of the Criminal Code of
3 2012 shall be eligible to petition for immediate sealing of
4 his or her criminal record upon the completion of his or
5 her last sentence if his or her participation in the
6 underlying offense was a direct result of human trafficking
7 under Section 10-9 of the Criminal Code of 2012 or a severe
8 form of trafficking under the federal Trafficking Victims
9 Protection Act.

10 (2) A petitioner under this subsection (h), in addition
11 to the requirements provided under paragraph (4) of
12 subsection (d) of this Section, shall include in his or her
13 petition a clear and concise statement that: (A) he or she
14 was a victim of human trafficking at the time of the
15 offense; and (B) that his or her participation in the
16 offense was a direct result of human trafficking under
17 Section 10-9 of the Criminal Code of 2012 or a severe form
18 of trafficking under the federal Trafficking Victims
19 Protection Act.

20 (3) If an objection is filed alleging that the
21 petitioner is not entitled to immediate sealing under this
22 subsection (h), the court shall conduct a hearing under
23 paragraph (7) of subsection (d) of this Section and the
24 court shall determine whether the petitioner is entitled to
25 immediate sealing under this subsection (h). A petitioner
26 is eligible for immediate relief under this subsection (h)

1 if he or she shows, by a preponderance of the evidence,
2 that: (A) he or she was a victim of human trafficking at
3 the time of the offense; and (B) that his or her
4 participation in the offense was a direct result of human
5 trafficking under Section 10-9 of the Criminal Code of 2012
6 or a severe form of trafficking under the federal
7 Trafficking Victims Protection Act.

8 (i) Minor Cannabis Offenses under the Cannabis Control Act.

9 (1) Expungement of Arrest Records of Minor Cannabis
10 Offenses.

11 (A) The Department of State Police and all law
12 enforcement agencies within the State shall
13 automatically expunge all criminal history records of
14 an arrest, charge not initiated by arrest, order of
15 supervision, or order of qualified probation for a
16 Minor Cannabis Offense committed prior to the
17 effective date of this amendatory Act of the 101st
18 General Assembly if:

19 (i) One year or more has elapsed since the date
20 of the arrest or law enforcement interaction
21 documented in the records; and

22 (ii) No criminal charges were filed relating
23 to the arrest or law enforcement interaction or
24 criminal charges were filed and subsequently
25 dismissed or vacated or the arrestee was
26 acquitted.

1 (B) If the law enforcement agency is unable to
2 verify satisfaction of condition (ii) in paragraph
3 (A), records that satisfy condition (i) in paragraph
4 (A) shall be automatically expunged.

5 (C) Records shall be expunged pursuant to the
6 procedures set forth in subdivision (d)(9)(A) under
7 the following timelines:

8 (i) Records created prior to the effective
9 date of this amendatory Act of the 101st General
10 Assembly, but on or after January 1, 2013, shall be
11 automatically expunged prior to January 1, 2021;

12 (ii) Records created prior to January 1, 2013,
13 but on or after January 1, 2000, shall be
14 automatically expunged prior to January 1, 2023;

15 (iii) Records created prior to January 1, 2000
16 shall be automatically expunged prior to January
17 1, 2025.

18 (D) Nothing in this Section shall be construed to
19 restrict or modify an individual's right to have that
20 individual's records expunged except as otherwise may
21 be provided in this Act, or diminish or abrogate any
22 rights or remedies otherwise available to the
23 individual.

24 (2) Pardons Authorizing Expungement of Minor Cannabis
25 Offenses.

26 (A) Upon the effective date of this amendatory Act

1 of the 101st General Assembly, the Department of State
2 Police shall review all criminal history record
3 information and identify all records that meet all of
4 the following criteria:

5 (i) one or more convictions for a Minor
6 Cannabis Offense;

7 (ii) the conviction identified in paragraph
8 (2)(A)(i) did not include a penalty enhancement
9 under Section 7 of the Cannabis Control Act; and

10 (iii) The conviction identified in paragraph
11 (2)(A)(i) is not associated with an arrest,
12 conviction or other disposition for a violent
13 crime as defined in subsection (c) of Section 3 of
14 the Rights of Crime Victims and Witnesses Act.

15 (B) Within 180 days after the effective date of
16 this amendatory Act of the 101st General Assembly, the
17 Department of State Police shall notify the Prisoner
18 Review Board of all such records that meet the criteria
19 established in paragraph (2)(A).

20 (i) The Prisoner Review Board shall notify the
21 State's Attorney of the county of conviction of
22 each record identified by State Police in
23 paragraph (2)(A) that is classified as a Class 4
24 felony. The State's Attorney may provide a written
25 objection to the Prisoner Review Board on the sole
26 basis that the record identified does not meet the

1 criteria established in paragraph (2)(A). Such an
2 objection must be filed within 60 days or by such
3 later date set by Prisoner Review Board in the
4 notice after the State's Attorney received notice
5 from the Prisoner Review Board.

6 (ii) In response to a written objection from a
7 State's Attorney, the Prisoner Review Board is
8 authorized to conduct a non-public hearing to
9 evaluate the information provided in the
10 objection.

11 (iii) The Prisoner Review Board shall make a
12 confidential and privileged recommendation to the
13 Governor as to whether to grant a pardon
14 authorizing expungement for each of the records
15 identified by the Department of State Police as
16 described in paragraph (2)(A).

17 (C) If an individual has been granted a pardon
18 authorizing expungement as described in this Section,
19 the Prisoner Review Board, through the Attorney
20 General, shall file a petition for expungement with the
21 Chief Judge of the circuit or any judge of the circuit
22 designated by the Chief Judge where the individual had
23 been convicted. Such petition may include more than one
24 individual. Whenever an individual who has been
25 convicted of an offense is granted a pardon by the
26 Governor that specifically authorizes expungement, an

1 objection to the petition may not be filed. Petitions
2 to expunge under this subsection (i) may include more
3 than one individual. Within 90 days of the filing of
4 such a petition, the court shall enter an order
5 expunging the records of arrest from the official
6 records of the arresting authority and order that the
7 records of the circuit court clerk and the Department
8 of State Police be expunged and the name of the
9 defendant obliterated from the official index
10 requested to be kept by the circuit court clerk under
11 Section 16 of the Clerks of Courts Act in connection
12 with the arrest and conviction for the offense for
13 which the individual had received a pardon but the
14 order shall not affect any index issued by the circuit
15 court clerk before the entry of the order. Upon entry
16 of the order of expungement, the circuit court clerk
17 shall promptly provide a copy of the order to the
18 individual who was pardoned to the individual's last
19 known address or otherwise make available to the
20 individual upon request.

21 (D) Nothing in this Section is intended to diminish
22 or abrogate any rights or remedies otherwise available
23 to the individual.

24 (3) Any individual may file a motion to vacate and
25 expunge a conviction for a misdemeanor or Class 4 felony
26 violation of Section 4 or Section 5 of the Cannabis Control

1 Act. Motions to vacate and expunge under this subsection
2 (i) may be filed with the circuit court, Chief Judge of a
3 judicial circuit or any judge of the circuit designated by
4 the Chief Judge. When considering such a motion to vacate
5 and expunge, a court shall consider the following: the
6 reasons to retain the records provided by law enforcement,
7 the petitioner's age, the petitioner's age at the time of
8 offense, the time since the conviction, and the specific
9 adverse consequences if denied. An individual may file such
10 a petition after the completion of any sentence or
11 condition imposed by the conviction. Within 60 days of the
12 filing of such motion, a State's Attorney may file an
13 objection to such a petition along with supporting
14 evidence. If a motion to vacate and expunge is granted, the
15 records shall be expunged in accordance with subparagraph
16 (d) (9) (A) of this Section. An agency providing civil legal
17 aid, as defined by Section 15 of the Public Interest
18 Attorney Assistance Act, assisting individuals seeking to
19 file a motion to vacate and expunge under this subsection
20 may file motions to vacate and expunge with the Chief Judge
21 of a judicial circuit or any judge of the circuit
22 designated by the Chief Judge, and the motion may include
23 more than one individual.

24 (4) Any State's Attorney may file a motion to vacate
25 and expunge a conviction for a misdemeanor or Class 4
26 felony violation of Section 4 or Section 5 of the Cannabis

1 Control Act. Motions to vacate and expunge under this
2 subsection (i) may be filed with the circuit court, Chief
3 Judge of a judicial circuit or any judge of the circuit
4 designated by the Chief Judge, and may include more than
5 one individual. When considering such a motion to vacate
6 and expunge, a court shall consider the following: the
7 reasons to retain the records provided by law enforcement,
8 the individual's age, the individual's age at the time of
9 offense, the time since the conviction, and the specific
10 adverse consequences if denied. If the State's Attorney
11 files a motion to vacate and expunge records for Minor
12 Cannabis Offenses pursuant to this Section, the State's
13 Attorney shall notify the Prisoner Review Board within 30
14 days of such filing. If a motion to vacate and expunge is
15 granted, the records shall be expunged in accordance with
16 subparagraph (d) (9) (A) of this Section.

17 (5) In the public interest, the State's Attorney of a
18 county has standing to file motions to vacate and expunge
19 pursuant to this Section in the circuit court with
20 jurisdiction over the underlying conviction.

21 (6) If a person is arrested for a Minor Cannabis
22 Offense as defined in this Section before the effective
23 date of this amendatory Act of the 101st General Assembly
24 and the person's case is still pending but a sentence has
25 not been imposed, the person may petition the court in
26 which the charges are pending for an order to summarily

1 dismiss those charges against him or her, and expunge all
2 official records of his or her arrest, plea, trial,
3 conviction, incarceration, supervision, or expungement. If
4 the court determines, upon review, that: (A) the person was
5 arrested before the effective date of this amendatory Act
6 of the 101st General Assembly for an offense that has been
7 made eligible for expungement; (B) the case is pending at
8 the time; and (C) the person has not been sentenced of the
9 minor cannabis violation eligible for expungement under
10 this subsection, the court shall consider the following:
11 the reasons to retain the records provided by law
12 enforcement, the petitioner's age, the petitioner's age at
13 the time of offense, the time since the conviction, and the
14 specific adverse consequences if denied. If a motion to
15 dismiss and expunge is granted, the records shall be
16 expunged in accordance with subparagraph (d)(9)(A) of this
17 Section.

18 (7) A person imprisoned solely as a result of one or
19 more convictions for Minor Cannabis Offenses under this
20 subsection (i) shall be released from incarceration upon
21 the issuance of an order under this subsection.

22 (8) The Department of State Police shall allow a person
23 to use the access and review process, established in the
24 Department of State Police, for verifying that his or her
25 records relating to Minor Cannabis Offenses of the Cannabis
26 Control Act eligible under this Section have been expunged.

1 (9) No conviction vacated pursuant to this Section
2 shall serve as the basis for damages for time unjustly
3 served as provided in the Court of Claims Act.

4 (10) Effect of Expungement. A person's right to expunge
5 an expungeable offense shall not be limited under this
6 Section. The effect of an order of expungement shall be to
7 restore the person to the status he or she occupied before
8 the arrest, charge, or conviction.

9 (11) Information. The Department of State Police shall
10 post general information on its website about the
11 expungement process described in this subsection (i).

12 (Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385,
13 eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16;
14 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff.
15 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692,
16 eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18;
17 100-863, eff. 8-14-18; revised 8-30-18.)

18 Section 900-15. The State Finance Act is amended by adding
19 Sections 5.891, 5.892, 5.893, 5.894, and 6z-107 as follows:

20 (30 ILCS 105/5.891 new)

21 Sec. 5.891. The Cannabis Regulation Fund.

22 (30 ILCS 105/5.892 new)

23 Sec. 5.892. The Cannabis Business Development Fund.

1 (30 ILCS 105/5.893 new)

2 Sec. 5.893. Local Cannabis Consumer Excise Tax Trust Fund.

3 (30 ILCS 105/5.894 new)

4 Sec. 5.894. Cannabis Expungement Fund.

5 (30 ILCS 105/6z-107 new)

6 Sec. 6z-107. The Cannabis Regulation Fund.

7 (a) There is created the Cannabis Regulation Fund in the
8 State treasury, subject to appropriations unless otherwise
9 provided in this Section. All moneys collected under the
10 Cannabis Regulation and Tax Act shall be deposited into the
11 Cannabis Regulation Fund, consisting of taxes, license fees,
12 other fees, and any other amounts required to be deposited or
13 transferred into the Fund.

14 (b) Whenever the Department of Revenue determines that a
15 refund should be made under the Cannabis Regulation and Tax Act
16 to a claimant, the Department of Revenue shall submit a voucher
17 for payment to the State Comptroller, who shall cause the order
18 to be drawn for the amount specified and to the person named in
19 the notification from the Department of Revenue. This
20 subsection (b) shall constitute an irrevocable and continuing
21 appropriation of all amounts necessary for the payment of
22 refunds out of the Fund as authorized under this subsection

23 (b).

1 (c) On or before the 25th day of each calendar month, the
2 Department of Revenue shall prepare and certify to the State
3 Comptroller the transfer and allocations of stated sums of
4 money from the Cannabis Regulation Fund to other named funds in
5 the State treasury. The amount subject to transfer shall be the
6 amount of the taxes, license fees, other fees, and any other
7 amounts paid into the Fund during the second preceding calendar
8 month, minus the refunds made under subsection (b) during the
9 second preceding calendar month by the Department. The
10 transfers shall be certified as follows:

11 (1) The Department of Revenue shall first determine the
12 allocations which shall remain in the Cannabis Regulation
13 Fund, subject to appropriations, to pay for the direct and
14 indirect costs associated with the implementation,
15 administration, and enforcement of the Cannabis Regulation
16 and Tax Act by the Department of Revenue, the Department of
17 State Police, the Department of Financial and Professional
18 Regulation, the Department of Agriculture, the Department
19 of Public Health, the Department of Commerce and Economic
20 Opportunity, and the Illinois Criminal Justice Information
21 Authority.

22 (2) After the allocations have been made as provided in
23 paragraph (1) of this subsection (c), of the remainder of
24 the amount subject to transfer for the month as determined
25 in this subsection (c), the Department shall certify the
26 transfer into the Cannabis Expungement Fund 1/12 of the

1 fiscal year amount appropriated from the Cannabis
2 Expungement Fund for payment of costs incurred by State
3 courts, the Attorney General, State's Attorneys, civil
4 legal aid, as defined by Section 15 of the Public Interest
5 Attorney Assistance Act, and the Department of State Police
6 to facilitate petitions for expungement of Minor Cannabis
7 Offenses pursuant to this amendatory Act of the 101st
8 General Assembly, as adjusted by any supplemental
9 appropriation, plus cumulative deficiencies in such
10 transfers for prior months.

11 (3) After the allocations have been made as provided in
12 paragraphs (1) and (2) of this subsection (c), the
13 Department of Revenue shall certify to the State
14 Comptroller and the State Treasurer shall transfer the
15 amounts that the Department of Revenue determines shall be
16 transferred into the following named funds according to the
17 following:

18 (A) 2% shall be transferred to the Drug Treatment
19 Fund to be used by the Department of Human Services
20 for: (i) developing and administering a scientifically
21 and medically accurate public education campaign
22 educating youth and adults about the health and safety
23 risks of alcohol, tobacco, illegal drug use (including
24 prescription drugs), and cannabis, including use by
25 pregnant women; and (ii) data collection and analysis
26 of the public health impacts of legalizing the

1 recreational use of cannabis. Expenditures for these
2 purposes shall be subject to appropriations.

3 (B) 8% shall be transferred to the Local Government
4 Distributive Fund and allocated as provided in Section
5 2 of the State Revenue Sharing Act. The moneys shall be
6 used to fund crime prevention programs, training, and
7 interdiction efforts, including detection,
8 enforcement, and prevention efforts, relating to the
9 illegal cannabis market and driving under the
10 influence of cannabis.

11 (C) 25% shall be transferred to the Criminal
12 Justice Information Projects Fund to be used for the
13 purposes of the Restore, Reinvest, and Renew Program to
14 address economic development, violence prevention
15 services, re-entry services, youth development, and
16 civil legal aid, as defined by Section 15 of the Public
17 Interest Attorney Assistance Act. The Restore,
18 Reinvest, and Renew Program shall address these issues
19 through targeted investments and intervention programs
20 and promotion of an employment infrastructure and
21 capacity building related to the social determinants
22 of health in impacted community areas. Expenditures
23 for these purposes shall be subject to appropriations.

24 (D) 20% shall be transferred to the Department of
25 Human Services Community Services Fund, to be used to
26 address substance abuse and prevention and mental

1 health concerns, including treatment, education, and
2 prevention to address the negative impacts of
3 substance abuse and mental health issues, including
4 concentrated poverty, violence, and the historical
5 overuse of criminal justice responses in certain
6 communities, on the individual, family, and community,
7 including federal, State, and local governments,
8 health care institutions and providers, and
9 correctional facilities. Expenditures for these
10 purposes shall be subject to appropriations.

11 (E) 10% shall be transferred to the Budget
12 Stabilization Fund.

13 (F) 35%, or any remaining balance, shall be
14 transferred to the General Revenue Fund.

15 As soon as may be practical, but no later than 10 days
16 after receipt, by the State Comptroller of the transfer
17 certification provided for in this subsection (c) to be given
18 to the State Comptroller by the Department of Revenue, the
19 State Comptroller shall direct and the State Treasurer shall
20 transfer the respective amounts in accordance with the
21 directions contained in such certification.

22 (d) On July 1, 2019 the Department of Revenue shall certify
23 to the State Comptroller and the State Treasurer shall transfer
24 \$5,000,000 from the Compassionate Use of Medical Cannabis Fund
25 to the Cannabis Regulation Fund.

26 (e) Notwithstanding any other law to the contrary and

1 except as otherwise provided in this Section, this Fund is not
2 subject to sweeps, administrative charge-backs, or any other
3 fiscal or budgetary maneuver that would in any way transfer any
4 amounts from this Fund into any other fund of the State.

5 (f) The Cannabis Regulation Fund shall retain a balance of
6 \$1,000,000 for the purposes of administrative costs.

7 (g) In Fiscal Year 2024 the allocations in subsection (c)
8 of this Section shall be reviewed and adjusted if the General
9 Assembly finds there is a greater need for funding for a
10 specific purpose in the State as it relates to this amendatory
11 Act of the 101st General Assembly.

12 Section 900-15.5. The Illinois Procurement Code is amended
13 by changing Section 1-10 as follows:

14 (30 ILCS 500/1-10)

15 Sec. 1-10. Application.

16 (a) This Code applies only to procurements for which
17 bidders, offerors, potential contractors, or contractors were
18 first solicited on or after July 1, 1998. This Code shall not
19 be construed to affect or impair any contract, or any provision
20 of a contract, entered into based on a solicitation prior to
21 the implementation date of this Code as described in Article
22 99, including but not limited to any covenant entered into with
23 respect to any revenue bonds or similar instruments. All
24 procurements for which contracts are solicited between the

1 effective date of Articles 50 and 99 and July 1, 1998 shall be
2 substantially in accordance with this Code and its intent.

3 (b) This Code shall apply regardless of the source of the
4 funds with which the contracts are paid, including federal
5 assistance moneys. This Code shall not apply to:

6 (1) Contracts between the State and its political
7 subdivisions or other governments, or between State
8 governmental bodies, except as specifically provided in
9 this Code.

10 (2) Grants, except for the filing requirements of
11 Section 20-80.

12 (3) Purchase of care, except as provided in Section
13 5-30.6 of the Illinois Public Aid Code and this Section.

14 (4) Hiring of an individual as employee and not as an
15 independent contractor, whether pursuant to an employment
16 code or policy or by contract directly with that
17 individual.

18 (5) Collective bargaining contracts.

19 (6) Purchase of real estate, except that notice of this
20 type of contract with a value of more than \$25,000 must be
21 published in the Procurement Bulletin within 10 calendar
22 days after the deed is recorded in the county of
23 jurisdiction. The notice shall identify the real estate
24 purchased, the names of all parties to the contract, the
25 value of the contract, and the effective date of the
26 contract.

1 (7) Contracts necessary to prepare for anticipated
2 litigation, enforcement actions, or investigations,
3 provided that the chief legal counsel to the Governor shall
4 give his or her prior approval when the procuring agency is
5 one subject to the jurisdiction of the Governor, and
6 provided that the chief legal counsel of any other
7 procuring entity subject to this Code shall give his or her
8 prior approval when the procuring entity is not one subject
9 to the jurisdiction of the Governor.

10 (8) (Blank).

11 (9) Procurement expenditures by the Illinois
12 Conservation Foundation when only private funds are used.

13 (10) (Blank).

14 (11) Public-private agreements entered into according
15 to the procurement requirements of Section 20 of the
16 Public-Private Partnerships for Transportation Act and
17 design-build agreements entered into according to the
18 procurement requirements of Section 25 of the
19 Public-Private Partnerships for Transportation Act.

20 (12) Contracts for legal, financial, and other
21 professional and artistic services entered into on or
22 before December 31, 2018 by the Illinois Finance Authority
23 in which the State of Illinois is not obligated. Such
24 contracts shall be awarded through a competitive process
25 authorized by the Board of the Illinois Finance Authority
26 and are subject to Sections 5-30, 20-160, 50-13, 50-20,

1 50-35, and 50-37 of this Code, as well as the final
2 approval by the Board of the Illinois Finance Authority of
3 the terms of the contract.

4 (13) Contracts for services, commodities, and
5 equipment to support the delivery of timely forensic
6 science services in consultation with and subject to the
7 approval of the Chief Procurement Officer as provided in
8 subsection (d) of Section 5-4-3a of the Unified Code of
9 Corrections, except for the requirements of Sections
10 20-60, 20-65, 20-70, and 20-160 and Article 50 of this
11 Code; however, the Chief Procurement Officer may, in
12 writing with justification, waive any certification
13 required under Article 50 of this Code. For any contracts
14 for services which are currently provided by members of a
15 collective bargaining agreement, the applicable terms of
16 the collective bargaining agreement concerning
17 subcontracting shall be followed.

18 On and after January 1, 2019, this paragraph (13),
19 except for this sentence, is inoperative.

20 (14) Contracts for participation expenditures required
21 by a domestic or international trade show or exhibition of
22 an exhibitor, member, or sponsor.

23 (15) Contracts with a railroad or utility that requires
24 the State to reimburse the railroad or utilities for the
25 relocation of utilities for construction or other public
26 purpose. Contracts included within this paragraph (15)

1 shall include, but not be limited to, those associated
2 with: relocations, crossings, installations, and
3 maintenance. For the purposes of this paragraph (15),
4 "railroad" means any form of non-highway ground
5 transportation that runs on rails or electromagnetic
6 guideways and "utility" means: (1) public utilities as
7 defined in Section 3-105 of the Public Utilities Act, (2)
8 telecommunications carriers as defined in Section 13-202
9 of the Public Utilities Act, (3) electric cooperatives as
10 defined in Section 3.4 of the Electric Supplier Act, (4)
11 telephone or telecommunications cooperatives as defined in
12 Section 13-212 of the Public Utilities Act, (5) rural water
13 or waste water systems with 10,000 connections or less, (6)
14 a holder as defined in Section 21-201 of the Public
15 Utilities Act, and (7) municipalities owning or operating
16 utility systems consisting of public utilities as that term
17 is defined in Section 11-117-2 of the Illinois Municipal
18 Code.

19 (16) Procurement expenditures necessary for the
20 Department of Public Health to provide the delivery of
21 timely newborn screening services in accordance with the
22 Newborn Metabolic Screening Act.

23 (17) ~~(16)~~ Procurement expenditures necessary for the
24 Department of Agriculture, the Department of Financial and
25 Professional Regulation, the Department of Human Services,
26 and the Department of Public Health to implement the

1 Compassionate Use of Medical Cannabis Pilot Program and
2 Opioid Alternative Pilot Program requirements and ensure
3 access to medical cannabis for patients with debilitating
4 medical conditions in accordance with the Compassionate
5 Use of Medical Cannabis Pilot Program Act.

6 (18) This Code does not apply to any procurements
7 necessary for the Department of Agriculture, the
8 Department of Financial and Professional Regulation, the
9 Department of Human Services, the Department of Commerce
10 and Economic Opportunity, and the Department of Public
11 Health to implement the Cannabis Regulation and Tax Act if
12 the applicable agency has made a good faith determination
13 that it is necessary and appropriate for the expenditure to
14 fall within this exemption and if the process is conducted
15 in a manner substantially in accordance with the
16 requirements of Sections 20-160, 25-60, 30-22, 50-5,
17 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35,
18 50-36, 50-37, 50-38, and 50-50 of this Code; however, for
19 Section 50-35, compliance applies only to contracts or
20 subcontracts over \$100,000. Notice of each contract
21 entered into under this paragraph (18) that is related to
22 the procurement of goods and services identified in
23 paragraph (1) through (9) of this subsection shall be
24 published in the Procurement Bulletin within 14 calendar
25 days after contract execution. The Chief Procurement
26 Officer shall prescribe the form and content of the notice.

1 Each agency shall provide the Chief Procurement Officer, on
2 a monthly basis, in the form and content prescribed by the
3 Chief Procurement Officer, a report of contracts that are
4 related to the procurement of goods and services identified
5 in this subsection. At a minimum, this report shall include
6 the name of the contractor, a description of the supply or
7 service provided, the total amount of the contract, the
8 term of the contract, and the exception to this Code
9 utilized. A copy of any or all of these contracts shall be
10 made available to the Chief Procurement Officer
11 immediately upon request. The Chief Procurement Officer
12 shall submit a report to the Governor and General Assembly
13 no later than November 1 of each year that includes, at a
14 minimum, an annual summary of the monthly information
15 reported to the Chief Procurement Officer. This exemption
16 becomes inoperative 5 years after the effective date of
17 this amendatory Act of the 101st General Assembly.

18 Notwithstanding any other provision of law, for contracts
19 entered into on or after October 1, 2017 under an exemption
20 provided in any paragraph of this subsection (b), except
21 paragraph (1), (2), or (5), each State agency shall post to the
22 appropriate procurement bulletin the name of the contractor, a
23 description of the supply or service provided, the total amount
24 of the contract, the term of the contract, and the exception to
25 the Code utilized. The chief procurement officer shall submit a
26 report to the Governor and General Assembly no later than

1 November 1 of each year that shall include, at a minimum, an
2 annual summary of the monthly information reported to the chief
3 procurement officer.

4 (c) This Code does not apply to the electric power
5 procurement process provided for under Section 1-75 of the
6 Illinois Power Agency Act and Section 16-111.5 of the Public
7 Utilities Act.

8 (d) Except for Section 20-160 and Article 50 of this Code,
9 and as expressly required by Section 9.1 of the Illinois
10 Lottery Law, the provisions of this Code do not apply to the
11 procurement process provided for under Section 9.1 of the
12 Illinois Lottery Law.

13 (e) This Code does not apply to the process used by the
14 Capital Development Board to retain a person or entity to
15 assist the Capital Development Board with its duties related to
16 the determination of costs of a clean coal SNG brownfield
17 facility, as defined by Section 1-10 of the Illinois Power
18 Agency Act, as required in subsection (h-3) of Section 9-220 of
19 the Public Utilities Act, including calculating the range of
20 capital costs, the range of operating and maintenance costs, or
21 the sequestration costs or monitoring the construction of clean
22 coal SNG brownfield facility for the full duration of
23 construction.

24 (f) (Blank).

25 (g) (Blank).

26 (h) This Code does not apply to the process to procure or

1 contracts entered into in accordance with Sections 11-5.2 and
2 11-5.3 of the Illinois Public Aid Code.

3 (i) Each chief procurement officer may access records
4 necessary to review whether a contract, purchase, or other
5 expenditure is or is not subject to the provisions of this
6 Code, unless such records would be subject to attorney-client
7 privilege.

8 (j) This Code does not apply to the process used by the
9 Capital Development Board to retain an artist or work or works
10 of art as required in Section 14 of the Capital Development
11 Board Act.

12 (k) This Code does not apply to the process to procure
13 contracts, or contracts entered into, by the State Board of
14 Elections or the State Electoral Board for hearing officers
15 appointed pursuant to the Election Code.

16 (l) This Code does not apply to the processes used by the
17 Illinois Student Assistance Commission to procure supplies and
18 services paid for from the private funds of the Illinois
19 Prepaid Tuition Fund. As used in this subsection (l), "private
20 funds" means funds derived from deposits paid into the Illinois
21 Prepaid Tuition Trust Fund and the earnings thereon.

22 (Source: P.A. 99-801, eff. 1-1-17; 100-43, eff. 8-9-17;
23 100-580, eff. 3-12-18; 100-757, eff. 8-10-18; 100-1114, eff.
24 8-28-18; revised 10-18-18.)

25 Section 900-16. The Use Tax Act is amended by changing

1 Section 9 as follows:

2 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

3 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
4 and trailers that are required to be registered with an agency
5 of this State, each retailer required or authorized to collect
6 the tax imposed by this Act shall pay to the Department the
7 amount of such tax (except as otherwise provided) at the time
8 when he is required to file his return for the period during
9 which such tax was collected, less a discount of 2.1% prior to
10 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
11 per calendar year, whichever is greater, which is allowed to
12 reimburse the retailer for expenses incurred in collecting the
13 tax, keeping records, preparing and filing returns, remitting
14 the tax and supplying data to the Department on request. In the
15 case of retailers who report and pay the tax on a transaction
16 by transaction basis, as provided in this Section, such
17 discount shall be taken with each such tax remittance instead
18 of when such retailer files his periodic return. The discount
19 allowed under this Section is allowed only for returns that are
20 filed in the manner required by this Act. The Department may
21 disallow the discount for retailers whose certificate of
22 registration is revoked at the time the return is filed, but
23 only if the Department's decision to revoke the certificate of
24 registration has become final. A retailer need not remit that
25 part of any tax collected by him to the extent that he is

1 required to remit and does remit the tax imposed by the
2 Retailers' Occupation Tax Act, with respect to the sale of the
3 same property.

4 Where such tangible personal property is sold under a
5 conditional sales contract, or under any other form of sale
6 wherein the payment of the principal sum, or a part thereof, is
7 extended beyond the close of the period for which the return is
8 filed, the retailer, in collecting the tax (except as to motor
9 vehicles, watercraft, aircraft, and trailers that are required
10 to be registered with an agency of this State), may collect for
11 each tax return period, only the tax applicable to that part of
12 the selling price actually received during such tax return
13 period.

14 Except as provided in this Section, on or before the
15 twentieth day of each calendar month, such retailer shall file
16 a return for the preceding calendar month. Such return shall be
17 filed on forms prescribed by the Department and shall furnish
18 such information as the Department may reasonably require. On
19 and after January 1, 2018, except for returns for motor
20 vehicles, watercraft, aircraft, and trailers that are required
21 to be registered with an agency of this State, with respect to
22 retailers whose annual gross receipts average \$20,000 or more,
23 all returns required to be filed pursuant to this Act shall be
24 filed electronically. Retailers who demonstrate that they do
25 not have access to the Internet or demonstrate hardship in
26 filing electronically may petition the Department to waive the

1 electronic filing requirement.

2 The Department may require returns to be filed on a
3 quarterly basis. If so required, a return for each calendar
4 quarter shall be filed on or before the twentieth day of the
5 calendar month following the end of such calendar quarter. The
6 taxpayer shall also file a return with the Department for each
7 of the first two months of each calendar quarter, on or before
8 the twentieth day of the following calendar month, stating:

9 1. The name of the seller;

10 2. The address of the principal place of business from
11 which he engages in the business of selling tangible
12 personal property at retail in this State;

13 3. The total amount of taxable receipts received by him
14 during the preceding calendar month from sales of tangible
15 personal property by him during such preceding calendar
16 month, including receipts from charge and time sales, but
17 less all deductions allowed by law;

18 4. The amount of credit provided in Section 2d of this
19 Act;

20 5. The amount of tax due;

21 5-5. The signature of the taxpayer; and

22 6. Such other reasonable information as the Department
23 may require.

24 If a taxpayer fails to sign a return within 30 days after
25 the proper notice and demand for signature by the Department,
26 the return shall be considered valid and any amount shown to be

1 due on the return shall be deemed assessed.

2 Notwithstanding any other provision of this Act to the
3 contrary, retailers subject to tax on cannabis shall file all
4 cannabis tax returns and shall make all cannabis tax payments
5 by electronic means in the manner and form required by the
6 Department.

7 Beginning October 1, 1993, a taxpayer who has an average
8 monthly tax liability of \$150,000 or more shall make all
9 payments required by rules of the Department by electronic
10 funds transfer. Beginning October 1, 1994, a taxpayer who has
11 an average monthly tax liability of \$100,000 or more shall make
12 all payments required by rules of the Department by electronic
13 funds transfer. Beginning October 1, 1995, a taxpayer who has
14 an average monthly tax liability of \$50,000 or more shall make
15 all payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 2000, a taxpayer who has
17 an annual tax liability of \$200,000 or more shall make all
18 payments required by rules of the Department by electronic
19 funds transfer. The term "annual tax liability" shall be the
20 sum of the taxpayer's liabilities under this Act, and under all
21 other State and local occupation and use tax laws administered
22 by the Department, for the immediately preceding calendar year.
23 The term "average monthly tax liability" means the sum of the
24 taxpayer's liabilities under this Act, and under all other
25 State and local occupation and use tax laws administered by the
26 Department, for the immediately preceding calendar year

1 divided by 12. Beginning on October 1, 2002, a taxpayer who has
2 a tax liability in the amount set forth in subsection (b) of
3 Section 2505-210 of the Department of Revenue Law shall make
4 all payments required by rules of the Department by electronic
5 funds transfer.

6 Before August 1 of each year beginning in 1993, the
7 Department shall notify all taxpayers required to make payments
8 by electronic funds transfer. All taxpayers required to make
9 payments by electronic funds transfer shall make those payments
10 for a minimum of one year beginning on October 1.

11 Any taxpayer not required to make payments by electronic
12 funds transfer may make payments by electronic funds transfer
13 with the permission of the Department.

14 All taxpayers required to make payment by electronic funds
15 transfer and any taxpayers authorized to voluntarily make
16 payments by electronic funds transfer shall make those payments
17 in the manner authorized by the Department.

18 The Department shall adopt such rules as are necessary to
19 effectuate a program of electronic funds transfer and the
20 requirements of this Section.

21 Before October 1, 2000, if the taxpayer's average monthly
22 tax liability to the Department under this Act, the Retailers'
23 Occupation Tax Act, the Service Occupation Tax Act, the Service
24 Use Tax Act was \$10,000 or more during the preceding 4 complete
25 calendar quarters, he shall file a return with the Department
26 each month by the 20th day of the month next following the

1 month during which such tax liability is incurred and shall
2 make payments to the Department on or before the 7th, 15th,
3 22nd and last day of the month during which such liability is
4 incurred. On and after October 1, 2000, if the taxpayer's
5 average monthly tax liability to the Department under this Act,
6 the Retailers' Occupation Tax Act, the Service Occupation Tax
7 Act, and the Service Use Tax Act was \$20,000 or more during the
8 preceding 4 complete calendar quarters, he shall file a return
9 with the Department each month by the 20th day of the month
10 next following the month during which such tax liability is
11 incurred and shall make payment to the Department on or before
12 the 7th, 15th, 22nd and last day of the month during which such
13 liability is incurred. If the month during which such tax
14 liability is incurred began prior to January 1, 1985, each
15 payment shall be in an amount equal to 1/4 of the taxpayer's
16 actual liability for the month or an amount set by the
17 Department not to exceed 1/4 of the average monthly liability
18 of the taxpayer to the Department for the preceding 4 complete
19 calendar quarters (excluding the month of highest liability and
20 the month of lowest liability in such 4 quarter period). If the
21 month during which such tax liability is incurred begins on or
22 after January 1, 1985, and prior to January 1, 1987, each
23 payment shall be in an amount equal to 22.5% of the taxpayer's
24 actual liability for the month or 27.5% 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, 1987, and prior to January 1, 1988, each
2 payment shall be in an amount equal to 22.5% of the taxpayer's
3 actual liability for the month or 26.25% 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, 1988, and prior to January 1, 1989, or
7 begins on or after 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. If the month during which
11 such tax liability is incurred begins on or after January 1,
12 1989, and prior to 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 or 100% of the taxpayer's
16 actual liability for the quarter monthly reporting period. The
17 amount of such quarter monthly payments shall be credited
18 against the final tax liability of the taxpayer's return for
19 that month. Before October 1, 2000, once applicable, the
20 requirement of the making of quarter monthly payments to the
21 Department shall continue until such taxpayer's average
22 monthly liability to the Department during the preceding 4
23 complete calendar quarters (excluding the month of highest
24 liability and the month of lowest liability) is less than
25 \$9,000, or until such taxpayer's average monthly liability to
26 the Department as computed for each calendar quarter of the 4

1 preceding complete calendar quarter period is less than
2 \$10,000. However, if a taxpayer can show the Department that a
3 substantial change in the taxpayer's business has occurred
4 which causes the taxpayer to anticipate that his average
5 monthly tax liability for the reasonably foreseeable future
6 will fall below the \$10,000 threshold stated above, then such
7 taxpayer may petition the Department for change in such
8 taxpayer's reporting status. On and after October 1, 2000, once
9 applicable, the requirement of the making of quarter monthly
10 payments to the Department shall continue until such taxpayer's
11 average monthly liability to the Department during the
12 preceding 4 complete calendar quarters (excluding the month of
13 highest liability and the month of lowest liability) is less
14 than \$19,000 or until such taxpayer's average monthly liability
15 to the Department as computed for each calendar quarter of the
16 4 preceding complete calendar quarter period is less than
17 \$20,000. However, if a taxpayer can show the Department that a
18 substantial change in the taxpayer's business has occurred
19 which causes the taxpayer to anticipate that his average
20 monthly tax liability for the reasonably foreseeable future
21 will fall below the \$20,000 threshold stated above, then such
22 taxpayer may petition the Department for a change in such
23 taxpayer's reporting status. The Department shall change such
24 taxpayer's reporting status unless it finds that such change is
25 seasonal in nature and not likely to be long term. If any such
26 quarter monthly payment is not paid at the time or in the

1 amount required by this Section, then the taxpayer shall be
2 liable for penalties and interest on the difference between the
3 minimum amount due and the amount of such quarter monthly
4 payment actually and timely paid, except insofar as the
5 taxpayer has previously made payments for that month to the
6 Department in excess of the minimum payments previously due as
7 provided in this Section. The Department shall make reasonable
8 rules and regulations to govern the quarter monthly payment
9 amount and quarter monthly payment dates for taxpayers who file
10 on other than a calendar monthly basis.

11 If any such payment provided for in this Section exceeds
12 the taxpayer's liabilities under this Act, the Retailers'
13 Occupation Tax Act, the Service Occupation Tax Act and the
14 Service Use Tax Act, as shown by an original monthly return,
15 the Department shall issue to the taxpayer a credit memorandum
16 no later than 30 days after the date of payment, which
17 memorandum may be submitted by the taxpayer to the Department
18 in payment of tax liability subsequently to be remitted by the
19 taxpayer to the Department or be assigned by the taxpayer to a
20 similar taxpayer under this Act, the Retailers' Occupation Tax
21 Act, the Service Occupation Tax Act or the Service Use Tax Act,
22 in accordance with reasonable rules and regulations to be
23 prescribed by the Department, except that if such excess
24 payment is shown on an original monthly return and is made
25 after December 31, 1986, no credit memorandum shall be issued,
26 unless requested by the taxpayer. If no such request is made,

1 the taxpayer may credit such excess payment against tax
2 liability subsequently to be remitted by the taxpayer to the
3 Department under this Act, the Retailers' Occupation Tax Act,
4 the Service Occupation Tax Act or the Service Use Tax Act, in
5 accordance with reasonable rules and regulations prescribed by
6 the Department. If the Department subsequently determines that
7 all or any part of the credit taken was not actually due to the
8 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
9 be reduced by 2.1% or 1.75% of the difference between the
10 credit taken and that actually due, and the taxpayer shall be
11 liable for penalties and interest on such difference.

12 If the retailer is otherwise required to file a monthly
13 return and if the retailer's average monthly tax liability to
14 the Department does not exceed \$200, the Department may
15 authorize his returns to be filed on a quarter annual basis,
16 with the return for January, February, and March of a given
17 year being due by April 20 of such year; with the return for
18 April, May and June of a given year being due by July 20 of such
19 year; with the return for July, August and September of a given
20 year being due by October 20 of such year, and with the return
21 for October, November and December of a given year being due by
22 January 20 of the following year.

23 If the retailer is otherwise required to file a monthly or
24 quarterly return and if the retailer's average monthly tax
25 liability to the Department does not exceed \$50, the Department
26 may authorize his returns to be filed on an annual basis, with

1 the return for a given year being due by January 20 of the
2 following year.

3 Such quarter annual and annual returns, as to form and
4 substance, shall be subject to the same requirements as monthly
5 returns.

6 Notwithstanding any other provision in this Act concerning
7 the time within which a retailer may file his return, in the
8 case of any retailer who ceases to engage in a kind of business
9 which makes him responsible for filing returns under this Act,
10 such retailer shall file a final return under this Act with the
11 Department not more than one month after discontinuing such
12 business.

13 In addition, with respect to motor vehicles, watercraft,
14 aircraft, and trailers that are required to be registered with
15 an agency of this State, except as otherwise provided in this
16 Section, every retailer selling this kind of tangible personal
17 property shall file, with the Department, upon a form to be
18 prescribed and supplied by the Department, a separate return
19 for each such item of tangible personal property which the
20 retailer sells, except that if, in the same transaction, (i) a
21 retailer of aircraft, watercraft, motor vehicles or trailers
22 transfers more than one aircraft, watercraft, motor vehicle or
23 trailer to another aircraft, watercraft, motor vehicle or
24 trailer retailer for the purpose of resale or (ii) a retailer
25 of aircraft, watercraft, motor vehicles, or trailers transfers
26 more than one aircraft, watercraft, motor vehicle, or trailer

1 to a purchaser for use as a qualifying rolling stock as
2 provided in Section 3-55 of this Act, then that seller may
3 report the transfer of all the aircraft, watercraft, motor
4 vehicles or trailers involved in that transaction to the
5 Department on the same uniform invoice-transaction reporting
6 return form. For purposes of this Section, "watercraft" means a
7 Class 2, Class 3, or Class 4 watercraft as defined in Section
8 3-2 of the Boat Registration and Safety Act, a personal
9 watercraft, or any boat equipped with an inboard motor.

10 In addition, with respect to motor vehicles, watercraft,
11 aircraft, and trailers that are required to be registered with
12 an agency of this State, every person who is engaged in the
13 business of leasing or renting such items and who, in
14 connection with such business, sells any such item to a
15 retailer for the purpose of resale is, notwithstanding any
16 other provision of this Section to the contrary, authorized to
17 meet the return-filing requirement of this Act by reporting the
18 transfer of all the aircraft, watercraft, motor vehicles, or
19 trailers transferred for resale during a month to the
20 Department on the same uniform invoice-transaction reporting
21 return form on or before the 20th of the month following the
22 month in which the transfer takes place. Notwithstanding any
23 other provision of this Act to the contrary, all returns filed
24 under this paragraph must be filed by electronic means in the
25 manner and form as required by the Department.

26 The transaction reporting return in the case of motor

1 vehicles or trailers that are required to be registered with an
2 agency of this State, shall be the same document as the Uniform
3 Invoice referred to in Section 5-402 of the Illinois Vehicle
4 Code and must show the name and address of the seller; the name
5 and address of the purchaser; the amount of the selling price
6 including the amount allowed by the retailer for traded-in
7 property, if any; the amount allowed by the retailer for the
8 traded-in tangible personal property, if any, to the extent to
9 which Section 2 of this Act allows an exemption for the value
10 of traded-in property; the balance payable after deducting such
11 trade-in allowance from the total selling price; the amount of
12 tax due from the retailer with respect to such transaction; the
13 amount of tax collected from the purchaser by the retailer on
14 such transaction (or satisfactory evidence that such tax is not
15 due in that particular instance, if that is claimed to be the
16 fact); the place and date of the sale; a sufficient
17 identification of the property sold; such other information as
18 is required in Section 5-402 of the Illinois Vehicle Code, and
19 such other information as the Department may reasonably
20 require.

21 The transaction reporting return in the case of watercraft
22 and aircraft must show the name and address of the seller; the
23 name and address of the purchaser; the amount of the selling
24 price including the amount allowed by the retailer for
25 traded-in property, if any; the amount allowed by the retailer
26 for the traded-in tangible personal property, if any, to the

1 extent to which Section 2 of this Act allows an exemption for
2 the value of traded-in property; the balance payable after
3 deducting such trade-in allowance from the total selling price;
4 the amount of tax due from the retailer with respect to such
5 transaction; the amount of tax collected from the purchaser by
6 the retailer on such transaction (or satisfactory evidence that
7 such tax is not due in that particular instance, if that is
8 claimed to be the fact); the place and date of the sale, a
9 sufficient identification of the property sold, and such other
10 information as the Department may reasonably require.

11 Such transaction reporting return shall be filed not later
12 than 20 days after the date of delivery of the item that is
13 being sold, but may be filed by the retailer at any time sooner
14 than that if he chooses to do so. The transaction reporting
15 return and tax remittance or proof of exemption from the tax
16 that is imposed by this Act may be transmitted to the
17 Department by way of the State agency with which, or State
18 officer with whom, the tangible personal property must be
19 titled or registered (if titling or registration is required)
20 if the Department and such agency or State officer determine
21 that this procedure will expedite the processing of
22 applications for title or registration.

23 With each such transaction reporting return, the retailer
24 shall remit the proper amount of tax due (or shall submit
25 satisfactory evidence that the sale is not taxable if that is
26 the case), to the Department or its agents, whereupon the

1 Department shall issue, in the purchaser's name, a tax receipt
2 (or a certificate of exemption if the Department is satisfied
3 that the particular sale is tax exempt) which such purchaser
4 may submit to the agency with which, or State officer with
5 whom, he must title or register the tangible personal property
6 that is involved (if titling or registration is required) in
7 support of such purchaser's application for an Illinois
8 certificate or other evidence of title or registration to such
9 tangible personal property.

10 No retailer's failure or refusal to remit tax under this
11 Act precludes a user, who has paid the proper tax to the
12 retailer, from obtaining his certificate of title or other
13 evidence of title or registration (if titling or registration
14 is required) upon satisfying the Department that such user has
15 paid the proper tax (if tax is due) to the retailer. The
16 Department shall adopt appropriate rules to carry out the
17 mandate of this paragraph.

18 If the user who would otherwise pay tax to the retailer
19 wants the transaction reporting return filed and the payment of
20 tax or proof of exemption made to the Department before the
21 retailer is willing to take these actions and such user has not
22 paid the tax to the retailer, such user may certify to the fact
23 of such delay by the retailer, and may (upon the Department
24 being satisfied of the truth of such certification) transmit
25 the information required by the transaction reporting return
26 and the remittance for tax or proof of exemption directly to

1 the Department and obtain his tax receipt or exemption
2 determination, in which event the transaction reporting return
3 and tax remittance (if a tax payment was required) shall be
4 credited by the Department to the proper retailer's account
5 with the Department, but without the 2.1% or 1.75% discount
6 provided for in this Section being allowed. When the user pays
7 the tax directly to the Department, he shall pay the tax in the
8 same amount and in the same form in which it would be remitted
9 if the tax had been remitted to the Department by the retailer.

10 Where a retailer collects the tax with respect to the
11 selling price of tangible personal property which he sells and
12 the purchaser thereafter returns such tangible personal
13 property and the retailer refunds the selling price thereof to
14 the purchaser, such retailer shall also refund, to the
15 purchaser, the tax so collected from the purchaser. When filing
16 his return for the period in which he refunds such tax to the
17 purchaser, the retailer may deduct the amount of the tax so
18 refunded by him to the purchaser from any other use tax which
19 such retailer may be required to pay or remit to the
20 Department, as shown by such return, if the amount of the tax
21 to be deducted was previously remitted to the Department by
22 such retailer. If the retailer has not previously remitted the
23 amount of such tax to the Department, he is entitled to no
24 deduction under this Act upon refunding such tax to the
25 purchaser.

26 Any retailer filing a return under this Section shall also

1 include (for the purpose of paying tax thereon) the total tax
2 covered by such return upon the selling price of tangible
3 personal property purchased by him at retail from a retailer,
4 but as to which the tax imposed by this Act was not collected
5 from the retailer filing such return, and such retailer shall
6 remit the amount of such tax to the Department when filing such
7 return.

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 retailers, who are required to file
11 returns hereunder and also under the Retailers' Occupation Tax
12 Act, to furnish all the return information required by both
13 Acts on the one form.

14 Where the retailer has more than one business registered
15 with the Department under separate registration under this Act,
16 such retailer may not file each return that is due as a single
17 return covering all such registered businesses, but shall file
18 separate returns for each such registered business.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the State and Local Sales Tax Reform Fund, a special
21 fund in the State Treasury which is hereby created, the net
22 revenue realized for the preceding month from the 1% tax
23 imposed under this Act.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the County and Mass Transit District Fund 4% of the
26 net revenue realized for the preceding month from the 6.25%

1 general rate on the selling price of tangible personal property
2 which is purchased outside Illinois at retail from a retailer
3 and which is titled or registered by an agency of this State's
4 government.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the State and Local Sales Tax Reform Fund, a special
7 fund in the State Treasury, 20% of the net revenue realized for
8 the preceding month from the 6.25% general rate on the selling
9 price of tangible personal property, other than tangible
10 personal property which is purchased outside Illinois at retail
11 from a retailer and which is titled or registered by an agency
12 of this State's government.

13 Beginning August 1, 2000, each month the Department shall
14 pay into the State and Local Sales Tax Reform Fund 100% of the
15 net revenue realized for the preceding month from the 1.25%
16 rate on the selling price of motor fuel and gasohol. Beginning
17 September 1, 2010, each month the Department shall pay into the
18 State and Local Sales Tax Reform Fund 100% of the net revenue
19 realized for the preceding month from the 1.25% rate on the
20 selling price of sales tax holiday items.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the Local Government Tax Fund 16% of the net revenue
23 realized for the preceding month from the 6.25% general rate on
24 the selling price of tangible personal property which is
25 purchased outside Illinois at retail from a retailer and which
26 is titled or registered by an agency of this State's

1 government.

2 Beginning October 1, 2009, each month the Department shall
3 pay into the Capital Projects Fund an amount that is equal to
4 an amount estimated by the Department to represent 80% of the
5 net revenue realized for the preceding month from the sale of
6 candy, grooming and hygiene products, and soft drinks that had
7 been taxed at a rate of 1% prior to September 1, 2009 but that
8 are now taxed at 6.25%.

9 Beginning July 1, 2011, each month the Department shall pay
10 into the Clean Air Act Permit Fund 80% of the net revenue
11 realized for the preceding month from the 6.25% general rate on
12 the selling price of sorbents used in Illinois in the process
13 of sorbent injection as used to comply with the Environmental
14 Protection Act or the federal Clean Air Act, but the total
15 payment into the Clean Air Act Permit Fund under this Act and
16 the Retailers' Occupation Tax Act shall not exceed \$2,000,000
17 in any fiscal year.

18 Beginning July 1, 2013, each month the Department shall pay
19 into the Underground Storage Tank Fund from the proceeds
20 collected under this Act, the Service Use Tax Act, the Service
21 Occupation Tax Act, and the Retailers' Occupation Tax Act an
22 amount equal to the average monthly deficit in the Underground
23 Storage Tank Fund during the prior year, as certified annually
24 by the Illinois Environmental Protection Agency, but the total
25 payment into the Underground Storage Tank Fund under this Act,
26 the Service Use Tax Act, the Service Occupation Tax Act, and

1 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
2 in any State fiscal year. As used in this paragraph, the
3 "average monthly deficit" shall be equal to the difference
4 between the average monthly claims for payment by the fund and
5 the average monthly revenues deposited into the fund, excluding
6 payments made pursuant to this paragraph.

7 Beginning July 1, 2015, of the remainder of the moneys
8 received by the Department under this Act, the Service Use Tax
9 Act, the Service Occupation Tax Act, and the Retailers'
10 Occupation Tax Act, each month the Department shall deposit
11 \$500,000 into the State Crime Laboratory Fund.

12 Of the remainder of the moneys received by the Department
13 pursuant to this Act, (a) 1.75% thereof shall be paid into the
14 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
15 and after July 1, 1989, 3.8% thereof shall be paid into the
16 Build Illinois Fund; provided, however, that if in any fiscal
17 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
18 may be, of the moneys received by the Department and required
19 to be paid into the Build Illinois Fund pursuant to Section 3
20 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
21 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
22 Service Occupation Tax Act, such Acts being hereinafter called
23 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
24 may be, of moneys being hereinafter called the "Tax Act
25 Amount", and (2) the amount transferred to the Build Illinois
26 Fund from the State and Local Sales Tax Reform Fund shall be

1 less than the Annual Specified Amount (as defined in Section 3
2 of the Retailers' Occupation Tax Act), an amount equal to the
3 difference shall be immediately paid into the Build Illinois
4 Fund from other moneys received by the Department pursuant to
5 the Tax Acts; and further provided, that if on the last
6 business day of any month the sum of (1) the Tax Act Amount
7 required to be deposited into the Build Illinois Bond Account
8 in the Build Illinois Fund during such month and (2) the amount
9 transferred during such month to the Build Illinois Fund from
10 the State and Local Sales Tax Reform Fund shall have been less
11 than 1/12 of the Annual Specified Amount, an amount equal to
12 the difference shall be immediately paid into the Build
13 Illinois Fund from other moneys received by the Department
14 pursuant to the Tax Acts; and, further provided, that in no
15 event shall the payments required under the preceding proviso
16 result in aggregate payments into the Build Illinois Fund
17 pursuant to this clause (b) for any fiscal year in excess of
18 the greater of (i) the Tax Act Amount or (ii) the Annual
19 Specified Amount for such fiscal year; and, further provided,
20 that the amounts payable into the Build Illinois Fund under
21 this clause (b) shall be payable only until such time as the
22 aggregate amount on deposit under each trust indenture securing
23 Bonds issued and outstanding pursuant to the Build Illinois
24 Bond Act is sufficient, taking into account any future
25 investment income, to fully provide, in accordance with such
26 indenture, for the defeasance of or the payment of the

1 principal of, premium, if any, and interest on the Bonds
2 secured by such indenture and on any Bonds expected to be
3 issued thereafter and all fees and costs payable with respect
4 thereto, all as certified by the Director of the Bureau of the
5 Budget (now Governor's Office of Management and Budget). If on
6 the last business day of any month in which Bonds are
7 outstanding pursuant to the Build Illinois Bond Act, the
8 aggregate of the moneys deposited in the Build Illinois Bond
9 Account in the Build Illinois Fund in such month shall be less
10 than the amount required to be transferred in such month from
11 the Build Illinois Bond Account to the Build Illinois Bond
12 Retirement and Interest Fund pursuant to Section 13 of the
13 Build Illinois Bond Act, an amount equal to such deficiency
14 shall be immediately paid from other moneys received by the
15 Department pursuant to the Tax Acts to the Build Illinois Fund;
16 provided, however, that any amounts paid to the Build Illinois
17 Fund in any fiscal year pursuant to this sentence shall be
18 deemed to constitute payments pursuant to clause (b) of the
19 preceding sentence and shall reduce the amount otherwise
20 payable for such fiscal year pursuant to clause (b) of the
21 preceding sentence. The moneys received by the Department
22 pursuant to this Act and required to be deposited into the
23 Build Illinois Fund are subject to the pledge, claim and charge
24 set forth in Section 12 of the Build Illinois Bond Act.

25 Subject to payment of amounts into the Build Illinois Fund
26 as provided in the preceding paragraph or in any amendment

1 thereto hereafter enacted, the following specified monthly
2 installment of the amount requested in the certificate of the
3 Chairman of the Metropolitan Pier and Exposition Authority
4 provided under Section 8.25f of the State Finance Act, but not
5 in excess of the sums designated as "Total Deposit", shall be
6 deposited in the aggregate from collections under Section 9 of
7 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
8 9 of the Service Occupation Tax Act, and Section 3 of the
9 Retailers' Occupation Tax Act into the McCormick Place
10 Expansion Project Fund in the specified fiscal years.

11	Fiscal Year	Total Deposit
12	1993	\$0
13	1994	53,000,000
14	1995	58,000,000
15	1996	61,000,000
16	1997	64,000,000
17	1998	68,000,000
18	1999	71,000,000
19	2000	75,000,000
20	2001	80,000,000
21	2002	93,000,000
22	2003	99,000,000
23	2004	103,000,000
24	2005	108,000,000
25	2006	113,000,000
26	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	246,000,000
15	2022	260,000,000
16	2023	275,000,000
17	2024	275,000,000
18	2025	275,000,000
19	2026	279,000,000
20	2027	292,000,000
21	2028	307,000,000
22	2029	322,000,000
23	2030	338,000,000
24	2031	350,000,000
25	2032	350,000,000
26	and	

1 each fiscal year
2 thereafter that bonds
3 are outstanding under
4 Section 13.2 of the
5 Metropolitan Pier and
6 Exposition Authority Act,
7 but not after fiscal year 2060.

8 Beginning July 20, 1993 and in each month of each fiscal
9 year thereafter, one-eighth of the amount requested in the
10 certificate of the Chairman of the Metropolitan Pier and
11 Exposition Authority for that fiscal year, less the amount
12 deposited into the McCormick Place Expansion Project Fund by
13 the State Treasurer in the respective month under subsection
14 (g) of Section 13 of the Metropolitan Pier and Exposition
15 Authority Act, plus cumulative deficiencies in the deposits
16 required under this Section for previous months and years,
17 shall be deposited into the McCormick Place Expansion Project
18 Fund, until the full amount requested for the fiscal year, but
19 not in excess of the amount specified above as "Total Deposit",
20 has been deposited.

21 Subject to payment of amounts into the Build Illinois Fund
22 and the McCormick Place Expansion Project Fund pursuant to the
23 preceding paragraphs or in any amendments thereto hereafter
24 enacted, beginning July 1, 1993 and ending on September 30,
25 2013, the Department shall each month pay into the Illinois Tax
26 Increment Fund 0.27% of 80% of the net revenue realized for the

1 preceding month from the 6.25% general rate on the selling
2 price of tangible personal property.

3 Subject to payment of amounts into the Build Illinois Fund
4 and the McCormick Place Expansion Project Fund pursuant to the
5 preceding paragraphs or in any amendments thereto hereafter
6 enacted, beginning with the receipt of the first report of
7 taxes paid by an eligible business and continuing for a 25-year
8 period, the Department shall each month pay into the Energy
9 Infrastructure Fund 80% of the net revenue realized from the
10 6.25% general rate on the selling price of Illinois-mined coal
11 that was sold to an eligible business. For purposes of this
12 paragraph, the term "eligible business" means a new electric
13 generating facility certified pursuant to Section 605-332 of
14 the Department of Commerce and Economic Opportunity Law of the
15 Civil Administrative Code of Illinois.

16 Subject to payment of amounts into the Build Illinois Fund,
17 the McCormick Place Expansion Project Fund, the Illinois Tax
18 Increment Fund, and the Energy Infrastructure Fund pursuant to
19 the preceding paragraphs or in any amendments to this Section
20 hereafter enacted, beginning on the first day of the first
21 calendar month to occur on or after August 26, 2014 (the
22 effective date of Public Act 98-1098), each month, from the
23 collections made under Section 9 of the Use Tax Act, Section 9
24 of the Service Use Tax Act, Section 9 of the Service Occupation
25 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
26 the Department shall pay into the Tax Compliance and

1 Administration Fund, to be used, subject to appropriation, to
2 fund additional auditors and compliance personnel at the
3 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
4 the cash receipts collected during the preceding fiscal year by
5 the Audit Bureau of the Department under the Use Tax Act, the
6 Service Use Tax Act, the Service Occupation Tax Act, the
7 Retailers' Occupation Tax Act, and associated local occupation
8 and use taxes administered by the Department.

9 Subject to payments of amounts into the Build Illinois
10 Fund, the McCormick Place Expansion Project Fund, the Illinois
11 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
12 Compliance and Administration Fund as provided in this Section,
13 beginning on July 1, 2018 the Department shall pay each month
14 into the Downstate Public Transportation Fund the moneys
15 required to be so paid under Section 2-3 of the Downstate
16 Public Transportation Act.

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, 75% thereof shall be paid into the State
19 Treasury and 25% shall be reserved in a special account and
20 used only for the transfer to the Common School Fund as part of
21 the monthly transfer from the General Revenue Fund in
22 accordance with Section 8a of the State Finance Act.

23 As soon as possible after the first day of each month, upon
24 certification of the Department of Revenue, the Comptroller
25 shall order transferred and the Treasurer shall transfer from
26 the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act
2 for the second preceding month. Beginning April 1, 2000, this
3 transfer is no longer required and shall not be made.

4 Net revenue realized for a month shall be the revenue
5 collected by the State pursuant to this Act, less the amount
6 paid out during that month as refunds to taxpayers for
7 overpayment of liability.

8 For greater simplicity of administration, manufacturers,
9 importers and wholesalers whose products are sold at retail in
10 Illinois by numerous retailers, and who wish to do so, may
11 assume the responsibility for accounting and paying to the
12 Department all tax accruing under this Act with respect to such
13 sales, if the retailers who are affected do not make written
14 objection to the Department to this arrangement.

15 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
16 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.
17 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

18 Section 900-17. The Service Use Tax Act is amended by
19 changing Section 9 as follows:

20 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

21 Sec. 9. Each serviceman required or authorized to collect
22 the tax herein imposed shall pay to the Department the amount
23 of such tax (except as otherwise provided) at the time when he
24 is required to file his return for the period during which such

1 tax was collected, less a discount of 2.1% prior to January 1,
2 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
3 year, whichever is greater, which is allowed to reimburse the
4 serviceman for expenses incurred in collecting the tax, keeping
5 records, preparing and filing returns, remitting the tax and
6 supplying data to the Department on request. The discount
7 allowed under this Section is allowed only for returns that are
8 filed in the manner required by this Act. The Department may
9 disallow the discount for servicemen whose certificate of
10 registration is revoked at the time the return is filed, but
11 only if the Department's decision to revoke the certificate of
12 registration has become final. A serviceman need not remit that
13 part of any tax collected by him to the extent that he is
14 required to pay and does pay the tax imposed by the Service
15 Occupation Tax Act with respect to his sale of service
16 involving the incidental transfer by him of the same property.

17 Except as provided hereinafter in this Section, on or
18 before the twentieth day of each calendar month, such
19 serviceman shall file a return for the preceding calendar month
20 in accordance with reasonable Rules and Regulations to be
21 promulgated by the Department. Such return shall be filed on a
22 form prescribed by the Department and shall contain such
23 information as the Department may reasonably require. On and
24 after January 1, 2018, with respect to servicemen whose annual
25 gross receipts average \$20,000 or more, all returns required to
26 be filed pursuant to this Act shall be filed electronically.

1 Servicemen who demonstrate that they do not have access to the
2 Internet or demonstrate hardship in filing electronically may
3 petition the Department to waive the electronic filing
4 requirement.

5 The Department may require returns to be filed on a
6 quarterly basis. If so required, a return for each calendar
7 quarter shall be filed on or before the twentieth day of the
8 calendar month following the end of such calendar quarter. The
9 taxpayer shall also file a return with the Department for each
10 of the first two months of each calendar quarter, on or before
11 the twentieth day of the following calendar month, stating:

- 12 1. The name of the seller;
- 13 2. The address of the principal place of business from
14 which he engages in business as a serviceman in this State;
- 15 3. The total amount of taxable receipts received by him
16 during the preceding calendar month, including receipts
17 from charge and time sales, but less all deductions allowed
18 by law;
- 19 4. The amount of credit provided in Section 2d of this
20 Act;
- 21 5. The amount of tax due;
- 22 5-5. The signature of the taxpayer; and
- 23 6. Such other reasonable information as the Department
24 may require.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the
4 contrary, servicemen subject to tax on cannabis shall file all
5 cannabis tax returns and shall make all cannabis tax payments
6 by electronic means in the manner and form required by the
7 Department.

8 Beginning October 1, 1993, a taxpayer who has an average
9 monthly tax liability of \$150,000 or more shall make all
10 payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 1994, a taxpayer who has
12 an average monthly tax liability of \$100,000 or more shall make
13 all payments required by rules of the Department by electronic
14 funds transfer. Beginning October 1, 1995, a taxpayer who has
15 an average monthly tax liability of \$50,000 or more shall make
16 all payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 2000, a taxpayer who has
18 an annual tax liability of \$200,000 or more shall make all
19 payments required by rules of the Department by electronic
20 funds transfer. The term "annual tax liability" shall be the
21 sum of the taxpayer's liabilities under this Act, and under all
22 other State and local occupation and use tax laws administered
23 by the Department, for the immediately preceding calendar year.
24 The term "average monthly tax liability" means the sum of the
25 taxpayer's liabilities under this Act, and under all other
26 State and local occupation and use tax laws administered by the

1 Department, for the immediately preceding calendar year
2 divided by 12. Beginning on October 1, 2002, a taxpayer who has
3 a tax liability in the amount set forth in subsection (b) of
4 Section 2505-210 of the Department of Revenue Law shall make
5 all payments required by rules of the Department by electronic
6 funds transfer.

7 Before August 1 of each year beginning in 1993, the
8 Department shall notify all taxpayers required to make payments
9 by electronic funds transfer. All taxpayers required to make
10 payments by electronic funds transfer shall make those payments
11 for a minimum of one year beginning on October 1.

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those payments
18 in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 If the serviceman is otherwise required to file a monthly
23 return and if the serviceman's average monthly tax liability to
24 the Department does not exceed \$200, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February and March of a given year

1 being due by April 20 of such year; with the return for April,
2 May and June of a given year being due by July 20 of such year;
3 with the return for July, August and September of a given year
4 being due by October 20 of such year, and with the return for
5 October, November and December of a given year being due by
6 January 20 of the following year.

7 If the serviceman is otherwise required to file a monthly
8 or quarterly return and if the serviceman's average monthly tax
9 liability to the Department does not exceed \$50, the Department
10 may authorize his returns to be filed on an annual basis, with
11 the return for a given year being due by January 20 of the
12 following year.

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as monthly
15 returns.

16 Notwithstanding any other provision in this Act concerning
17 the time within which a serviceman may file his return, in the
18 case of any serviceman who ceases to engage in a kind of
19 business which makes him responsible for filing returns under
20 this Act, such serviceman shall file a final return under this
21 Act with the Department not more than 1 month after
22 discontinuing such business.

23 Where a serviceman collects the tax with respect to the
24 selling price of property which he sells and the purchaser
25 thereafter returns such property and the serviceman refunds the
26 selling price thereof to the purchaser, such serviceman shall

1 also refund, to the purchaser, the tax so collected from the
2 purchaser. When filing his return for the period in which he
3 refunds such tax to the purchaser, the serviceman may deduct
4 the amount of the tax so refunded by him to the purchaser from
5 any other Service Use Tax, Service Occupation Tax, retailers'
6 occupation tax or use tax which such serviceman may be required
7 to pay or remit to the Department, as shown by such return,
8 provided that the amount of the tax to be deducted shall
9 previously have been remitted to the Department by such
10 serviceman. If the serviceman shall not previously have
11 remitted the amount of such tax to the Department, he shall be
12 entitled to no deduction hereunder upon refunding such tax to
13 the purchaser.

14 Any serviceman filing a return hereunder shall also include
15 the total tax upon the selling price of tangible personal
16 property purchased for use by him as an incident to a sale of
17 service, and such serviceman shall remit the amount of such tax
18 to the Department when filing such return.

19 If experience indicates such action to be practicable, the
20 Department may prescribe and furnish a combination or joint
21 return which will enable servicemen, who are required to file
22 returns hereunder and also under the Service Occupation Tax
23 Act, to furnish all the return information required by both
24 Acts on the one form.

25 Where the serviceman has more than one business registered
26 with the Department under separate registration hereunder,

1 such serviceman shall not file each return that is due as a
2 single return covering all such registered businesses, but
3 shall file separate returns for each such registered business.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the State and Local Tax Reform Fund, a special fund in
6 the State Treasury, the net revenue realized for the preceding
7 month from the 1% tax imposed under this Act.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 20% of the
10 net revenue realized for the preceding month from the 6.25%
11 general rate on transfers of tangible personal property, other
12 than tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by an agency of this State's government.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund 100% of the
17 net revenue realized for the preceding month from the 1.25%
18 rate on the selling price of motor fuel and gasohol.

19 Beginning October 1, 2009, each month the Department shall
20 pay into the Capital Projects Fund an amount that is equal to
21 an amount estimated by the Department to represent 80% of the
22 net revenue realized for the preceding month from the sale of
23 candy, grooming and hygiene products, and soft drinks that had
24 been taxed at a rate of 1% prior to September 1, 2009 but that
25 are now taxed at 6.25%.

26 Beginning July 1, 2013, each month the Department shall pay

1 into the Underground Storage Tank Fund from the proceeds
2 collected under this Act, the Use Tax Act, the Service
3 Occupation Tax Act, and the Retailers' Occupation Tax Act an
4 amount equal to the average monthly deficit in the Underground
5 Storage Tank Fund during the prior year, as certified annually
6 by the Illinois Environmental Protection Agency, but the total
7 payment into the Underground Storage Tank Fund under this Act,
8 the Use Tax Act, the Service Occupation Tax Act, and the
9 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
10 any State fiscal year. As used in this paragraph, the "average
11 monthly deficit" shall be equal to the difference between the
12 average monthly claims for payment by the fund and the average
13 monthly revenues deposited into the fund, excluding payments
14 made pursuant to this paragraph.

15 Beginning July 1, 2015, of the remainder of the moneys
16 received by the Department under the Use Tax Act, this Act, the
17 Service Occupation Tax Act, and the Retailers' Occupation Tax
18 Act, each month the Department shall deposit \$500,000 into the
19 State Crime Laboratory Fund.

20 Of the remainder of the moneys received by the Department
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
23 and after July 1, 1989, 3.8% thereof shall be paid into the
24 Build Illinois Fund; provided, however, that if in any fiscal
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
26 may be, of the moneys received by the Department and required

1 to be paid into the Build Illinois Fund pursuant to Section 3
2 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
3 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
4 Service Occupation Tax Act, such Acts being hereinafter called
5 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
6 may be, of moneys being hereinafter called the "Tax Act
7 Amount", and (2) the amount transferred to the Build Illinois
8 Fund from the State and Local Sales Tax Reform Fund shall be
9 less than the Annual Specified Amount (as defined in Section 3
10 of the Retailers' Occupation Tax Act), an amount equal to the
11 difference shall be immediately paid into the Build Illinois
12 Fund from other moneys received by the Department pursuant to
13 the Tax Acts; and further provided, that if on the last
14 business day of any month the sum of (1) the Tax Act Amount
15 required to be deposited into the Build Illinois Bond Account
16 in the Build Illinois Fund during such month and (2) the amount
17 transferred during such month to the Build Illinois Fund from
18 the State and Local Sales Tax Reform Fund shall have been less
19 than 1/12 of the Annual Specified Amount, an amount equal to
20 the difference shall be immediately paid into the Build
21 Illinois Fund from other moneys received by the Department
22 pursuant to the Tax Acts; and, further provided, that in no
23 event shall the payments required under the preceding proviso
24 result in aggregate payments into the Build Illinois Fund
25 pursuant to this clause (b) for any fiscal year in excess of
26 the greater of (i) the Tax Act Amount or (ii) the Annual

1 Specified Amount for such fiscal year; and, further provided,
2 that the amounts payable into the Build Illinois Fund under
3 this clause (b) shall be payable only until such time as the
4 aggregate amount on deposit under each trust indenture securing
5 Bonds issued and outstanding pursuant to the Build Illinois
6 Bond Act is sufficient, taking into account any future
7 investment income, to fully provide, in accordance with such
8 indenture, for the defeasance of or the payment of the
9 principal of, premium, if any, and interest on the Bonds
10 secured by such indenture and on any Bonds expected to be
11 issued thereafter and all fees and costs payable with respect
12 thereto, all as certified by the Director of the Bureau of the
13 Budget (now Governor's Office of Management and Budget). If on
14 the last business day of any month in which Bonds are
15 outstanding pursuant to the Build Illinois Bond Act, the
16 aggregate of the moneys deposited in the Build Illinois Bond
17 Account in the Build Illinois Fund in such month shall be less
18 than the amount required to be transferred in such month from
19 the Build Illinois Bond Account to the Build Illinois Bond
20 Retirement and Interest Fund pursuant to Section 13 of the
21 Build Illinois Bond Act, an amount equal to such deficiency
22 shall be immediately paid from other moneys received by the
23 Department pursuant to the Tax Acts to the Build Illinois Fund;
24 provided, however, that any amounts paid to the Build Illinois
25 Fund in any fiscal year pursuant to this sentence shall be
26 deemed to constitute payments pursuant to clause (b) of the

1 preceding sentence and shall reduce the amount otherwise
 2 payable for such fiscal year pursuant to clause (b) of the
 3 preceding sentence. The moneys received by the Department
 4 pursuant to this Act and required to be deposited into the
 5 Build Illinois Fund are subject to the pledge, claim and charge
 6 set forth in Section 12 of the Build Illinois Bond Act.

7 Subject to payment of amounts into the Build Illinois Fund
 8 as provided in the preceding paragraph or in any amendment
 9 thereto hereafter enacted, the following specified monthly
 10 installment of the amount requested in the certificate of the
 11 Chairman of the Metropolitan Pier and Exposition Authority
 12 provided under Section 8.25f of the State Finance Act, but not
 13 in excess of the sums designated as "Total Deposit", shall be
 14 deposited in the aggregate from collections under Section 9 of
 15 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 16 9 of the Service Occupation Tax Act, and Section 3 of the
 17 Retailers' Occupation Tax Act into the McCormick Place
 18 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000

9 and

10 each fiscal year
11 thereafter that bonds
12 are outstanding under
13 Section 13.2 of the
14 Metropolitan Pier and
15 Exposition Authority Act,
16 but not after fiscal year 2060.

17 Beginning July 20, 1993 and in each month of each fiscal
18 year thereafter, one-eighth of the amount requested in the
19 certificate of the Chairman of the Metropolitan Pier and
20 Exposition Authority for that fiscal year, less the amount
21 deposited into the McCormick Place Expansion Project Fund by
22 the State Treasurer in the respective month under subsection
23 (g) of Section 13 of the Metropolitan Pier and Exposition
24 Authority Act, plus cumulative deficiencies in the deposits
25 required under this Section for previous months and years,
26 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total Deposit",
3 has been deposited.

4 Subject to payment of amounts into the Build Illinois Fund
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, beginning July 1, 1993 and ending on September 30,
8 2013, the Department shall each month pay into the Illinois Tax
9 Increment Fund 0.27% of 80% of the net revenue realized for the
10 preceding month from the 6.25% general rate on the selling
11 price of tangible personal property.

12 Subject to payment of amounts into the Build Illinois Fund
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, beginning with the receipt of the first report of
16 taxes paid by an eligible business and continuing for a 25-year
17 period, the Department shall each month pay into the Energy
18 Infrastructure Fund 80% of the net revenue realized from the
19 6.25% general rate on the selling price of Illinois-mined coal
20 that was sold to an eligible business. For purposes of this
21 paragraph, the term "eligible business" means a new electric
22 generating facility certified pursuant to Section 605-332 of
23 the Department of Commerce and Economic Opportunity Law of the
24 Civil Administrative Code of Illinois.

25 Subject to payment of amounts into the Build Illinois Fund,
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to
2 the preceding paragraphs or in any amendments to this Section
3 hereafter enacted, beginning on the first day of the first
4 calendar month to occur on or after August 26, 2014 (the
5 effective date of Public Act 98-1098), each month, from the
6 collections made under Section 9 of the Use Tax Act, Section 9
7 of the Service Use Tax Act, Section 9 of the Service Occupation
8 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
9 the Department shall pay into the Tax Compliance and
10 Administration Fund, to be used, subject to appropriation, to
11 fund additional auditors and compliance personnel at the
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
13 the cash receipts collected during the preceding fiscal year by
14 the Audit Bureau of the Department under the Use Tax Act, the
15 Service Use Tax Act, the Service Occupation Tax Act, the
16 Retailers' Occupation Tax Act, and associated local occupation
17 and use taxes administered by the Department.

18 Subject to payments of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, the Illinois
20 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
21 Compliance and Administration Fund as provided in this Section,
22 beginning on July 1, 2018 the Department shall pay each month
23 into the Downstate Public Transportation Fund the moneys
24 required to be so paid under Section 2-3 of the Downstate
25 Public Transportation Act.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, 75% thereof shall be paid into the
2 General Revenue Fund of the State Treasury and 25% shall be
3 reserved in a special account and used only for the transfer to
4 the Common School Fund as part of the monthly transfer from the
5 General Revenue Fund in accordance with Section 8a of the State
6 Finance Act.

7 As soon as possible after the first day of each month, upon
8 certification of the Department of Revenue, the Comptroller
9 shall order transferred and the Treasurer shall transfer from
10 the General Revenue Fund to the Motor Fuel Tax Fund an amount
11 equal to 1.7% of 80% of the net revenue realized under this Act
12 for the second preceding month. Beginning April 1, 2000, this
13 transfer is no longer required and shall not be made.

14 Net revenue realized for a month shall be the revenue
15 collected by the State pursuant to this Act, less the amount
16 paid out during that month as refunds to taxpayers for
17 overpayment of liability.

18 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
19 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
20 8-14-18; 100-1171, eff. 1-4-19.)

21 Section 900-18. The Service Occupation Tax Act is amended
22 by changing Section 9 as follows:

23 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

24 Sec. 9. Each serviceman required or authorized to collect

1 the tax herein imposed shall pay to the Department the amount
2 of such tax at the time when he is required to file his return
3 for the period during which such tax was collectible, less a
4 discount of 2.1% prior to January 1, 1990, and 1.75% on and
5 after January 1, 1990, or \$5 per calendar year, whichever is
6 greater, which is allowed to reimburse the serviceman for
7 expenses incurred in collecting the tax, keeping records,
8 preparing and filing returns, remitting the tax and supplying
9 data to the Department on request. The discount allowed under
10 this Section is allowed only for returns that are filed in the
11 manner required by this Act. The Department may disallow the
12 discount for servicemen whose certificate of registration is
13 revoked at the time the return is filed, but only if the
14 Department's decision to revoke the certificate of
15 registration has become final.

16 Where such tangible personal property is sold under a
17 conditional sales contract, or under any other form of sale
18 wherein the payment of the principal sum, or a part thereof, is
19 extended beyond the close of the period for which the return is
20 filed, the serviceman, in collecting the tax may collect, for
21 each tax return period, only the tax applicable to the part of
22 the selling price actually received during such tax return
23 period.

24 Except as provided hereinafter in this Section, on or
25 before the twentieth day of each calendar month, such
26 serviceman shall file a return for the preceding calendar month

1 in accordance with reasonable rules and regulations to be
2 promulgated by the Department of Revenue. Such return shall be
3 filed on a form prescribed by the Department and shall contain
4 such information as the Department may reasonably require. On
5 and after January 1, 2018, with respect to servicemen whose
6 annual gross receipts average \$20,000 or more, all returns
7 required to be filed pursuant to this Act shall be filed
8 electronically. Servicemen who demonstrate that they do not
9 have access to the Internet or demonstrate hardship in filing
10 electronically may petition the Department to waive the
11 electronic filing requirement.

12 The Department may require returns to be filed on a
13 quarterly basis. If so required, a return for each calendar
14 quarter shall be filed on or before the twentieth day of the
15 calendar month following the end of such calendar quarter. The
16 taxpayer shall also file a return with the Department for each
17 of the first two months of each calendar quarter, on or before
18 the twentieth day of the following calendar month, stating:

19 1. The name of the seller;

20 2. The address of the principal place of business from
21 which he engages in business as a serviceman in this State;

22 3. The total amount of taxable receipts received by him
23 during the preceding calendar month, including receipts
24 from charge and time sales, but less all deductions allowed
25 by law;

26 4. The amount of credit provided in Section 2d of this

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

4 6. Such other reasonable information as the Department
5 may require.

6 If a taxpayer fails to sign a return within 30 days after
7 the proper notice and demand for signature by the Department,
8 the return shall be considered valid and any amount shown to be
9 due on the return shall be deemed assessed.

10 Notwithstanding any other provision of this Act to the
11 contrary, servicemen subject to tax on cannabis shall file all
12 cannabis tax returns and shall make all cannabis tax payments
13 by electronic means in the manner and form required by the
14 Department.

15 Prior to October 1, 2003, and on and after September 1,
16 2004 a serviceman may accept a Manufacturer's Purchase Credit
17 certification from a purchaser in satisfaction of Service Use
18 Tax as provided in Section 3-70 of the Service Use Tax Act if
19 the purchaser provides the appropriate documentation as
20 required by Section 3-70 of the Service Use Tax Act. A
21 Manufacturer's Purchase Credit certification, accepted prior
22 to October 1, 2003 or on or after September 1, 2004 by a
23 serviceman as provided in Section 3-70 of the Service Use Tax
24 Act, may be used by that serviceman to satisfy Service
25 Occupation Tax liability in the amount claimed in the
26 certification, not to exceed 6.25% of the receipts subject to

1 tax from a qualifying purchase. A Manufacturer's Purchase
2 Credit reported on any original or amended return filed under
3 this Act after October 20, 2003 for reporting periods prior to
4 September 1, 2004 shall be disallowed. Manufacturer's Purchase
5 Credit reported on annual returns due on or after January 1,
6 2005 will be disallowed for periods prior to September 1, 2004.
7 No Manufacturer's Purchase Credit may be used after September
8 30, 2003 through August 31, 2004 to satisfy any tax liability
9 imposed under this Act, including any audit liability.

10 If the serviceman's average monthly tax liability to the
11 Department does not exceed \$200, the Department may authorize
12 his returns to be filed on a quarter annual basis, with the
13 return for January, February and March of a given year being
14 due by April 20 of such year; with the return for April, May
15 and June of a given year being due by July 20 of such year; with
16 the return for July, August and September of a given year being
17 due by October 20 of such year, and with the return for
18 October, November and December of a given year being due by
19 January 20 of the following year.

20 If the serviceman's average monthly tax liability to the
21 Department does not exceed \$50, the Department may authorize
22 his returns to be filed on an annual basis, with the return for
23 a given year being due by January 20 of the 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 serviceman may file his return, in the
3 case of any serviceman who ceases to engage in a kind of
4 business which makes him responsible for filing returns under
5 this Act, such serviceman shall file a final return under this
6 Act with the Department not more than 1 month after
7 discontinuing such business.

8 Beginning October 1, 1993, a taxpayer who has an average
9 monthly tax liability of \$150,000 or more shall make all
10 payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 1994, a taxpayer who has
12 an average monthly tax liability of \$100,000 or more shall make
13 all payments required by rules of the Department by electronic
14 funds transfer. Beginning October 1, 1995, a taxpayer who has
15 an average monthly tax liability of \$50,000 or more shall make
16 all payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 2000, a taxpayer who has
18 an annual tax liability of \$200,000 or more shall make all
19 payments required by rules of the Department by electronic
20 funds transfer. The term "annual tax liability" shall be the
21 sum of the taxpayer's liabilities under this Act, and under all
22 other State and local occupation and use tax laws administered
23 by the Department, for the immediately preceding calendar year.
24 The term "average monthly tax liability" means the sum of the
25 taxpayer's liabilities under this Act, and under all other
26 State and local occupation and use tax laws administered by the

1 Department, for the immediately preceding calendar year
2 divided by 12. Beginning on October 1, 2002, a taxpayer who has
3 a tax liability in the amount set forth in subsection (b) of
4 Section 2505-210 of the Department of Revenue Law shall make
5 all payments required by rules of the Department by electronic
6 funds transfer.

7 Before August 1 of each year beginning in 1993, the
8 Department shall notify all taxpayers required to make payments
9 by electronic funds transfer. All taxpayers required to make
10 payments by electronic funds transfer shall make those payments
11 for a minimum of one year beginning on October 1.

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those payments
18 in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 Where a serviceman collects the tax with respect to the
23 selling price of tangible personal property which he sells and
24 the purchaser thereafter returns such tangible personal
25 property and the serviceman refunds the selling price thereof
26 to the purchaser, such serviceman shall also refund, to the

1 purchaser, the tax so collected from the purchaser. When filing
2 his return for the period in which he refunds such tax to the
3 purchaser, the serviceman may deduct the amount of the tax so
4 refunded by him to the purchaser from any other Service
5 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
6 Use Tax which such serviceman may be required to pay or remit
7 to the Department, as shown by such return, provided that the
8 amount of the tax to be deducted shall previously have been
9 remitted to the Department by such serviceman. If the
10 serviceman shall not previously have remitted the amount of
11 such tax to the Department, he shall be entitled to no
12 deduction hereunder upon refunding such tax to the purchaser.

13 If experience indicates such action to be practicable, the
14 Department may prescribe and furnish a combination or joint
15 return which will enable servicemen, who are required to file
16 returns hereunder and also under the Retailers' Occupation Tax
17 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
18 the return information required by all said Acts on the one
19 form.

20 Where the serviceman has more than one business registered
21 with the Department under separate registrations hereunder,
22 such serviceman shall file separate returns for each registered
23 business.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund the revenue realized for
26 the preceding month from the 1% tax imposed under this Act.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the County and Mass Transit District Fund 4% of the
3 revenue realized for the preceding month from the 6.25% general
4 rate.

5 Beginning August 1, 2000, each month the Department shall
6 pay into the County and Mass Transit District Fund 20% of the
7 net revenue realized for the preceding month from the 1.25%
8 rate on the selling price of motor fuel and gasohol.

9 Beginning January 1, 1990, each month the Department shall
10 pay into the Local Government Tax Fund 16% of the revenue
11 realized for the preceding month from the 6.25% general rate on
12 transfers of tangible personal property.

13 Beginning August 1, 2000, each month the Department shall
14 pay into the Local Government Tax Fund 80% of the net revenue
15 realized for the preceding month from the 1.25% rate on the
16 selling price of motor fuel and gasohol.

17 Beginning October 1, 2009, each month the Department shall
18 pay into the Capital Projects Fund an amount that is equal to
19 an amount estimated by the Department to represent 80% of the
20 net revenue realized for the preceding month from the sale of
21 candy, grooming and hygiene products, and soft drinks that had
22 been taxed at a rate of 1% prior to September 1, 2009 but that
23 are now taxed at 6.25%.

24 Beginning July 1, 2013, each month the Department shall pay
25 into the Underground Storage Tank Fund from the proceeds
26 collected under this Act, the Use Tax Act, the Service Use Tax

1 Act, and the Retailers' Occupation Tax Act an amount equal to
2 the average monthly deficit in the Underground Storage Tank
3 Fund during the prior year, as certified annually by the
4 Illinois Environmental Protection Agency, but the total
5 payment into the Underground Storage Tank Fund under this Act,
6 the Use Tax Act, the Service Use Tax Act, and the Retailers'
7 Occupation Tax Act shall not exceed \$18,000,000 in any State
8 fiscal year. As used in this paragraph, the "average monthly
9 deficit" shall be equal to the difference between the average
10 monthly claims for payment by the fund and the average monthly
11 revenues deposited into the fund, excluding payments made
12 pursuant to this paragraph.

13 Beginning July 1, 2015, of the remainder of the moneys
14 received by the Department under the Use Tax Act, the Service
15 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
16 each month the Department shall deposit \$500,000 into the State
17 Crime Laboratory Fund.

18 Of the remainder of the moneys received by the Department
19 pursuant to this Act, (a) 1.75% thereof shall be paid into the
20 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
21 and after July 1, 1989, 3.8% thereof shall be paid into the
22 Build Illinois Fund; provided, however, that if in any fiscal
23 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
24 may be, of the moneys received by the Department and required
25 to be paid into the Build Illinois Fund pursuant to Section 3
26 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax

1 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
2 Service Occupation Tax Act, such Acts being hereinafter called
3 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
4 may be, of moneys being hereinafter called the "Tax Act
5 Amount", and (2) the amount transferred to the Build Illinois
6 Fund from the State and Local Sales Tax Reform Fund shall be
7 less than the Annual Specified Amount (as defined in Section 3
8 of the Retailers' Occupation Tax Act), 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 if on the last
12 business day of any month the sum of (1) the Tax Act Amount
13 required to be deposited into the Build Illinois Account in the
14 Build Illinois Fund during such month and (2) the amount
15 transferred during such month to the Build Illinois Fund from
16 the State and Local Sales Tax Reform Fund shall have been less
17 than 1/12 of the Annual Specified Amount, an amount equal to
18 the difference shall be immediately paid into the Build
19 Illinois Fund from other moneys received by the Department
20 pursuant to the Tax Acts; and, further provided, that in no
21 event shall the payments required under the preceding proviso
22 result in aggregate payments into the Build Illinois Fund
23 pursuant to this clause (b) for any fiscal year in excess of
24 the greater of (i) the Tax Act Amount or (ii) the Annual
25 Specified Amount for such fiscal year; and, further provided,
26 that the amounts payable into the Build Illinois Fund under

1 this clause (b) shall be payable only until such time as the
2 aggregate amount on deposit under each trust indenture securing
3 Bonds issued and outstanding pursuant to the Build Illinois
4 Bond Act is sufficient, taking into account any future
5 investment income, to fully provide, in accordance with such
6 indenture, for the defeasance of or the payment of the
7 principal of, premium, if any, and interest on the Bonds
8 secured by such indenture and on any Bonds expected to be
9 issued thereafter and all fees and costs payable with respect
10 thereto, all as certified by the Director of the Bureau of the
11 Budget (now Governor's Office of Management and Budget). If on
12 the last business day of any month in which Bonds are
13 outstanding pursuant to the Build Illinois Bond Act, the
14 aggregate of the moneys deposited in the Build Illinois Bond
15 Account in the Build Illinois Fund in such month shall be less
16 than the amount required to be transferred in such month from
17 the Build Illinois Bond Account to the Build Illinois Bond
18 Retirement and Interest Fund pursuant to Section 13 of the
19 Build Illinois Bond Act, an amount equal to such deficiency
20 shall be immediately paid from other moneys received by the
21 Department pursuant to the Tax Acts to the Build Illinois Fund;
22 provided, however, that any amounts paid to the Build Illinois
23 Fund in any fiscal year pursuant to this sentence shall be
24 deemed to constitute payments pursuant to clause (b) of the
25 preceding sentence and shall reduce the amount otherwise
26 payable for such fiscal year pursuant to clause (b) of the

1 preceding sentence. The moneys received by the Department
 2 pursuant to this Act and required to be deposited into the
 3 Build Illinois Fund are subject to the pledge, claim and charge
 4 set forth in Section 12 of the Build Illinois Bond Act.

5 Subject to payment of amounts into the Build Illinois Fund
 6 as provided in the preceding paragraph or in any amendment
 7 thereto hereafter enacted, the following specified monthly
 8 installment of the amount requested in the certificate of the
 9 Chairman of the Metropolitan Pier and Exposition Authority
 10 provided under Section 8.25f of the State Finance Act, but not
 11 in excess of the sums designated as "Total Deposit", shall be
 12 deposited in the aggregate from collections under Section 9 of
 13 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 14 9 of the Service Occupation Tax Act, and Section 3 of the
 15 Retailers' Occupation Tax Act into the McCormick Place
 16 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
18	1993	\$0
19	1994	53,000,000
20	1995	58,000,000
21	1996	61,000,000
22	1997	64,000,000
23	1998	68,000,000
24	1999	71,000,000
25	2000	75,000,000

1	2001	80,000,000
2	2002	93,000,000
3	2003	99,000,000
4	2004	103,000,000
5	2005	108,000,000
6	2006	113,000,000
7	2007	119,000,000
8	2008	126,000,000
9	2009	132,000,000
10	2010	139,000,000
11	2011	146,000,000
12	2012	153,000,000
13	2013	161,000,000
14	2014	170,000,000
15	2015	179,000,000
16	2016	189,000,000
17	2017	199,000,000
18	2018	210,000,000
19	2019	221,000,000
20	2020	233,000,000
21	2021	246,000,000
22	2022	260,000,000
23	2023	275,000,000
24	2024	275,000,000
25	2025	275,000,000
26	2026	279,000,000

1	2027	292,000,000
2	2028	307,000,000
3	2029	322,000,000
4	2030	338,000,000
5	2031	350,000,000
6	2032	350,000,000

7 and

8 each fiscal year

9 thereafter that bonds

10 are outstanding under

11 Section 13.2 of the

12 Metropolitan Pier and

13 Exposition Authority Act,

14 but not after fiscal year 2060.

15 Beginning July 20, 1993 and in each month of each fiscal
16 year thereafter, one-eighth of the amount requested in the
17 certificate of the Chairman of the Metropolitan Pier and
18 Exposition Authority for that fiscal year, less the amount
19 deposited into the McCormick Place Expansion Project Fund by
20 the State Treasurer in the respective month under subsection
21 (g) of Section 13 of the Metropolitan Pier and Exposition
22 Authority Act, plus cumulative deficiencies in the deposits
23 required under this Section for previous months and years,
24 shall be deposited into the McCormick Place Expansion Project
25 Fund, until the full amount requested for the fiscal year, but
26 not in excess of the amount specified above as "Total Deposit",

1 has been deposited.

2 Subject to payment of amounts into the Build Illinois Fund
3 and the McCormick Place Expansion Project Fund pursuant to the
4 preceding paragraphs or in any amendments thereto hereafter
5 enacted, beginning July 1, 1993 and ending on September 30,
6 2013, the Department shall each month pay into the Illinois Tax
7 Increment Fund 0.27% of 80% of the net revenue realized for the
8 preceding month from the 6.25% general rate on the selling
9 price of tangible personal property.

10 Subject to payment of amounts into the Build Illinois Fund
11 and the McCormick Place Expansion Project Fund pursuant to the
12 preceding paragraphs or in any amendments thereto hereafter
13 enacted, beginning with the receipt of the first report of
14 taxes paid by an eligible business and continuing for a 25-year
15 period, the Department shall each month pay into the Energy
16 Infrastructure Fund 80% of the net revenue realized from the
17 6.25% general rate on the selling price of Illinois-mined coal
18 that was sold to an eligible business. For purposes of this
19 paragraph, the term "eligible business" means a new electric
20 generating facility certified pursuant to Section 605-332 of
21 the Department of Commerce and Economic Opportunity Law of the
22 Civil Administrative Code of Illinois.

23 Subject to payment of amounts into the Build Illinois Fund,
24 the McCormick Place Expansion Project Fund, the Illinois Tax
25 Increment Fund, and the Energy Infrastructure Fund pursuant to
26 the preceding paragraphs or in any amendments to this Section

1 hereafter enacted, beginning on the first day of the first
2 calendar month to occur on or after August 26, 2014 (the
3 effective date of Public Act 98-1098), each month, from the
4 collections made under Section 9 of the Use Tax Act, Section 9
5 of the Service Use Tax Act, Section 9 of the Service Occupation
6 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
7 the Department shall pay into the Tax Compliance and
8 Administration Fund, to be used, subject to appropriation, to
9 fund additional auditors and compliance personnel at the
10 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
11 the cash receipts collected during the preceding fiscal year by
12 the Audit Bureau of the Department under the Use Tax Act, the
13 Service Use Tax Act, the Service Occupation Tax Act, the
14 Retailers' Occupation Tax Act, and associated local occupation
15 and use taxes administered by the Department.

16 Subject to payments of amounts into the Build Illinois
17 Fund, the McCormick Place Expansion Project Fund, the Illinois
18 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
19 Compliance and Administration Fund as provided in this Section,
20 beginning on July 1, 2018 the Department shall pay each month
21 into the Downstate Public Transportation Fund the moneys
22 required to be so paid under Section 2-3 of the Downstate
23 Public Transportation Act.

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, 75% shall be paid into the General
26 Revenue Fund of the State Treasury and 25% shall be reserved in

1 a special account and used only for the transfer to the Common
2 School Fund as part of the monthly transfer from the General
3 Revenue Fund in accordance with Section 8a of the State Finance
4 Act.

5 The Department may, upon separate written notice to a
6 taxpayer, require the taxpayer to prepare and file with the
7 Department on a form prescribed by the Department within not
8 less than 60 days after receipt of the notice an annual
9 information return for the tax year specified in the notice.
10 Such annual return to the Department shall include a statement
11 of gross receipts as shown by the taxpayer's last Federal
12 income tax return. If the total receipts of the business as
13 reported in the Federal income tax return do not agree with the
14 gross receipts reported to the Department of Revenue for the
15 same period, the taxpayer shall attach to his annual return a
16 schedule showing a reconciliation of the 2 amounts and the
17 reasons for the difference. The taxpayer's annual return to the
18 Department shall also disclose the cost of goods sold by the
19 taxpayer during the year covered by such return, opening and
20 closing inventories of such goods for such year, cost of goods
21 used from stock or taken from stock and given away by the
22 taxpayer during such year, pay roll information of the
23 taxpayer's business during such year and any additional
24 reasonable information which the Department deems would be
25 helpful in determining the accuracy of the monthly, quarterly
26 or annual returns filed by such taxpayer as hereinbefore

1 provided for in this Section.

2 If the annual information return required by this Section
3 is not filed when and as required, the taxpayer shall be liable
4 as follows:

5 (i) Until January 1, 1994, the taxpayer shall be liable
6 for a penalty equal to 1/6 of 1% of the tax due from such
7 taxpayer under this Act during the period to be covered by
8 the annual return for each month or fraction of a month
9 until such return is filed as required, the penalty to be
10 assessed and collected in the same manner as any other
11 penalty provided for in this Act.

12 (ii) On and after January 1, 1994, the taxpayer shall
13 be liable for a penalty as described in Section 3-4 of the
14 Uniform Penalty and Interest Act.

15 The chief executive officer, proprietor, owner or highest
16 ranking manager shall sign the annual return to certify the
17 accuracy of the information contained therein. Any person who
18 willfully signs the annual return containing false or
19 inaccurate information shall be guilty of perjury and punished
20 accordingly. The annual return form prescribed by the
21 Department shall include a warning that the person signing the
22 return may be liable for perjury.

23 The foregoing portion of this Section concerning the filing
24 of an annual information return shall not apply to a serviceman
25 who is not required to file an income tax return with the
26 United States Government.

1 As soon as possible after the first day of each month, upon
2 certification of the Department of Revenue, the Comptroller
3 shall order transferred and the Treasurer shall transfer from
4 the General Revenue Fund to the Motor Fuel Tax Fund an amount
5 equal to 1.7% of 80% of the net revenue realized under this Act
6 for the second preceding month. Beginning April 1, 2000, this
7 transfer is no longer required and shall not be made.

8 Net revenue realized for a month shall be the revenue
9 collected by the State pursuant to this Act, less the amount
10 paid out during that month as refunds to taxpayers for
11 overpayment of liability.

12 For greater simplicity of administration, it shall be
13 permissible for manufacturers, importers and wholesalers whose
14 products are sold by numerous servicemen in Illinois, and who
15 wish to do so, to assume the responsibility for accounting and
16 paying to the Department all tax accruing under this Act with
17 respect to such sales, if the servicemen who are affected do
18 not make written objection to the Department to this
19 arrangement.

20 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
21 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
22 8-14-18; 100-1171, eff. 1-4-19.)

23 Section 900-19. The Retailers' Occupation Tax Act is
24 amended by changing Section 3 as follows:

1 (35 ILCS 120/3) (from Ch. 120, par. 442)

2 Sec. 3. Except as provided in this Section, on or before
3 the twentieth day of each calendar month, every person engaged
4 in the business of selling tangible personal property at retail
5 in this State during the preceding calendar month shall file a
6 return with the Department, stating:

7 1. The name of the seller;

8 2. His residence address and the address of his
9 principal place of business and the address of the
10 principal place of business (if that is a different
11 address) from which he engages in the business of selling
12 tangible personal property at retail in this State;

13 3. Total amount of receipts received by him during the
14 preceding calendar month or quarter, as the case may be,
15 from sales of tangible personal property, and from services
16 furnished, by him during such preceding calendar month or
17 quarter;

18 4. Total amount received by him during the preceding
19 calendar month or quarter on charge and time sales of
20 tangible personal property, and from services furnished,
21 by him prior to the month or quarter for which the return
22 is filed;

23 5. Deductions allowed by law;

24 6. Gross receipts which were received by him during the
25 preceding calendar month or quarter and upon the basis of
26 which the tax is imposed;

1 7. The amount of credit provided in Section 2d of this
2 Act;

3 8. The amount of tax due;

4 9. The signature of the taxpayer; and

5 10. Such other reasonable information as the
6 Department may require.

7 On and after January 1, 2018, except for returns for motor
8 vehicles, watercraft, aircraft, and trailers that are required
9 to be registered with an agency of this State, with respect to
10 retailers whose annual gross receipts average \$20,000 or more,
11 all returns required to be filed pursuant to this Act shall be
12 filed electronically. Retailers who demonstrate that they do
13 not have access to the Internet or demonstrate hardship in
14 filing electronically may petition the Department to waive the
15 electronic filing requirement.

16 If a taxpayer fails to sign a return within 30 days after
17 the proper notice and demand for signature by the Department,
18 the return shall be considered valid and any amount shown to be
19 due on the return shall be deemed assessed.

20 Each return shall be accompanied by the statement of
21 prepaid tax issued pursuant to Section 2e for which credit is
22 claimed.

23 Prior to October 1, 2003, and on and after September 1,
24 2004 a retailer may accept a Manufacturer's Purchase Credit
25 certification from a purchaser in satisfaction of Use Tax as
26 provided in Section 3-85 of the Use Tax Act if the purchaser

1 provides the appropriate documentation as required by Section
2 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
3 certification, accepted by a retailer prior to October 1, 2003
4 and on and after September 1, 2004 as provided in Section 3-85
5 of the Use Tax Act, may be used by that retailer to satisfy
6 Retailers' Occupation Tax liability in the amount claimed in
7 the certification, not to exceed 6.25% of the receipts subject
8 to tax from a qualifying purchase. A Manufacturer's Purchase
9 Credit reported on any original or amended return filed under
10 this Act after October 20, 2003 for reporting periods prior to
11 September 1, 2004 shall be disallowed. Manufacturer's
12 Purchaser Credit reported on annual returns due on or after
13 January 1, 2005 will be disallowed for periods prior to
14 September 1, 2004. No Manufacturer's Purchase Credit may be
15 used after September 30, 2003 through August 31, 2004 to
16 satisfy any tax liability imposed under this Act, including any
17 audit liability.

18 The Department may require returns to be filed on a
19 quarterly basis. If so required, a return for each calendar
20 quarter shall be filed on or before the twentieth day of the
21 calendar month following the end of such calendar quarter. The
22 taxpayer shall also file a return with the Department for each
23 of the first two months of each calendar quarter, on or before
24 the twentieth day of the following calendar month, stating:

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

1 which he engages in the business of selling tangible
2 personal property at retail in this State;

3 3. The total amount of taxable receipts received by him
4 during the preceding calendar month from sales of tangible
5 personal property by him during such preceding calendar
6 month, including receipts from charge and time sales, but
7 less all deductions allowed by law;

8 4. The amount of credit provided in Section 2d of this
9 Act;

10 5. The amount of tax due; and

11 6. Such other reasonable information as the Department
12 may require.

13 Beginning on October 1, 2003, any person who is not a
14 licensed distributor, importing distributor, or manufacturer,
15 as defined in the Liquor Control Act of 1934, but is engaged in
16 the business of selling, at retail, alcoholic liquor shall file
17 a statement with the Department of Revenue, in a format and at
18 a time prescribed by the Department, showing the total amount
19 paid for alcoholic liquor purchased during the preceding month
20 and such other information as is reasonably required by the
21 Department. The Department may adopt rules to require that this
22 statement be filed in an electronic or telephonic format. Such
23 rules may provide for exceptions from the filing requirements
24 of this paragraph. For the purposes of this paragraph, the term
25 "alcoholic liquor" shall have the meaning prescribed in the
26 Liquor Control Act of 1934.

1 Beginning on October 1, 2003, every distributor, importing
2 distributor, and manufacturer of alcoholic liquor as defined in
3 the Liquor Control Act of 1934, shall file a statement with the
4 Department of Revenue, no later than the 10th day of the month
5 for the preceding month during which transactions occurred, by
6 electronic means, showing the total amount of gross receipts
7 from the sale of alcoholic liquor sold or distributed during
8 the preceding month to purchasers; identifying the purchaser to
9 whom it was sold or distributed; the purchaser's tax
10 registration number; and such other information reasonably
11 required by the Department. A distributor, importing
12 distributor, or manufacturer of alcoholic liquor must
13 personally deliver, mail, or provide by electronic means to
14 each retailer listed on the monthly statement a report
15 containing a cumulative total of that distributor's, importing
16 distributor's, or manufacturer's total sales of alcoholic
17 liquor to that retailer no later than the 10th day of the month
18 for the preceding month during which the transaction occurred.
19 The distributor, importing distributor, or manufacturer shall
20 notify the retailer as to the method by which the distributor,
21 importing distributor, or manufacturer will provide the sales
22 information. If the retailer is unable to receive the sales
23 information by electronic means, the distributor, importing
24 distributor, or manufacturer shall furnish the sales
25 information by personal delivery or by mail. For purposes of
26 this paragraph, the term "electronic means" includes, but is

1 not limited to, the use of a secure Internet website, e-mail,
2 or facsimile.

3 If a total amount of less than \$1 is payable, refundable or
4 creditable, such amount shall be disregarded if it is less than
5 50 cents and shall be increased to \$1 if it is 50 cents or more.

6 Notwithstanding any other provision of this Act to the
7 contrary, retailers subject to tax on cannabis shall file all
8 cannabis tax returns and shall make all cannabis tax payments
9 by electronic means in the manner and form required by the
10 Department.

11 Beginning October 1, 1993, a taxpayer who has an average
12 monthly tax liability of \$150,000 or more shall make all
13 payments required by rules of the Department by electronic
14 funds transfer. Beginning October 1, 1994, a taxpayer who has
15 an average monthly tax liability of \$100,000 or more shall make
16 all payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 1995, a taxpayer who has
18 an average monthly tax liability of \$50,000 or more shall make
19 all payments required by rules of the Department by electronic
20 funds transfer. Beginning October 1, 2000, a taxpayer who has
21 an annual tax liability of \$200,000 or more shall make all
22 payments required by rules of the Department by electronic
23 funds transfer. The term "annual tax liability" shall be the
24 sum of the taxpayer's liabilities under this Act, and under all
25 other State and local occupation and use tax laws administered
26 by the Department, for the immediately preceding calendar year.

1 The term "average monthly tax liability" shall be the sum of
2 the taxpayer's liabilities under this Act, and under all other
3 State and local occupation and use tax laws administered by the
4 Department, for the immediately preceding calendar year
5 divided by 12. Beginning on October 1, 2002, a taxpayer who has
6 a tax liability in the amount set forth in subsection (b) of
7 Section 2505-210 of the Department of Revenue Law shall make
8 all payments required by rules of the Department by electronic
9 funds transfer.

10 Before August 1 of each year beginning in 1993, the
11 Department shall notify all taxpayers required to make payments
12 by electronic funds transfer. All taxpayers required to make
13 payments by electronic funds transfer shall make those payments
14 for a minimum of one year beginning on October 1.

15 Any taxpayer not required to make payments by electronic
16 funds transfer may make payments by electronic funds transfer
17 with the permission of the Department.

18 All taxpayers required to make payment by electronic funds
19 transfer and any taxpayers authorized to voluntarily make
20 payments by electronic funds transfer shall make those payments
21 in the manner authorized by the Department.

22 The Department shall adopt such rules as are necessary to
23 effectuate a program of electronic funds transfer and the
24 requirements of this Section.

25 Any amount which is required to be shown or reported on any
26 return or other document under this Act shall, if such amount

1 is not a whole-dollar amount, be increased to the nearest
2 whole-dollar amount in any case where the fractional part of a
3 dollar is 50 cents or more, and decreased to the nearest
4 whole-dollar amount where the fractional part of a dollar is
5 less than 50 cents.

6 If the retailer is otherwise required to file a monthly
7 return and if the retailer's average monthly tax liability to
8 the Department does not exceed \$200, the Department may
9 authorize his returns to be filed on a quarter annual basis,
10 with the return for January, February and March of a given year
11 being due by April 20 of such year; with the return for April,
12 May and June of a given year being due by July 20 of such year;
13 with the return for July, August and September of a given year
14 being due by October 20 of such year, and with the return for
15 October, November and December of a given year being due by
16 January 20 of the following year.

17 If the retailer is otherwise required to file a monthly or
18 quarterly return and if the retailer's average monthly tax
19 liability with the Department does not exceed \$50, the
20 Department may authorize his returns to be filed on an annual
21 basis, with the return for a given year being due by January 20
22 of the following year.

23 Such quarter annual and annual returns, as to form and
24 substance, shall be subject to the same requirements as monthly
25 returns.

26 Notwithstanding any other provision in this Act concerning

1 the time within which a retailer may file his return, in the
2 case of any retailer who ceases to engage in a kind of business
3 which makes him responsible for filing returns under this Act,
4 such retailer shall file a final return under this Act with the
5 Department not more than one month after discontinuing such
6 business.

7 Where the same person has more than one business registered
8 with the Department under separate registrations under this
9 Act, such person may not file each return that is due as a
10 single return covering all such registered businesses, but
11 shall file separate returns for each such registered business.

12 In addition, with respect to motor vehicles, watercraft,
13 aircraft, and trailers that are required to be registered with
14 an agency of this State, except as otherwise provided in this
15 Section, every retailer selling this kind of tangible personal
16 property shall file, with the Department, upon a form to be
17 prescribed and supplied by the Department, a separate return
18 for each such item of tangible personal property which the
19 retailer sells, except that if, in the same transaction, (i) a
20 retailer of aircraft, watercraft, motor vehicles or trailers
21 transfers more than one aircraft, watercraft, motor vehicle or
22 trailer to another aircraft, watercraft, motor vehicle
23 retailer or trailer retailer for the purpose of resale or (ii)
24 a retailer of aircraft, watercraft, motor vehicles, or trailers
25 transfers more than one aircraft, watercraft, motor vehicle, or
26 trailer to a purchaser for use as a qualifying rolling stock as

1 provided in Section 2-5 of this Act, then that seller may
2 report the transfer of all aircraft, watercraft, motor vehicles
3 or trailers involved in that transaction to the Department on
4 the same uniform invoice-transaction reporting return form.
5 For purposes of this Section, "watercraft" means a Class 2,
6 Class 3, or Class 4 watercraft as defined in Section 3-2 of the
7 Boat Registration and Safety Act, a personal watercraft, or any
8 boat equipped with an inboard motor.

9 In addition, with respect to motor vehicles, watercraft,
10 aircraft, and trailers that are required to be registered with
11 an agency of this State, every person who is engaged in the
12 business of leasing or renting such items and who, in
13 connection with such business, sells any such item to a
14 retailer for the purpose of resale is, notwithstanding any
15 other provision of this Section to the contrary, authorized to
16 meet the return-filing requirement of this Act by reporting the
17 transfer of all the aircraft, watercraft, motor vehicles, or
18 trailers transferred for resale during a month to the
19 Department on the same uniform invoice-transaction reporting
20 return form on or before the 20th of the month following the
21 month in which the transfer takes place. Notwithstanding any
22 other provision of this Act to the contrary, all returns filed
23 under this paragraph must be filed by electronic means in the
24 manner and form as required by the Department.

25 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with

1 an agency of this State, so that all retailers' occupation tax
2 liability is required to be reported, and is reported, on such
3 transaction reporting returns and who is not otherwise required
4 to file monthly or quarterly returns, need not file monthly or
5 quarterly returns. However, those retailers shall be required
6 to file returns on an annual basis.

7 The transaction reporting return, in the case of motor
8 vehicles or trailers that are required to be registered with an
9 agency of this State, shall be the same document as the Uniform
10 Invoice referred to in Section 5-402 of the Illinois Vehicle
11 Code and must show the name and address of the seller; the name
12 and address of the purchaser; the amount of the selling price
13 including the amount allowed by the retailer for traded-in
14 property, if any; the amount allowed by the retailer for the
15 traded-in tangible personal property, if any, to the extent to
16 which Section 1 of this Act allows an exemption for the value
17 of traded-in property; the balance payable after deducting such
18 trade-in allowance from the total selling price; the amount of
19 tax due from the retailer with respect to such transaction; the
20 amount of tax collected from the purchaser by the retailer on
21 such transaction (or satisfactory evidence that such tax is not
22 due in that particular instance, if that is claimed to be the
23 fact); the place and date of the sale; a sufficient
24 identification of the property sold; such other information as
25 is required in Section 5-402 of the Illinois Vehicle Code, and
26 such other information as the Department may reasonably

1 require.

2 The transaction reporting return in the case of watercraft
3 or aircraft must show the name and address of the seller; the
4 name and address of the purchaser; the amount of the selling
5 price including the amount allowed by the retailer for
6 traded-in property, if any; the amount allowed by the retailer
7 for the traded-in tangible personal property, if any, to the
8 extent to which Section 1 of this Act allows an exemption for
9 the value of traded-in property; the balance payable after
10 deducting such trade-in allowance from the total selling price;
11 the amount of tax due from the retailer with respect to such
12 transaction; the amount of tax collected from the purchaser by
13 the retailer on such transaction (or satisfactory evidence that
14 such tax is not due in that particular instance, if that is
15 claimed to be the fact); the place and date of the sale, a
16 sufficient identification of the property sold, and such other
17 information as the Department may reasonably require.

18 Such transaction reporting return shall be filed not later
19 than 20 days after the day of delivery of the item that is
20 being sold, but may be filed by the retailer at any time sooner
21 than that if he chooses to do so. The transaction reporting
22 return and tax remittance or proof of exemption from the
23 Illinois use tax may be transmitted to the Department by way of
24 the State agency with which, or State officer with whom the
25 tangible personal property must be titled or registered (if
26 titling or registration is required) if the Department and such

1 agency or State officer determine that this procedure will
2 expedite the processing of applications for title or
3 registration.

4 With each such transaction reporting return, the retailer
5 shall remit the proper amount of tax due (or shall submit
6 satisfactory evidence that the sale is not taxable if that is
7 the case), to the Department or its agents, whereupon the
8 Department shall issue, in the purchaser's name, a use tax
9 receipt (or a certificate of exemption if the Department is
10 satisfied that the particular sale is tax exempt) which such
11 purchaser may submit to the agency with which, or State officer
12 with whom, he must title or register the tangible personal
13 property that is involved (if titling or registration is
14 required) in support of such purchaser's application for an
15 Illinois certificate or other evidence of title or registration
16 to such tangible personal property.

17 No retailer's failure or refusal to remit tax under this
18 Act precludes a user, who has paid the proper tax to the
19 retailer, from obtaining his certificate of title or other
20 evidence of title or registration (if titling or registration
21 is required) upon satisfying the Department that such user has
22 paid the proper tax (if tax is due) to the retailer. The
23 Department shall adopt appropriate rules to carry out the
24 mandate of this paragraph.

25 If the user who would otherwise pay tax to the retailer
26 wants the transaction reporting return filed and the payment of

1 the tax or proof of exemption made to the Department before the
2 retailer is willing to take these actions and such user has not
3 paid the tax to the retailer, such user may certify to the fact
4 of such delay by the retailer and may (upon the Department
5 being satisfied of the truth of such certification) transmit
6 the information required by the transaction reporting return
7 and the remittance for tax or proof of exemption directly to
8 the Department and obtain his tax receipt or exemption
9 determination, in which event the transaction reporting return
10 and tax remittance (if a tax payment was required) shall be
11 credited by the Department to the proper retailer's account
12 with the Department, but without the 2.1% or 1.75% discount
13 provided for in this Section being allowed. When the user pays
14 the tax directly to the Department, he shall pay the tax in the
15 same amount and in the same form in which it would be remitted
16 if the tax had been remitted to the Department by the retailer.

17 Refunds made by the seller during the preceding return
18 period to purchasers, on account of tangible personal property
19 returned to the seller, shall be allowed as a deduction under
20 subdivision 5 of his monthly or quarterly return, as the case
21 may be, in case the seller had theretofore included the
22 receipts from the sale of such tangible personal property in a
23 return filed by him and had paid the tax imposed by this Act
24 with respect to such receipts.

25 Where the seller is a corporation, the return filed on
26 behalf of such corporation shall be signed by the president,

1 vice-president, secretary or treasurer or by the properly
2 accredited agent of such corporation.

3 Where the seller is a limited liability company, the return
4 filed on behalf of the limited liability company shall be
5 signed by a manager, member, or properly accredited agent of
6 the limited liability company.

7 Except as provided in this Section, the retailer filing the
8 return under this Section shall, at the time of filing such
9 return, pay to the Department the amount of tax imposed by this
10 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
11 on and after January 1, 1990, or \$5 per calendar year,
12 whichever is greater, which is allowed to reimburse the
13 retailer for the expenses incurred in keeping records,
14 preparing and filing returns, remitting the tax and supplying
15 data to the Department on request. Any prepayment made pursuant
16 to Section 2d of this Act shall be included in the amount on
17 which such 2.1% or 1.75% discount is computed. In the case of
18 retailers who report and pay the tax on a transaction by
19 transaction basis, as provided in this Section, such discount
20 shall be taken with each such tax remittance instead of when
21 such retailer files his periodic return. The discount allowed
22 under this Section is allowed only for returns that are filed
23 in the manner required by this Act. The Department may disallow
24 the discount for retailers whose certificate of registration is
25 revoked at the time the return is filed, but only if the
26 Department's decision to revoke the certificate of

1 registration has become final.

2 Before October 1, 2000, if the taxpayer's average monthly
3 tax liability to the Department under this Act, the Use Tax
4 Act, the Service Occupation Tax Act, and the Service Use Tax
5 Act, excluding any liability for prepaid sales tax to be
6 remitted in accordance with Section 2d of this Act, was \$10,000
7 or more during the preceding 4 complete calendar quarters, he
8 shall file a return with the Department each month by the 20th
9 day of the month next following the month during which such tax
10 liability is incurred and shall make payments to the Department
11 on or before the 7th, 15th, 22nd and last day of the month
12 during which such liability is incurred. On and after October
13 1, 2000, if the taxpayer's average monthly tax liability to the
14 Department under this Act, the Use Tax Act, the Service
15 Occupation Tax Act, and the Service Use Tax Act, excluding any
16 liability for prepaid sales tax to be remitted in accordance
17 with Section 2d of this Act, was \$20,000 or more during the
18 preceding 4 complete calendar quarters, he shall file a return
19 with the Department each month by the 20th day of the month
20 next following the month during which such tax liability is
21 incurred and shall make payment to the Department on or before
22 the 7th, 15th, 22nd and last day of the month during which such
23 liability is incurred. If the month during which such tax
24 liability is incurred began prior to January 1, 1985, each
25 payment shall be in an amount equal to 1/4 of the taxpayer's
26 actual liability for the month or an amount set by the

1 Department not to exceed 1/4 of the average monthly liability
2 of the taxpayer to the Department for the preceding 4 complete
3 calendar quarters (excluding the month of highest liability and
4 the month of lowest liability in such 4 quarter period). If the
5 month during which such tax liability is incurred begins on or
6 after January 1, 1985 and prior to January 1, 1987, each
7 payment shall be in an amount equal to 22.5% of the taxpayer's
8 actual liability for the month or 27.5% 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, 1987 and prior to January 1, 1988, each
12 payment shall be in an amount equal to 22.5% of the taxpayer's
13 actual liability for the month or 26.25% of the taxpayer's
14 liability for the same calendar month of the preceding year. If
15 the month during which such tax liability is incurred begins on
16 or after January 1, 1988, and prior to January 1, 1989, or
17 begins on or after 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. If the month during which
21 such tax liability is incurred begins on or after January 1,
22 1989, and prior to January 1, 1996, each payment shall be in an
23 amount equal to 22.5% of the taxpayer's actual liability for
24 the month or 25% of the taxpayer's liability for the same
25 calendar month of the preceding year or 100% of the taxpayer's
26 actual liability for the quarter monthly reporting period. The

1 amount of such quarter monthly payments shall be credited
2 against the final tax liability of the taxpayer's return for
3 that month. Before October 1, 2000, once applicable, the
4 requirement of the making of quarter monthly payments to the
5 Department by taxpayers having an average monthly tax liability
6 of \$10,000 or more as determined in the manner provided above
7 shall continue until such taxpayer's average monthly liability
8 to the Department during the preceding 4 complete calendar
9 quarters (excluding the month of highest liability and the
10 month of lowest liability) is less than \$9,000, or until such
11 taxpayer's average monthly liability to the Department as
12 computed for each calendar quarter of the 4 preceding complete
13 calendar quarter period is less than \$10,000. However, if a
14 taxpayer can show the Department that a substantial change in
15 the taxpayer's business has occurred which causes the taxpayer
16 to anticipate that his average monthly tax liability for the
17 reasonably foreseeable future will fall below the \$10,000
18 threshold stated above, then such taxpayer may petition the
19 Department for a change in such taxpayer's reporting status. On
20 and after October 1, 2000, once applicable, the requirement of
21 the making of quarter monthly payments to the Department by
22 taxpayers having an average monthly tax liability of \$20,000 or
23 more as determined in the manner provided above shall continue
24 until such taxpayer's average monthly liability to the
25 Department during the preceding 4 complete calendar quarters
26 (excluding the month of highest liability and the month of

1 lowest liability) is less than \$19,000 or until such taxpayer's
2 average monthly liability to the Department as computed for
3 each calendar quarter of the 4 preceding complete calendar
4 quarter period is less than \$20,000. However, if a taxpayer can
5 show the Department that a substantial change in the taxpayer's
6 business has occurred which causes the taxpayer to anticipate
7 that his average monthly tax liability for the reasonably
8 foreseeable future will fall below the \$20,000 threshold stated
9 above, then such taxpayer may petition the Department for a
10 change in such taxpayer's reporting status. The Department
11 shall change such taxpayer's reporting status unless it finds
12 that such change is seasonal in nature and not likely to be
13 long term. If any such quarter monthly payment is not paid at
14 the time or in the amount required by this Section, then the
15 taxpayer shall be liable for penalties and interest on the
16 difference between the minimum amount due as a payment and the
17 amount of such quarter monthly payment actually and timely
18 paid, except insofar as the taxpayer has previously made
19 payments for that month to the Department in excess of the
20 minimum payments previously due as provided in this Section.
21 The Department shall make reasonable rules and regulations to
22 govern the quarter monthly payment amount and quarter monthly
23 payment dates for taxpayers who file on other than a calendar
24 monthly basis.

25 The provisions of this paragraph apply before October 1,
26 2001. Without regard to whether a taxpayer is required to make

1 quarter monthly payments as specified above, any taxpayer who
2 is required by Section 2d of this Act to collect and remit
3 prepaid taxes and has collected prepaid taxes which average in
4 excess of \$25,000 per month during the preceding 2 complete
5 calendar quarters, shall file a return with the Department as
6 required by Section 2f and shall make payments to the
7 Department on or before the 7th, 15th, 22nd and last day of the
8 month during which such liability is incurred. If the month
9 during which such tax liability is incurred began prior to
10 September 1, 1985 (the effective date of Public Act 84-221),
11 each payment shall be in an amount not less than 22.5% of the
12 taxpayer's actual liability under Section 2d. If the month
13 during which such tax liability is incurred begins on or after
14 January 1, 1986, each payment shall be in an amount equal to
15 22.5% of the taxpayer's actual liability for the month or 27.5%
16 of the taxpayer's liability for the same calendar month of the
17 preceding calendar year. If the month during which such tax
18 liability is incurred begins on or after January 1, 1987, each
19 payment shall be in an amount equal to 22.5% of the taxpayer's
20 actual liability for the month or 26.25% of the taxpayer's
21 liability for the same calendar month of the preceding year.
22 The amount of such quarter monthly payments shall be credited
23 against the final tax liability of the taxpayer's return for
24 that month filed under this Section or Section 2f, as the case
25 may be. Once applicable, the requirement of the making of
26 quarter monthly payments to the Department pursuant to this

1 paragraph shall continue until such taxpayer's average monthly
2 prepaid tax collections during the preceding 2 complete
3 calendar quarters is \$25,000 or less. If any such quarter
4 monthly payment is not paid at the time or in the amount
5 required, the taxpayer shall be liable for penalties and
6 interest on such difference, except insofar as the taxpayer has
7 previously made payments for that month in excess of the
8 minimum payments previously due.

9 The provisions of this paragraph apply on and after October
10 1, 2001. Without regard to whether a taxpayer is required to
11 make quarter monthly payments as specified above, any taxpayer
12 who is required by Section 2d of this Act to collect and remit
13 prepaid taxes and has collected prepaid taxes that average in
14 excess of \$20,000 per month during the preceding 4 complete
15 calendar quarters shall file a return with the Department as
16 required by Section 2f and shall make payments to the
17 Department on or before the 7th, 15th, 22nd and last day of the
18 month during which the liability is incurred. Each payment
19 shall be in an amount equal to 22.5% of the taxpayer's actual
20 liability for the month or 25% of the taxpayer's liability for
21 the same calendar month of the preceding year. The amount of
22 the quarter monthly payments shall be credited against the
23 final tax liability of the taxpayer's return for that month
24 filed under this Section or Section 2f, as the case may be.
25 Once applicable, the requirement of the making of quarter
26 monthly payments to the Department pursuant to this paragraph

1 shall continue until the taxpayer's average monthly prepaid tax
2 collections during the preceding 4 complete calendar quarters
3 (excluding the month of highest liability and the month of
4 lowest liability) is less than \$19,000 or until such taxpayer's
5 average monthly liability to the Department as computed for
6 each calendar quarter of the 4 preceding complete calendar
7 quarters is less than \$20,000. If any such quarter monthly
8 payment is not paid at the time or in the amount required, the
9 taxpayer shall be liable for penalties and interest on such
10 difference, except insofar as the taxpayer has previously made
11 payments for that month in excess of the minimum payments
12 previously due.

13 If any payment provided for in this Section exceeds the
14 taxpayer's liabilities under this Act, the Use Tax Act, the
15 Service Occupation Tax Act and the Service Use Tax Act, as
16 shown on an original monthly return, the Department shall, if
17 requested by the taxpayer, issue to the taxpayer a credit
18 memorandum no later than 30 days after the date of payment. The
19 credit evidenced by such credit memorandum may be assigned by
20 the taxpayer to a similar taxpayer under this Act, the Use Tax
21 Act, the Service Occupation Tax Act or the Service Use Tax Act,
22 in accordance with reasonable rules and regulations to be
23 prescribed by the Department. If no such request is made, the
24 taxpayer may credit such excess payment against tax liability
25 subsequently to be remitted to the Department under this Act,
26 the Use Tax Act, the Service Occupation Tax Act or the Service

1 Use Tax Act, in accordance with reasonable rules and
2 regulations prescribed by the Department. If the Department
3 subsequently determined that all or any part of the credit
4 taken was not actually due to the taxpayer, the taxpayer's 2.1%
5 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
6 of the difference between the credit taken and that actually
7 due, and that taxpayer shall be liable for penalties and
8 interest on such difference.

9 If a retailer of motor fuel is entitled to a credit under
10 Section 2d of this Act which exceeds the taxpayer's liability
11 to the Department under this Act for the month which the
12 taxpayer is filing a return, the Department shall issue the
13 taxpayer a credit memorandum for the excess.

14 Beginning January 1, 1990, each month the Department shall
15 pay into the Local Government Tax Fund, a special fund in the
16 State treasury which is hereby created, the net revenue
17 realized for the preceding month from the 1% tax imposed under
18 this Act.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the County and Mass Transit District Fund, a special
21 fund in the State treasury which is hereby created, 4% of the
22 net revenue realized for the preceding month from the 6.25%
23 general rate.

24 Beginning August 1, 2000, each month the Department shall
25 pay into the County and Mass Transit District Fund 20% of the
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol. Beginning
2 September 1, 2010, each month the Department shall pay into the
3 County and Mass Transit District Fund 20% of the net revenue
4 realized for the preceding month from the 1.25% rate on the
5 selling price of sales tax holiday items.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the net revenue
8 realized for the preceding month from the 6.25% general rate on
9 the selling price of tangible personal property.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the Local Government Tax Fund 80% of the net revenue
12 realized for the preceding month from the 1.25% rate on the
13 selling price of motor fuel and gasohol. Beginning September 1,
14 2010, each month the Department shall pay into the Local
15 Government Tax Fund 80% of the net revenue realized for the
16 preceding month from the 1.25% rate on the selling price of
17 sales tax holiday items.

18 Beginning October 1, 2009, each month the Department shall
19 pay into the Capital Projects Fund an amount that is equal to
20 an amount estimated by the Department to represent 80% of the
21 net revenue realized for the preceding month from the sale of
22 candy, grooming and hygiene products, and soft drinks that had
23 been taxed at a rate of 1% prior to September 1, 2009 but that
24 are now taxed at 6.25%.

25 Beginning July 1, 2011, each month the Department shall pay
26 into the Clean Air Act Permit Fund 80% of the net revenue

1 realized for the preceding month from the 6.25% general rate on
2 the selling price of sorbents used in Illinois in the process
3 of sorbent injection as used to comply with the Environmental
4 Protection Act or the federal Clean Air Act, but the total
5 payment into the Clean Air Act Permit Fund under this Act and
6 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

7 Beginning July 1, 2013, each month the Department shall pay
8 into the Underground Storage Tank Fund from the proceeds
9 collected under this Act, the Use Tax Act, the Service Use Tax
10 Act, and the Service Occupation Tax Act an amount equal to the
11 average monthly deficit in the Underground Storage Tank Fund
12 during the prior year, as certified annually by the Illinois
13 Environmental Protection Agency, but the total payment into the
14 Underground Storage Tank Fund under this Act, the Use Tax Act,
15 the Service Use Tax Act, and the Service Occupation Tax Act
16 shall not exceed \$18,000,000 in any State fiscal year. As used
17 in this paragraph, the "average monthly deficit" shall be equal
18 to the difference between the average monthly claims for
19 payment by the fund and the average monthly revenues deposited
20 into the fund, excluding payments made pursuant to this
21 paragraph.

22 Beginning July 1, 2015, of the remainder of the moneys
23 received by the Department under the Use Tax Act, the Service
24 Use Tax Act, the Service Occupation Tax Act, and this Act, each
25 month the Department shall deposit \$500,000 into the State
26 Crime Laboratory Fund.

1 Of the remainder of the moneys received by the Department
2 pursuant to this Act, (a) 1.75% thereof shall be paid into the
3 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
4 and after July 1, 1989, 3.8% thereof shall be paid into the
5 Build Illinois Fund; provided, however, that if in any fiscal
6 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
7 may be, of the moneys received by the Department and required
8 to be paid into the Build Illinois Fund pursuant to this Act,
9 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
10 Act, and Section 9 of the Service Occupation Tax Act, such Acts
11 being hereinafter called the "Tax Acts" and such aggregate of
12 2.2% or 3.8%, as the case may be, of moneys being hereinafter
13 called the "Tax Act Amount", and (2) the amount transferred to
14 the Build Illinois Fund from the State and Local Sales Tax
15 Reform Fund shall be less than the Annual Specified Amount (as
16 hereinafter defined), an amount equal to the difference shall
17 be immediately paid into the Build Illinois Fund from other
18 moneys received by the Department pursuant to the Tax Acts; the
19 "Annual Specified Amount" means the amounts specified below for
20 fiscal years 1986 through 1993:

21	Fiscal Year	Annual Specified Amount
22	1986	\$54,800,000
23	1987	\$76,650,000
24	1988	\$80,480,000
25	1989	\$88,510,000
26	1990	\$115,330,000

1	1991	\$145,470,000
2	1992	\$182,730,000
3	1993	\$206,520,000;

4 and means the Certified Annual Debt Service Requirement (as
5 defined in Section 13 of the Build Illinois Bond Act) or the
6 Tax Act Amount, whichever is greater, for fiscal year 1994 and
7 each fiscal year thereafter; and further provided, that if on
8 the last business day of any month the sum of (1) the Tax Act
9 Amount required to be deposited into the Build Illinois Bond
10 Account in the Build Illinois Fund during such month and (2)
11 the amount transferred to the Build Illinois Fund from the
12 State and Local Sales Tax Reform Fund shall have been less than
13 1/12 of the Annual Specified Amount, an amount equal to the
14 difference shall be immediately paid into the Build Illinois
15 Fund from other moneys received by the Department pursuant to
16 the Tax Acts; and, further provided, that in no event shall the
17 payments required under the preceding proviso result in
18 aggregate payments into the Build Illinois Fund pursuant to
19 this clause (b) for any fiscal year in excess of the greater of
20 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
21 such fiscal year. The amounts payable into the Build Illinois
22 Fund under clause (b) of the first sentence in this paragraph
23 shall be payable only until such time as the aggregate amount
24 on deposit under each trust indenture securing Bonds issued and
25 outstanding pursuant to the Build Illinois Bond Act is
26 sufficient, taking into account any future investment income,

1 to fully provide, in accordance with such indenture, for the
2 defeasance of or the payment of the principal of, premium, if
3 any, and interest on the Bonds secured by such indenture and on
4 any Bonds expected to be issued thereafter and all fees and
5 costs payable with respect thereto, all as certified by the
6 Director of the Bureau of the Budget (now Governor's Office of
7 Management and Budget). If on the last business day of any
8 month in which Bonds are outstanding pursuant to the Build
9 Illinois Bond Act, the aggregate of moneys deposited in the
10 Build Illinois Bond Account in the Build Illinois Fund in such
11 month shall be less than the amount required to be transferred
12 in such month from the Build Illinois Bond Account to the Build
13 Illinois Bond Retirement and Interest Fund pursuant to Section
14 13 of the Build Illinois Bond Act, an amount equal to such
15 deficiency shall be immediately paid from other moneys received
16 by the Department pursuant to the Tax Acts to the Build
17 Illinois Fund; provided, however, that any amounts paid to the
18 Build Illinois Fund in any fiscal year pursuant to this
19 sentence shall be deemed to constitute payments pursuant to
20 clause (b) of the first sentence of this paragraph and shall
21 reduce the amount otherwise payable for such fiscal year
22 pursuant to that clause (b). The moneys received by the
23 Department pursuant to this Act and required to be deposited
24 into the Build Illinois Fund are subject to the pledge, claim
25 and charge set forth in Section 12 of the Build Illinois Bond
26 Act.

1 Subject to payment of amounts into the Build Illinois Fund
2 as provided in the preceding paragraph or in any amendment
3 thereto hereafter enacted, the following specified monthly
4 installment of the amount requested in the certificate of the
5 Chairman of the Metropolitan Pier and Exposition Authority
6 provided under Section 8.25f of the State Finance Act, but not
7 in excess of sums designated as "Total Deposit", shall be
8 deposited in the aggregate from collections under Section 9 of
9 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
10 9 of the Service Occupation Tax Act, and Section 3 of the
11 Retailers' Occupation Tax Act into the McCormick Place
12 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
14	1993	\$0
15	1994	53,000,000
16	1995	58,000,000
17	1996	61,000,000
18	1997	64,000,000
19	1998	68,000,000
20	1999	71,000,000
21	2000	75,000,000
22	2001	80,000,000
23	2002	93,000,000
24	2003	99,000,000
25	2004	103,000,000

1	2005	108,000,000
2	2006	113,000,000
3	2007	119,000,000
4	2008	126,000,000
5	2009	132,000,000
6	2010	139,000,000
7	2011	146,000,000
8	2012	153,000,000
9	2013	161,000,000
10	2014	170,000,000
11	2015	179,000,000
12	2016	189,000,000
13	2017	199,000,000
14	2018	210,000,000
15	2019	221,000,000
16	2020	233,000,000
17	2021	246,000,000
18	2022	260,000,000
19	2023	275,000,000
20	2024	275,000,000
21	2025	275,000,000
22	2026	279,000,000
23	2027	292,000,000
24	2028	307,000,000
25	2029	322,000,000
26	2030	338,000,000

1	2031	350,000,000
2	2032	350,000,000

3 and

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2060.

11 Beginning July 20, 1993 and in each month of each fiscal
12 year thereafter, one-eighth of the amount requested in the
13 certificate of the Chairman of the Metropolitan Pier and
14 Exposition Authority for that fiscal year, less the amount
15 deposited into the McCormick Place Expansion Project Fund by
16 the State Treasurer in the respective month under subsection
17 (g) of Section 13 of the Metropolitan Pier and Exposition
18 Authority Act, plus cumulative deficiencies in the deposits
19 required under this Section for previous months and years,
20 shall be deposited into the McCormick Place Expansion Project
21 Fund, until the full amount requested for the fiscal year, but
22 not in excess of the amount specified above as "Total Deposit",
23 has been deposited.

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 July 1, 1993 and ending on September 30,
2 2013, the Department shall each month pay into the Illinois Tax
3 Increment Fund 0.27% of 80% of the net revenue realized for the
4 preceding month from the 6.25% general rate on the selling
5 price of tangible personal property.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning with the receipt of the first report of
10 taxes paid by an eligible business and continuing for a 25-year
11 period, the Department shall each month pay into the Energy
12 Infrastructure Fund 80% of the net revenue realized from the
13 6.25% general rate on the selling price of Illinois-mined coal
14 that was sold to an eligible business. For purposes of this
15 paragraph, the term "eligible business" means a new electric
16 generating facility certified pursuant to Section 605-332 of
17 the Department of Commerce and Economic Opportunity Law of the
18 Civil Administrative Code of Illinois.

19 Subject to payment of amounts into the Build Illinois Fund,
20 the McCormick Place Expansion Project Fund, the Illinois Tax
21 Increment Fund, and the Energy Infrastructure Fund pursuant to
22 the preceding paragraphs or in any amendments to this Section
23 hereafter enacted, beginning on the first day of the first
24 calendar month to occur on or after August 26, 2014 (the
25 effective date of Public Act 98-1098), each month, from the
26 collections made under Section 9 of the Use Tax Act, Section 9

1 of the Service Use Tax Act, Section 9 of the Service Occupation
2 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
3 the Department shall pay into the Tax Compliance and
4 Administration Fund, to be used, subject to appropriation, to
5 fund additional auditors and compliance personnel at the
6 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
7 the cash receipts collected during the preceding fiscal year by
8 the Audit Bureau of the Department under the Use Tax Act, the
9 Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, and associated local occupation
11 and use taxes administered by the Department.

12 Subject to payments of amounts into the Build Illinois
13 Fund, the McCormick Place Expansion Project Fund, the Illinois
14 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
15 Compliance and Administration Fund as provided in this Section,
16 beginning on July 1, 2018 the Department shall pay each month
17 into the Downstate Public Transportation Fund the moneys
18 required to be so paid under Section 2-3 of the Downstate
19 Public Transportation Act.

20 Of the remainder of the moneys received by the Department
21 pursuant to this Act, 75% thereof shall be paid into the State
22 Treasury and 25% shall be reserved in a special account and
23 used only for the transfer to the Common School Fund as part of
24 the monthly transfer from the General Revenue Fund in
25 accordance with Section 8a of the State Finance 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 retailer'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 retailer shall attach to his annual return a
11 schedule showing a reconciliation of the 2 amounts and the
12 reasons for the difference. The retailer's annual return to the
13 Department shall also disclose the cost of goods sold by the
14 retailer during the year covered by such return, opening and
15 closing inventories of such goods for such year, costs of goods
16 used from stock or taken from stock and given away by the
17 retailer during such year, payroll information of the
18 retailer'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 retailer as provided for in
22 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 provisions of this Section concerning the filing of an
19 annual information return do not apply to a retailer who is not
20 required to file an income tax return with the United States
21 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, manufacturers,
8 importers and wholesalers whose products are sold at retail in
9 Illinois by numerous retailers, and who wish to do so, may
10 assume the responsibility for accounting and paying to the
11 Department all tax accruing under this Act with respect to such
12 sales, if the retailers who are affected do not make written
13 objection to the Department to this arrangement.

14 Any person who promotes, organizes, provides retail
15 selling space for concessionaires or other types of sellers at
16 the Illinois State Fair, DuQuoin State Fair, county fairs,
17 local fairs, art shows, flea markets and similar exhibitions or
18 events, including any transient merchant as defined by Section
19 2 of the Transient Merchant Act of 1987, is required to file a
20 report with the Department providing the name of the merchant's
21 business, the name of the person or persons engaged in
22 merchant's business, the permanent address and Illinois
23 Retailers Occupation Tax Registration Number of the merchant,
24 the dates and location of the event and other reasonable
25 information that the Department may require. The report must be
26 filed not later than the 20th day of the month next following

1 the month during which the event with retail sales was held.
2 Any person who fails to file a report required by this Section
3 commits a business offense and is subject to a fine not to
4 exceed \$250.

5 Any person engaged in the business of selling tangible
6 personal property at retail as a concessionaire or other type
7 of seller at the Illinois State Fair, county fairs, art shows,
8 flea markets and similar exhibitions or events, or any
9 transient merchants, as defined by Section 2 of the Transient
10 Merchant Act of 1987, may be required to make a daily report of
11 the amount of such sales to the Department and to make a daily
12 payment of the full amount of tax due. The Department shall
13 impose this requirement when it finds that there is a
14 significant risk of loss of revenue to the State at such an
15 exhibition or event. Such a finding shall be based on evidence
16 that a substantial number of concessionaires or other sellers
17 who are not residents of Illinois will be engaging in the
18 business of selling tangible personal property at retail at the
19 exhibition or event, or other evidence of a significant risk of
20 loss of revenue to the State. The Department shall notify
21 concessionaires and other sellers affected by the imposition of
22 this requirement. In the absence of notification by the
23 Department, the concessionaires and other sellers shall file
24 their returns as otherwise required in this Section.

25 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
26 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.

1 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

2 (35 ILCS 520/Act rep.)

3 Section 900-20. The Cannabis and Controlled Substances Tax
4 Act is repealed.

5 Section 900-22. The Illinois Police Training Act is amended
6 by changing Sections 9 and 10.12 as follows:

7 (50 ILCS 705/9) (from Ch. 85, par. 509)

8 (Text of Section before amendment by P.A. 100-987)

9 Sec. 9. A special fund is hereby established in the State
10 Treasury to be known as the Traffic and Criminal Conviction
11 Surcharge Fund and shall be financed as provided in Section 9.1
12 of this Act and Section 5-9-1 of the Unified Code of
13 Corrections, unless the fines, costs, or additional amounts
14 imposed are subject to disbursement by the circuit clerk under
15 Section 27.5 of the Clerks of Courts Act. Moneys in this Fund
16 shall be expended as follows:

17 (1) a portion of the total amount deposited in the Fund
18 may be used, as appropriated by the General Assembly, for
19 the ordinary and contingent expenses of the Illinois Law
20 Enforcement Training Standards Board;

21 (2) a portion of the total amount deposited in the Fund
22 shall be appropriated for the reimbursement of local
23 governmental agencies participating in training programs

1 certified by the Board, in an amount equaling 1/2 of the
2 total sum paid by such agencies during the State's previous
3 fiscal year for mandated training for probationary police
4 officers or probationary county corrections officers and
5 for optional advanced and specialized law enforcement or
6 county corrections training; these reimbursements may
7 include the costs for tuition at training schools, the
8 salaries of trainees while in schools, and the necessary
9 travel and room and board expenses for each trainee; if the
10 appropriations under this paragraph (2) are not sufficient
11 to fully reimburse the participating local governmental
12 agencies, the available funds shall be apportioned among
13 such agencies, with priority first given to repayment of
14 the costs of mandatory training given to law enforcement
15 officer or county corrections officer recruits, then to
16 repayment of costs of advanced or specialized training for
17 permanent police officers or permanent county corrections
18 officers;

19 (3) a portion of the total amount deposited in the Fund
20 may be used to fund the Intergovernmental Law Enforcement
21 Officer's In-Service Training Act, veto overridden October
22 29, 1981, as now or hereafter amended, at a rate and method
23 to be determined by the board;

24 (4) a portion of the Fund also may be used by the
25 Illinois Department of State Police for expenses incurred
26 in the training of employees from any State, county or

1 municipal agency whose function includes enforcement of
2 criminal or traffic law;

3 (5) a portion of the Fund may be used by the Board to
4 fund grant-in-aid programs and services for the training of
5 employees from any county or municipal agency whose
6 functions include corrections or the enforcement of
7 criminal or traffic law;

8 (6) for fiscal years 2013 through 2017 only, a portion
9 of the Fund also may be used by the Department of State
10 Police to finance any of its lawful purposes or functions;
11 ~~and~~

12 (7) a portion of the Fund may be used by the Board,
13 subject to appropriation, to administer grants to local law
14 enforcement agencies for the purpose of purchasing
15 bulletproof vests under the Law Enforcement Officer
16 Bulletproof Vest Act; and -

17 (8) a portion of the Fund may be used by the Board to
18 create a law enforcement grant program available for units
19 of local government to fund crime prevention programs,
20 training, and interdiction efforts, including enforcement
21 and prevention efforts, relating to the illegal cannabis
22 market and driving under the influence of cannabis.

23 All payments from the Traffic and Criminal Conviction
24 Surcharge Fund shall be made each year from moneys appropriated
25 for the purposes specified in this Section. No more than 50% of
26 any appropriation under this Act shall be spent in any city

1 having a population of more than 500,000. The State Comptroller
2 and the State Treasurer shall from time to time, at the
3 direction of the Governor, transfer from the Traffic and
4 Criminal Conviction Surcharge Fund to the General Revenue Fund
5 in the State Treasury such amounts as the Governor determines
6 are in excess of the amounts required to meet the obligations
7 of the Traffic and Criminal Conviction Surcharge Fund.

8 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;
9 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff.
10 6-30-16.)

11 (Text of Section after amendment by P.A. 100-987)

12 Sec. 9. A special fund is hereby established in the State
13 Treasury to be known as the Traffic and Criminal Conviction
14 Surcharge Fund. Moneys in this Fund shall be expended as
15 follows:

16 (1) a portion of the total amount deposited in the Fund
17 may be used, as appropriated by the General Assembly, for
18 the ordinary and contingent expenses of the Illinois Law
19 Enforcement Training Standards Board;

20 (2) a portion of the total amount deposited in the Fund
21 shall be appropriated for the reimbursement of local
22 governmental agencies participating in training programs
23 certified by the Board, in an amount equaling 1/2 of the
24 total sum paid by such agencies during the State's previous
25 fiscal year for mandated training for probationary police

1 officers or probationary county corrections officers and
2 for optional advanced and specialized law enforcement or
3 county corrections training; these reimbursements may
4 include the costs for tuition at training schools, the
5 salaries of trainees while in schools, and the necessary
6 travel and room and board expenses for each trainee; if the
7 appropriations under this paragraph (2) are not sufficient
8 to fully reimburse the participating local governmental
9 agencies, the available funds shall be apportioned among
10 such agencies, with priority first given to repayment of
11 the costs of mandatory training given to law enforcement
12 officer or county corrections officer recruits, then to
13 repayment of costs of advanced or specialized training for
14 permanent police officers or permanent county corrections
15 officers;

16 (3) a portion of the total amount deposited in the Fund
17 may be used to fund the Intergovernmental Law Enforcement
18 Officer's In-Service Training Act, veto overridden October
19 29, 1981, as now or hereafter amended, at a rate and method
20 to be determined by the board;

21 (4) a portion of the Fund also may be used by the
22 Illinois Department of State Police for expenses incurred
23 in the training of employees from any State, county or
24 municipal agency whose function includes enforcement of
25 criminal or traffic law;

26 (5) a portion of the Fund may be used by the Board to

1 fund grant-in-aid programs and services for the training of
2 employees from any county or municipal agency whose
3 functions include corrections or the enforcement of
4 criminal or traffic law;

5 (6) for fiscal years 2013 through 2017 only, a portion
6 of the Fund also may be used by the Department of State
7 Police to finance any of its lawful purposes or functions;

8 ~~and~~

9 (7) a portion of the Fund may be used by the Board,
10 subject to appropriation, to administer grants to local law
11 enforcement agencies for the purpose of purchasing
12 bulletproof vests under the Law Enforcement Officer
13 Bulletproof Vest Act; and -

14 (8) a portion of the Fund may be used by the Board to
15 create a law enforcement grant program available for units
16 of local government to fund crime prevention programs,
17 training, and interdiction efforts, including enforcement
18 and prevention efforts, relating to the illegal cannabis
19 market and driving under the influence of cannabis.

20 All payments from the Traffic and Criminal Conviction
21 Surcharge Fund shall be made each year from moneys appropriated
22 for the purposes specified in this Section. No more than 50% of
23 any appropriation under this Act shall be spent in any city
24 having a population of more than 500,000. The State Comptroller
25 and the State Treasurer shall from time to time, at the
26 direction of the Governor, transfer from the Traffic and

1 Criminal Conviction Surcharge Fund to the General Revenue Fund
2 in the State Treasury such amounts as the Governor determines
3 are in excess of the amounts required to meet the obligations
4 of the Traffic and Criminal Conviction Surcharge Fund.

5 (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16;
6 100-987, eff. 7-1-19.)

7 (50 ILCS 705/10.12)

8 Sec. 10.12. Police dog training standards. All ~~Beginning~~
9 ~~July 1, 2012,~~ all police dogs used by State and local law
10 enforcement agencies for drug enforcement purposes pursuant to
11 the Cannabis Control Act ~~(720 ILCS 550/)~~, the Illinois
12 Controlled Substances Act ~~(720 ILCS 570/)~~, or ~~and~~ the
13 Methamphetamine Control and Community Protection Act ~~(720 ILCS~~
14 ~~646/)~~ shall be trained by programs that meet the minimum
15 certification requirements set by the Board.

16 (Source: P.A. 97-469, eff. 7-1-12.)

17 Section 900-25. The Counties Code is amended by adding
18 Section 5-1006.8 and changing Section 5-1009 as follows:

19 (55 ILCS 5/5-1006.8 new)

20 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
21 Law.

22 (a) This Section may be referred to as the County Cannabis
23 Retailers' Occupation Tax Law. On and after January 1, 2020,

1 the corporate authorities of any county may, by ordinance,
2 impose a tax upon all persons engaged in the business of
3 selling cannabis, other than cannabis purchased under the
4 Compassionate Use of Medical Cannabis Pilot Program Act, at
5 retail in the county on the gross receipts from these sales
6 made in the course of that business. If imposed, the tax shall
7 be imposed only in 0.25% increments. The tax rate may not
8 exceed: (i) 3.75% of the gross receipts of sales made in
9 unincorporated areas of the county and (ii) 0.75% of the gross
10 receipts of sales made in a municipality located in a non-home
11 rule county; and (iii) 3% of gross sales receipts made in a
12 municipality located in a home rule county. The tax imposed
13 under this Section and all civil penalties that may be assessed
14 as an incident of the tax shall be collected and enforced by
15 the Department of Revenue. The Department of Revenue shall have
16 full power to administer and enforce this Section; to collect
17 all taxes and penalties due hereunder; to dispose of taxes and
18 penalties so collected in the manner hereinafter provided; and
19 to determine all rights to credit memoranda arising on account
20 of the erroneous payment of tax or penalty under this Section.
21 In the administration of and compliance with this Section, the
22 Department of Revenue and persons who are subject to this
23 Section shall have the same rights, remedies, privileges,
24 immunities, powers and duties, and be subject to the same
25 conditions, restrictions, limitations, penalties, and
26 definitions of terms, and employ the same modes of procedure,

1 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
2 1n, 2 through 2-65 (in respect to all provisions therein other
3 than the State rate of tax), 2c, 3 (except as to the
4 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
5 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d, 8,
6 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act
7 and Section 3-7 of the Uniform Penalty and Interest Act as
8 fully as if those provisions were set forth in this Section.

9 (b) Persons subject to any tax imposed under the authority
10 granted in this Section may reimburse themselves for their
11 seller's tax liability hereunder by separately stating that tax
12 as an additional charge, which charge may be stated in
13 combination, in a single amount, with any State tax that
14 sellers are required to collect.

15 (c) Whenever the Department of Revenue determines that a
16 refund should be made under this Section to a claimant instead
17 of issuing a credit memorandum, the Department of Revenue shall
18 notify the State Comptroller, who shall cause the order to be
19 drawn for the amount specified and to the person named in the
20 notification from the Department of Revenue.

21 (d) The Department of Revenue shall immediately pay over to
22 the State Treasurer, ex officio, as trustee, all taxes and
23 penalties collected hereunder for deposit into the Local
24 Cannabis Consumer Excise Tax Trust Fund.

25 (e) On or before the 25th day of each calendar month, the
26 Department of Revenue shall prepare and certify to the

1 Comptroller the amount of money to be disbursed from the Local
2 Cannabis Consumer Excise Tax Trust Fund to counties from which
3 retailers have paid taxes or penalties under this Section
4 during the second preceding calendar month. The amount to be
5 paid to each county shall be the amount (not including credit
6 memoranda) collected under this Section from sales made in the
7 county during the second preceding calendar month, plus an
8 amount the Department of Revenue determines is necessary to
9 offset any amounts that were erroneously paid to a different
10 taxing body, and not including an amount equal to the amount of
11 refunds made during the second preceding calendar month by the
12 Department on behalf of such county, and not including any
13 amount that the Department determines is necessary to offset
14 any amounts that were payable to a different taxing body but
15 were erroneously paid to the county, less 1.5% of the
16 remainder, which the Department shall transfer into the Tax
17 Compliance and Administration Fund. The Department, at the time
18 of each monthly disbursement to the counties, shall prepare and
19 certify the State Comptroller the amount to be transferred into
20 the Tax Compliance and Administration Fund under this Section.
21 Within 10 days after receipt by the Comptroller of the
22 disbursement certification to the counties and the Tax
23 Compliance and Administration Fund provided for in this Section
24 to be given to the Comptroller by the Department, the
25 Comptroller shall cause the orders to be drawn for the
26 respective amounts in accordance with the directions contained

1 in the certification.

2 (f) An ordinance or resolution imposing or discontinuing a
3 tax under this Section or effecting a change in the rate
4 thereof shall be adopted and a certified copy thereof filed
5 with the Department on or before the first day of June,
6 whereupon the Department shall proceed to administer and
7 enforce this Section as of the first day of September next
8 following the adoption and filing.

9 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

10 Sec. 5-1009. Limitation on home rule powers. Except as
11 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1007 and
12 5-1008, on and after September 1, 1990, no home rule county has
13 the authority to impose, pursuant to its home rule authority, a
14 retailer's occupation tax, service occupation tax, use tax,
15 sales tax or other tax on the use, sale or purchase of tangible
16 personal property based on the gross receipts from such sales
17 or the selling or purchase price of said tangible personal
18 property. Notwithstanding the foregoing, this Section does not
19 preempt any home rule imposed tax such as the following: (1) a
20 tax on alcoholic beverages, whether based on gross receipts,
21 volume sold or any other measurement; (2) a tax based on the
22 number of units of cigarettes or tobacco products; (3) a tax,
23 however measured, based on the use of a hotel or motel room or
24 similar facility; (4) a tax, however measured, on the sale or
25 transfer of real property; (5) a tax, however measured, on

1 lease receipts; (6) a tax on food prepared for immediate
2 consumption and on alcoholic beverages sold by a business which
3 provides for on premise consumption of said food or alcoholic
4 beverages; or (7) other taxes not based on the selling or
5 purchase price or gross receipts from the use, sale or purchase
6 of tangible personal property. This Section does not preempt a
7 home rule county from imposing a tax, however measured, on the
8 use, for consideration, of a parking lot, garage, or other
9 parking facility. This Section is a limitation, pursuant to
10 subsection (g) of Section 6 of Article VII of the Illinois
11 Constitution, on the power of home rule units to tax.

12 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

13 Section 900-30. The Illinois Municipal Code is amended by
14 changing Section 8-11-6a and adding Section 8-11-22 as follows:

15 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

16 Sec. 8-11-6a. Home rule municipalities; preemption of
17 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
18 8-11-6, 8-11-6b, 8-11-6c, 8-11-22, and 11-74.3-6 on and after
19 September 1, 1990, no home rule municipality has the authority
20 to impose, pursuant to its home rule authority, a retailer's
21 occupation tax, service occupation tax, use tax, sales tax or
22 other tax on the use, sale or purchase of tangible personal
23 property based on the gross receipts from such sales or the
24 selling or purchase price of said tangible personal property.

1 Notwithstanding the foregoing, this Section does not preempt
2 any home rule imposed tax such as the following: (1) a tax on
3 alcoholic beverages, whether based on gross receipts, volume
4 sold or any other measurement; (2) a tax based on the number of
5 units of cigarettes or tobacco products (provided, however,
6 that a home rule municipality that has not imposed a tax based
7 on the number of units of cigarettes or tobacco products before
8 July 1, 1993, shall not impose such a tax after that date); (3)
9 a tax, however measured, based on the use of a hotel or motel
10 room or similar facility; (4) a tax, however measured, on the
11 sale or transfer of real property; (5) a tax, however measured,
12 on lease receipts; (6) a tax on food prepared for immediate
13 consumption and on alcoholic beverages sold by a business which
14 provides for on premise consumption of said food or alcoholic
15 beverages; or (7) other taxes not based on the selling or
16 purchase price or gross receipts from the use, sale or purchase
17 of tangible personal property. This Section does not preempt a
18 home rule municipality with a population of more than 2,000,000
19 from imposing a tax, however measured, on the use, for
20 consideration, of a parking lot, garage, or other parking
21 facility. This Section is not intended to affect any existing
22 tax on food and beverages prepared for immediate consumption on
23 the premises where the sale occurs, or any existing tax on
24 alcoholic beverages, or any existing tax imposed on the charge
25 for renting a hotel or motel room, which was in effect January
26 15, 1988, or any extension of the effective date of such an

1 existing tax by ordinance of the municipality imposing the tax,
2 which extension is hereby authorized, in any non-home rule
3 municipality in which the imposition of such a tax has been
4 upheld by judicial determination, nor is this Section intended
5 to preempt the authority granted by Public Act 85-1006. This
6 Section is a limitation, pursuant to subsection (g) of Section
7 6 of Article VII of the Illinois Constitution, on the power of
8 home rule units to tax.

9 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

10 (65 ILCS 5/8-11-22 new)

11 Sec. 8-11-22. Municipal Cannabis Retailers' Occupation Tax
12 Law.

13 (a) This Section may be referred to as the Municipal
14 Cannabis Retailers' Occupation Tax Law. On and after January 1,
15 2020, the corporate authorities of any municipality may, by
16 ordinance, impose a tax upon all persons engaged in the
17 business of selling cannabis, other than cannabis purchased
18 under the Compassionate Use of Medical Cannabis Pilot Program
19 Act, at retail in the municipality on the gross receipts from
20 these sales made in the course of that business. If imposed,
21 the tax may not exceed 3% of the gross receipts from these
22 sales and shall only be imposed in 1/4% increments. The tax
23 imposed under this Section and all civil penalties that may be
24 assessed as an incident of the tax shall be collected and
25 enforced by the Department of Revenue. The Department of

1 Revenue shall have full power to administer and enforce this
2 Section; to collect all taxes and penalties due hereunder; to
3 dispose of taxes and penalties so collected in the manner
4 hereinafter provided; and to determine all rights to credit
5 memoranda arising on account of the erroneous payment of tax or
6 penalty under this Section. In the administration of and
7 compliance with this Section, the Department and persons who
8 are subject to this Section shall have the same rights,
9 remedies, privileges, immunities, powers and duties, and be
10 subject to the same conditions, restrictions, limitations,
11 penalties and definitions of terms, and employ the same modes
12 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,
13 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all
14 provisions therein other than the State rate of tax), 2c, 3
15 (except as to the disposition of taxes and penalties
16 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
17 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
18 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
19 Penalty and Interest Act, as fully as if those provisions were
20 set forth herein.

21 (b) Persons subject to any tax imposed under the authority
22 granted in this Section may reimburse themselves for their
23 seller's tax liability hereunder by separately stating that tax
24 as an additional charge, which charge may be stated in
25 combination, in a single amount, with any State tax that
26 sellers are required to collect.

1 (c) Whenever the Department of Revenue determines that a
2 refund should be made under this Section to a claimant instead
3 of issuing a credit memorandum, the Department of Revenue shall
4 notify the State Comptroller, who shall cause the order to be
5 drawn for the amount specified and to the person named in the
6 notification from the Department of Revenue.

7 (d) The Department of Revenue shall immediately pay over to
8 the State Treasurer, ex officio, as trustee, all taxes and
9 penalties collected hereunder for deposit into the Cannabis
10 Regulation Fund.

11 (e) On or before the 25th day of each calendar month, the
12 Department of Revenue shall prepare and certify to the
13 Comptroller the amount of money to be disbursed from the Local
14 Cannabis Consumer Excise Tax Trust Fund to municipalities from
15 which retailers have paid taxes or penalties under this Section
16 during the second preceding calendar month. The amount to be
17 paid to each municipality shall be the amount (not including
18 credit memoranda) collected under this Section from sales made
19 in the municipality during the second preceding calendar month,
20 plus an amount the Department of Revenue determines is
21 necessary to offset any amounts that were erroneously paid to a
22 different taxing body, and not including an amount equal to the
23 amount of refunds made during the second preceding calendar
24 month by the Department on behalf of such municipality, and not
25 including any amount that the Department determines is
26 necessary to offset any amounts that were payable to a

1 different taxing body but were erroneously paid to the
2 municipality, less 1.5% of the remainder, which the Department
3 shall transfer into the Tax Compliance and Administration Fund.
4 The Department, at the time of each monthly disbursement to the
5 municipalities, shall prepare and certify to the State
6 Comptroller the amount to be transferred into the Tax
7 Compliance and Administration Fund under this Section. Within
8 10 days after receipt by the Comptroller of the disbursement
9 certification to the municipalities and the Tax Compliance and
10 Administration Fund provided for in this Section to be given to
11 the Comptroller by the Department, the Comptroller shall cause
12 the orders to be drawn for the respective amounts in accordance
13 with the directions contained in the certification.

14 (f) An ordinance or resolution imposing or discontinuing a
15 tax under this Section or effecting a change in the rate
16 thereof shall be adopted and a certified copy thereof filed
17 with the Department on or before the first day of June,
18 whereupon the Department shall proceed to administer and
19 enforce this Section as of the first day of September next
20 following the adoption and filing.

21 Section 900-32. The Illinois Banking Act is amended by
22 changing Section 48 as follows:

23 (205 ILCS 5/48)

24 Sec. 48. Secretary's powers; duties. The Secretary shall

1 have the powers and authority, and is charged with the duties
2 and responsibilities designated in this Act, and a State bank
3 shall not be subject to any other visitorial power other than
4 as authorized by this Act, except those vested in the courts,
5 or upon prior consultation with the Secretary, a foreign bank
6 regulator with an appropriate supervisory interest in the
7 parent or affiliate of a state bank. In the performance of the
8 Secretary's duties:

9 (1) The Commissioner shall call for statements from all
10 State banks as provided in Section 47 at least one time
11 during each calendar quarter.

12 (2) (a) The Commissioner, as often as the Commissioner
13 shall deem necessary or proper, and no less frequently than
14 18 months following the preceding examination, shall
15 appoint a suitable person or persons to make an examination
16 of the affairs of every State bank, except that for every
17 eligible State bank, as defined by regulation, the
18 Commissioner in lieu of the examination may accept on an
19 alternating basis the examination made by the eligible
20 State bank's appropriate federal banking agency pursuant
21 to Section 111 of the Federal Deposit Insurance Corporation
22 Improvement Act of 1991, provided the appropriate federal
23 banking agency has made such an examination. A person so
24 appointed shall not be a stockholder or officer or employee
25 of any bank which that person may be directed to examine,
26 and shall have powers to make a thorough examination into

1 all the affairs of the bank and in so doing to examine any
2 of the officers or agents or employees thereof on oath and
3 shall make a full and detailed report of the condition of
4 the bank to the Commissioner. In making the examination the
5 examiners shall include an examination of the affairs of
6 all the affiliates of the bank, as defined in subsection
7 (b) of Section 35.2 of this Act, or subsidiaries of the
8 bank as shall be necessary to disclose fully the conditions
9 of the subsidiaries or affiliates, the relations between
10 the bank and the subsidiaries or affiliates and the effect
11 of those relations upon the affairs of the bank, and in
12 connection therewith shall have power to examine any of the
13 officers, directors, agents, or employees of the
14 subsidiaries or affiliates on oath. After May 31, 1997, the
15 Commissioner may enter into cooperative agreements with
16 state regulatory authorities of other states to provide for
17 examination of State bank branches in those states, and the
18 Commissioner may accept reports of examinations of State
19 bank branches from those state regulatory authorities.
20 These cooperative agreements may set forth the manner in
21 which the other state regulatory authorities may be
22 compensated for examinations prepared for and submitted to
23 the Commissioner.

24 (b) After May 31, 1997, the Commissioner is authorized
25 to examine, as often as the Commissioner shall deem
26 necessary or proper, branches of out-of-state banks. The

1 Commissioner may establish and may assess fees to be paid
2 to the Commissioner for examinations under this subsection
3 (b). The fees shall be borne by the out-of-state bank,
4 unless the fees are borne by the state regulatory authority
5 that chartered the out-of-state bank, as determined by a
6 cooperative agreement between the Commissioner and the
7 state regulatory authority that chartered the out-of-state
8 bank.

9 (2.1) Pursuant to paragraph (a) of subsection (6) of
10 this Section, the Secretary shall adopt rules that ensure
11 consistency and due process in the examination process. The
12 Secretary may also establish guidelines that (i) define the
13 scope of the examination process and (ii) clarify
14 examination items to be resolved. The rules, formal
15 guidance, interpretive letters, or opinions furnished to
16 State banks by the Secretary may be relied upon by the
17 State banks.

18 (2.5) Whenever any State bank, any subsidiary or
19 affiliate of a State bank, or after May 31, 1997, any
20 branch of an out-of-state bank causes to be performed, by
21 contract or otherwise, any bank services for itself,
22 whether on or off its premises:

23 (a) that performance shall be subject to
24 examination by the Commissioner to the same extent as
25 if services were being performed by the bank or, after
26 May 31, 1997, branch of the out-of-state bank itself on

1 its own premises; and

2 (b) the bank or, after May 31, 1997, branch of the
3 out-of-state bank shall notify the Commissioner of the
4 existence of a service relationship. The notification
5 shall be submitted with the first statement of
6 condition (as required by Section 47 of this Act) due
7 after the making of the service contract or the
8 performance of the service, whichever occurs first.
9 The Commissioner shall be notified of each subsequent
10 contract in the same manner.

11 For purposes of this subsection (2.5), the term "bank
12 services" means services such as sorting and posting of
13 checks and deposits, computation and posting of interest
14 and other credits and charges, preparation and mailing of
15 checks, statements, notices, and similar items, or any
16 other clerical, bookkeeping, accounting, statistical, or
17 similar functions performed for a State bank, including but
18 not limited to electronic data processing related to those
19 bank services.

20 (3) The expense of administering this Act, including
21 the expense of the examinations of State banks as provided
22 in this Act, shall to the extent of the amounts resulting
23 from the fees provided for in paragraphs (a), (a-2), and
24 (b) of this subsection (3) be assessed against and borne by
25 the State banks:

26 (a) Each bank shall pay to the Secretary a Call

1 Report Fee which shall be paid in quarterly
2 installments equal to one-fourth of the sum of the
3 annual fixed fee of \$800, plus a variable fee based on
4 the assets shown on the quarterly statement of
5 condition delivered to the Secretary in accordance
6 with Section 47 for the preceding quarter according to
7 the following schedule: 16¢ per \$1,000 of the first
8 \$5,000,000 of total assets, 15¢ per \$1,000 of the next
9 \$20,000,000 of total assets, 13¢ per \$1,000 of the next
10 \$75,000,000 of total assets, 9¢ per \$1,000 of the next
11 \$400,000,000 of total assets, 7¢ per \$1,000 of the next
12 \$500,000,000 of total assets, and 5¢ per \$1,000 of all
13 assets in excess of \$1,000,000,000, of the State bank.
14 The Call Report Fee shall be calculated by the
15 Secretary and billed to the banks for remittance at the
16 time of the quarterly statements of condition provided
17 for in Section 47. The Secretary may require payment of
18 the fees provided in this Section by an electronic
19 transfer of funds or an automatic debit of an account
20 of each of the State banks. In case more than one
21 examination of any bank is deemed by the Secretary to
22 be necessary in any examination frequency cycle
23 specified in subsection 2(a) of this Section, and is
24 performed at his direction, the Secretary may assess a
25 reasonable additional fee to recover the cost of the
26 additional examination. In lieu of the method and

1 amounts set forth in this paragraph (a) for the
2 calculation of the Call Report Fee, the Secretary may
3 specify by rule that the Call Report Fees provided by
4 this Section may be assessed semiannually or some other
5 period and may provide in the rule the formula to be
6 used for calculating and assessing the periodic Call
7 Report Fees to be paid by State banks.

8 (a-1) If in the opinion of the Commissioner an
9 emergency exists or appears likely, the Commissioner
10 may assign an examiner or examiners to monitor the
11 affairs of a State bank with whatever frequency he
12 deems appropriate, including but not limited to a daily
13 basis. The reasonable and necessary expenses of the
14 Commissioner during the period of the monitoring shall
15 be borne by the subject bank. The Commissioner shall
16 furnish the State bank a statement of time and expenses
17 if requested to do so within 30 days of the conclusion
18 of the monitoring period.

19 (a-2) On and after January 1, 1990, the reasonable
20 and necessary expenses of the Commissioner during
21 examination of the performance of electronic data
22 processing services under subsection (2.5) shall be
23 borne by the banks for which the services are provided.
24 An amount, based upon a fee structure prescribed by the
25 Commissioner, shall be paid by the banks or, after May
26 31, 1997, branches of out-of-state banks receiving the

1 electronic data processing services along with the
2 Call Report Fee assessed under paragraph (a) of this
3 subsection (3).

4 (a-3) After May 31, 1997, the reasonable and
5 necessary expenses of the Commissioner during
6 examination of the performance of electronic data
7 processing services under subsection (2.5) at or on
8 behalf of branches of out-of-state banks shall be borne
9 by the out-of-state banks, unless those expenses are
10 borne by the state regulatory authorities that
11 chartered the out-of-state banks, as determined by
12 cooperative agreements between the Commissioner and
13 the state regulatory authorities that chartered the
14 out-of-state banks.

15 (b) "Fiscal year" for purposes of this Section 48
16 is defined as a period beginning July 1 of any year and
17 ending June 30 of the next year. The Commissioner shall
18 receive for each fiscal year, commencing with the
19 fiscal year ending June 30, 1987, a contingent fee
20 equal to the lesser of the aggregate of the fees paid
21 by all State banks under paragraph (a) of subsection
22 (3) for that year, or the amount, if any, whereby the
23 aggregate of the administration expenses, as defined
24 in paragraph (c), for that fiscal year exceeds the sum
25 of the aggregate of the fees payable by all State banks
26 for that year under paragraph (a) of subsection (3),

1 plus any amounts transferred into the Bank and Trust
2 Company Fund from the State Pensions Fund for that
3 year, plus all other amounts collected by the
4 Commissioner for that year under any other provision of
5 this Act, plus the aggregate of all fees collected for
6 that year by the Commissioner under the Corporate
7 Fiduciary Act, excluding the receivership fees
8 provided for in Section 5-10 of the Corporate Fiduciary
9 Act, and the Foreign Banking Office Act. The aggregate
10 amount of the contingent fee thus arrived at for any
11 fiscal year shall be apportioned amongst, assessed
12 upon, and paid by the State banks and foreign banking
13 corporations, respectively, in the same proportion
14 that the fee of each under paragraph (a) of subsection
15 (3), respectively, for that year bears to the aggregate
16 for that year of the fees collected under paragraph (a)
17 of subsection (3). The aggregate amount of the
18 contingent fee, and the portion thereof to be assessed
19 upon each State bank and foreign banking corporation,
20 respectively, shall be determined by the Commissioner
21 and shall be paid by each, respectively, within 120
22 days of the close of the period for which the
23 contingent fee is computed and is payable, and the
24 Commissioner shall give 20 days' advance notice of the
25 amount of the contingent fee payable by the State bank
26 and of the date fixed by the Commissioner for payment

1 of the fee.

2 (c) The "administration expenses" for any fiscal
3 year shall mean the ordinary and contingent expenses
4 for that year incident to making the examinations
5 provided for by, and for otherwise administering, this
6 Act, the Corporate Fiduciary Act, excluding the
7 expenses paid from the Corporate Fiduciary
8 Receivership account in the Bank and Trust Company
9 Fund, the Foreign Banking Office Act, the Electronic
10 Fund Transfer Act, and the Illinois Bank Examiners'
11 Education Foundation Act, including all salaries and
12 other compensation paid for personal services rendered
13 for the State by officers or employees of the State,
14 including the Commissioner and the Deputy
15 Commissioners, communication equipment and services,
16 office furnishings, surety bond premiums, and travel
17 expenses of those officers and employees, employees,
18 expenditures or charges for the acquisition,
19 enlargement or improvement of, or for the use of, any
20 office space, building, or structure, or expenditures
21 for the maintenance thereof or for furnishing heat,
22 light, or power with respect thereto, all to the extent
23 that those expenditures are directly incidental to
24 such examinations or administration. The Commissioner
25 shall not be required by paragraphs (c) or (d-1) of
26 this subsection (3) to maintain in any fiscal year's

1 budget appropriated reserves for accrued vacation and
2 accrued sick leave that is required to be paid to
3 employees of the Commissioner upon termination of
4 their service with the Commissioner in an amount that
5 is more than is reasonably anticipated to be necessary
6 for any anticipated turnover in employees, whether due
7 to normal attrition or due to layoffs, terminations, or
8 resignations.

9 (d) The aggregate of all fees collected by the
10 Secretary under this Act, the Corporate Fiduciary Act,
11 or the Foreign Banking Office Act on and after July 1,
12 1979, shall be paid promptly after receipt of the same,
13 accompanied by a detailed statement thereof, into the
14 State treasury and shall be set apart in a special fund
15 to be known as the "Bank and Trust Company Fund",
16 except as provided in paragraph (c) of subsection (11)
17 of this Section. All earnings received from
18 investments of funds in the Bank and Trust Company Fund
19 shall be deposited in the Bank and Trust Company Fund
20 and may be used for the same purposes as fees deposited
21 in that Fund. The amount from time to time deposited
22 into the Bank and Trust Company Fund shall be used: (i)
23 to offset the ordinary administrative expenses of the
24 Secretary as defined in this Section or (ii) as a
25 credit against fees under paragraph (d-1) of this
26 subsection (3). Nothing in this amendatory Act of 1979

1 shall prevent continuing the practice of paying
2 expenses involving salaries, retirement, social
3 security, and State-paid insurance premiums of State
4 officers by appropriations from the General Revenue
5 Fund. However, the General Revenue Fund shall be
6 reimbursed for those payments made on and after July 1,
7 1979, by an annual transfer of funds from the Bank and
8 Trust Company Fund. Moneys in the Bank and Trust
9 Company Fund may be transferred to the Professions
10 Indirect Cost Fund, as authorized under Section
11 2105-300 of the Department of Professional Regulation
12 Law of the Civil Administrative Code of Illinois.

13 Notwithstanding provisions in the State Finance
14 Act, as now or hereafter amended, or any other law to
15 the contrary, the sum of \$18,788,847 shall be
16 transferred from the Bank and Trust Company Fund to the
17 Financial Institutions Settlement of 2008 Fund on the
18 effective date of this amendatory Act of the 95th
19 General Assembly, or as soon thereafter as practical.

20 Notwithstanding provisions in the State Finance
21 Act, as now or hereafter amended, or any other law to
22 the contrary, the Governor may, during any fiscal year
23 through January 10, 2011, from time to time direct the
24 State Treasurer and Comptroller to transfer a
25 specified sum not exceeding 10% of the revenues to be
26 deposited into the Bank and Trust Company Fund during

1 that fiscal year from that Fund to the General Revenue
2 Fund in order to help defray the State's operating
3 costs for the fiscal year. Notwithstanding provisions
4 in the State Finance Act, as now or hereafter amended,
5 or any other law to the contrary, the total sum
6 transferred during any fiscal year through January 10,
7 2011, from the Bank and Trust Company Fund to the
8 General Revenue Fund pursuant to this provision shall
9 not exceed during any fiscal year 10% of the revenues
10 to be deposited into the Bank and Trust Company Fund
11 during that fiscal year. The State Treasurer and
12 Comptroller shall transfer the amounts designated
13 under this Section as soon as may be practicable after
14 receiving the direction to transfer from the Governor.

15 (d-1) Adequate funds shall be available in the Bank
16 and Trust Company Fund to permit the timely payment of
17 administration expenses. In each fiscal year the total
18 administration expenses shall be deducted from the
19 total fees collected by the Commissioner and the
20 remainder transferred into the Cash Flow Reserve
21 Account, unless the balance of the Cash Flow Reserve
22 Account prior to the transfer equals or exceeds
23 one-fourth of the total initial appropriations from
24 the Bank and Trust Company Fund for the subsequent
25 year, in which case the remainder shall be credited to
26 State banks and foreign banking corporations and

1 applied against their fees for the subsequent year. The
2 amount credited to each State bank and foreign banking
3 corporation shall be in the same proportion as the Call
4 Report Fees paid by each for the year bear to the total
5 Call Report Fees collected for the year. If, after a
6 transfer to the Cash Flow Reserve Account is made or if
7 no remainder is available for transfer, the balance of
8 the Cash Flow Reserve Account is less than one-fourth
9 of the total initial appropriations for the subsequent
10 year and the amount transferred is less than 5% of the
11 total Call Report Fees for the year, additional amounts
12 needed to make the transfer equal to 5% of the total
13 Call Report Fees for the year shall be apportioned
14 amongst, assessed upon, and paid by the State banks and
15 foreign banking corporations in the same proportion
16 that the Call Report Fees of each, respectively, for
17 the year bear to the total Call Report Fees collected
18 for the year. The additional amounts assessed shall be
19 transferred into the Cash Flow Reserve Account. For
20 purposes of this paragraph (d-1), the calculation of
21 the fees collected by the Commissioner shall exclude
22 the receivership fees provided for in Section 5-10 of
23 the Corporate Fiduciary Act.

24 (e) The Commissioner may upon request certify to
25 any public record in his keeping and shall have
26 authority to levy a reasonable charge for issuing

1 certifications of any public record in his keeping.

2 (f) In addition to fees authorized elsewhere in
3 this Act, the Commissioner may, in connection with a
4 review, approval, or provision of a service, levy a
5 reasonable charge to recover the cost of the review,
6 approval, or service.

7 (4) Nothing contained in this Act shall be construed to
8 limit the obligation relative to examinations and reports
9 of any State bank, deposits in which are to any extent
10 insured by the United States or any agency thereof, nor to
11 limit in any way the powers of the Commissioner with
12 reference to examinations and reports of that bank.

13 (5) The nature and condition of the assets in or
14 investment of any bonus, pension, or profit sharing plan
15 for officers or employees of every State bank or, after May
16 31, 1997, branch of an out-of-state bank shall be deemed to
17 be included in the affairs of that State bank or branch of
18 an out-of-state bank subject to examination by the
19 Commissioner under the provisions of subsection (2) of this
20 Section, and if the Commissioner shall find from an
21 examination that the condition of or operation of the
22 investments or assets of the plan is unlawful, fraudulent,
23 or unsafe, or that any trustee has abused his trust, the
24 Commissioner shall, if the situation so found by the
25 Commissioner shall not be corrected to his satisfaction
26 within 60 days after the Commissioner has given notice to

1 the board of directors of the State bank or out-of-state
2 bank of his findings, report the facts to the Attorney
3 General who shall thereupon institute proceedings against
4 the State bank or out-of-state bank, the board of directors
5 thereof, or the trustees under such plan as the nature of
6 the case may require.

7 (6) The Commissioner shall have the power:

8 (a) To promulgate reasonable rules for the purpose
9 of administering the provisions of this Act.

10 (a-5) To impose conditions on any approval issued
11 by the Commissioner if he determines that the
12 conditions are necessary or appropriate. These
13 conditions shall be imposed in writing and shall
14 continue in effect for the period prescribed by the
15 Commissioner.

16 (b) To issue orders against any person, if the
17 Commissioner has reasonable cause to believe that an
18 unsafe or unsound banking practice has occurred, is
19 occurring, or is about to occur, if any person has
20 violated, is violating, or is about to violate any law,
21 rule, or written agreement with the Commissioner, or
22 for the purpose of administering the provisions of this
23 Act and any rule promulgated in accordance with this
24 Act.

25 (b-1) To enter into agreements with a bank
26 establishing a program to correct the condition of the

1 bank or its practices.

2 (c) To appoint hearing officers to execute any of
3 the powers granted to the Commissioner under this
4 Section for the purpose of administering this Act and
5 any rule promulgated in accordance with this Act and
6 otherwise to authorize, in writing, an officer or
7 employee of the Office of Banks and Real Estate to
8 exercise his powers under this Act.

9 (d) To subpoena witnesses, to compel their
10 attendance, to administer an oath, to examine any
11 person under oath, and to require the production of any
12 relevant books, papers, accounts, and documents in the
13 course of and pursuant to any investigation being
14 conducted, or any action being taken, by the
15 Commissioner in respect of any matter relating to the
16 duties imposed upon, or the powers vested in, the
17 Commissioner under the provisions of this Act or any
18 rule promulgated in accordance with this Act.

19 (e) To conduct hearings.

20 (7) Whenever, in the opinion of the Secretary, any
21 director, officer, employee, or agent of a State bank or
22 any subsidiary or bank holding company of the bank or,
23 after May 31, 1997, of any branch of an out-of-state bank
24 or any subsidiary or bank holding company of the bank shall
25 have violated any law, rule, or order relating to that bank
26 or any subsidiary or bank holding company of the bank,

1 shall have obstructed or impeded any examination or
2 investigation by the Secretary, shall have engaged in an
3 unsafe or unsound practice in conducting the business of
4 that bank or any subsidiary or bank holding company of the
5 bank, or shall have violated any law or engaged or
6 participated in any unsafe or unsound practice in
7 connection with any financial institution or other
8 business entity such that the character and fitness of the
9 director, officer, employee, or agent does not assure
10 reasonable promise of safe and sound operation of the State
11 bank, the Secretary may issue an order of removal. If, in
12 the opinion of the Secretary, any former director, officer,
13 employee, or agent of a State bank or any subsidiary or
14 bank holding company of the bank, prior to the termination
15 of his or her service with that bank or any subsidiary or
16 bank holding company of the bank, violated any law, rule,
17 or order relating to that State bank or any subsidiary or
18 bank holding company of the bank, obstructed or impeded any
19 examination or investigation by the Secretary, engaged in
20 an unsafe or unsound practice in conducting the business of
21 that bank or any subsidiary or bank holding company of the
22 bank, or violated any law or engaged or participated in any
23 unsafe or unsound practice in connection with any financial
24 institution or other business entity such that the
25 character and fitness of the director, officer, employee,
26 or agent would not have assured reasonable promise of safe

1 and sound operation of the State bank, the Secretary may
2 issue an order prohibiting that person from further service
3 with a bank or any subsidiary or bank holding company of
4 the bank as a director, officer, employee, or agent. An
5 order issued pursuant to this subsection shall be served
6 upon the director, officer, employee, or agent. A copy of
7 the order shall be sent to each director of the bank
8 affected by registered mail. A copy of the order shall also
9 be served upon the bank of which he is a director, officer,
10 employee, or agent, whereupon he shall cease to be a
11 director, officer, employee, or agent of that bank. The
12 Secretary may institute a civil action against the
13 director, officer, or agent of the State bank or, after May
14 31, 1997, of the branch of the out-of-state bank against
15 whom any order provided for by this subsection (7) of this
16 Section 48 has been issued, and against the State bank or,
17 after May 31, 1997, out-of-state bank, to enforce
18 compliance with or to enjoin any violation of the terms of
19 the order. Any person who has been the subject of an order
20 of removal or an order of prohibition issued by the
21 Secretary under this subsection or Section 5-6 of the
22 Corporate Fiduciary Act may not thereafter serve as
23 director, officer, employee, or agent of any State bank or
24 of any branch of any out-of-state bank, or of any corporate
25 fiduciary, as defined in Section 1-5.05 of the Corporate
26 Fiduciary Act, or of any other entity that is subject to

1 licensure or regulation by the Division of Banking unless
2 the Secretary has granted prior approval in writing.

3 For purposes of this paragraph (7), "bank holding
4 company" has the meaning prescribed in Section 2 of the
5 Illinois Bank Holding Company Act of 1957.

6 (7.5) Notwithstanding the provisions of this Section,
7 the Secretary shall not:

8 (1) issue an order against a State bank or any
9 subsidiary organized under this Act for unsafe or
10 unsound banking practices solely because the entity
11 provides or has provided financial services to a
12 cannabis-related legitimate business;

13 (2) prohibit, penalize, or otherwise discourage a
14 State bank or any subsidiary from providing financial
15 services to a cannabis-related legitimate business
16 solely because the entity provides or has provided
17 financial services to a cannabis-related legitimate
18 business;

19 (3) recommend, incentivize, or encourage a State
20 bank or any subsidiary not to offer financial services
21 to an account holder or to downgrade or cancel the
22 financial services offered to an account holder solely
23 because:

24 (A) the account holder is a manufacturer or
25 producer, or is the owner, operator, or employee of
26 a cannabis-related legitimate business;

1 (B) the account holder later becomes an owner
2 or operator of a cannabis-related legitimate
3 business; or

4 (C) the State bank or any subsidiary was not
5 aware that the account holder is the owner or
6 operator of a cannabis-related legitimate
7 business; and

8 (4) take any adverse or corrective supervisory
9 action on a loan made to an owner or operator of:

10 (A) a cannabis-related legitimate business
11 solely because the owner or operator owns or
12 operates a cannabis-related legitimate business;
13 or

14 (B) real estate or equipment that is leased to
15 a cannabis-related legitimate business solely
16 because the owner or operator of the real estate or
17 equipment leased the equipment or real estate to a
18 cannabis-related legitimate business.

19 (8) The Commissioner may impose civil penalties of up
20 to \$100,000 against any person for each violation of any
21 provision of this Act, any rule promulgated in accordance
22 with this Act, any order of the Commissioner, or any other
23 action which in the Commissioner's discretion is an unsafe
24 or unsound banking practice.

25 (9) The Commissioner may impose civil penalties of up
26 to \$100 against any person for the first failure to comply

1 with reporting requirements set forth in the report of
2 examination of the bank and up to \$200 for the second and
3 subsequent failures to comply with those reporting
4 requirements.

5 (10) All final administrative decisions of the
6 Commissioner hereunder shall be subject to judicial review
7 pursuant to the provisions of the Administrative Review
8 Law. For matters involving administrative review, venue
9 shall be in either Sangamon County or Cook County.

10 (11) The endowment fund for the Illinois Bank
11 Examiners' Education Foundation shall be administered as
12 follows:

13 (a) (Blank).

14 (b) The Foundation is empowered to receive
15 voluntary contributions, gifts, grants, bequests, and
16 donations on behalf of the Illinois Bank Examiners'
17 Education Foundation from national banks and other
18 persons for the purpose of funding the endowment of the
19 Illinois Bank Examiners' Education Foundation.

20 (c) The aggregate of all special educational fees
21 collected by the Secretary and property received by the
22 Secretary on behalf of the Illinois Bank Examiners'
23 Education Foundation under this subsection (11) on or
24 after June 30, 1986, shall be either (i) promptly paid
25 after receipt of the same, accompanied by a detailed
26 statement thereof, into the State Treasury and shall be

1 set apart in a special fund to be known as "The
2 Illinois Bank Examiners' Education Fund" to be
3 invested by either the Treasurer of the State of
4 Illinois in the Public Treasurers' Investment Pool or
5 in any other investment he is authorized to make or by
6 the Illinois State Board of Investment as the State
7 Banking Board of Illinois may direct or (ii) deposited
8 into an account maintained in a commercial bank or
9 corporate fiduciary in the name of the Illinois Bank
10 Examiners' Education Foundation pursuant to the order
11 and direction of the Board of Trustees of the Illinois
12 Bank Examiners' Education Foundation.

13 (12) (Blank).

14 (13) The Secretary may borrow funds from the General
15 Revenue Fund on behalf of the Bank and Trust Company Fund
16 if the Director of Banking certifies to the Governor that
17 there is an economic emergency affecting banking that
18 requires a borrowing to provide additional funds to the
19 Bank and Trust Company Fund. The borrowed funds shall be
20 paid back within 3 years and shall not exceed the total
21 funding appropriated to the Agency in the previous year.

22 (14) In addition to the fees authorized in this Act,
23 the Secretary may assess reasonable receivership fees
24 against any State bank that does not maintain insurance
25 with the Federal Deposit Insurance Corporation. All fees
26 collected under this subsection (14) shall be paid into the

1 Non-insured Institutions Receivership account in the Bank
2 and Trust Company Fund, as established by the Secretary.
3 The fees assessed under this subsection (14) shall provide
4 for the expenses that arise from the administration of the
5 receivership of any such institution required to pay into
6 the Non-insured Institutions Receivership account, whether
7 pursuant to this Act, the Corporate Fiduciary Act, the
8 Foreign Banking Office Act, or any other Act that requires
9 payments into the Non-insured Institutions Receivership
10 account. The Secretary may establish by rule a reasonable
11 manner of assessing fees under this subsection (14).

12 (Source: P.A. 99-39, eff. 1-1-16; 100-22, eff. 1-1-18.)

13 Section 900-33. The Illinois Credit Union Act is amended by
14 changing Section 8 as follows:

15 (205 ILCS 305/8) (from Ch. 17, par. 4409)

16 Sec. 8. Secretary's powers and duties. Credit unions are
17 regulated by the Department. The Secretary in executing the
18 powers and discharging the duties vested by law in the
19 Department has the following powers and duties:

20 (1) To exercise the rights, powers and duties set forth
21 in this Act or any related Act. The Director shall oversee
22 the functions of the Division and report to the Secretary,
23 with respect to the Director's exercise of any of the
24 rights, powers, and duties vested by law in the Secretary

1 under this Act. All references in this Act to the Secretary
2 shall be deemed to include the Director, as a person
3 authorized by the Secretary or this Act to assume
4 responsibility for the oversight of the functions of the
5 Department relating to the regulatory supervision of
6 credit unions under this Act.

7 (2) To prescribe rules and regulations for the
8 administration of this Act. The provisions of the Illinois
9 Administrative Procedure Act are hereby expressly adopted
10 and incorporated herein as though a part of this Act, and
11 shall apply to all administrative rules and procedures of
12 the Department under this Act.

13 (3) To direct and supervise all the administrative and
14 technical activities of the Department including the
15 employment of a Credit Union Supervisor who shall have
16 knowledge in the theory and practice of, or experience in,
17 the operations or supervision of financial institutions,
18 preferably credit unions, and such other persons as are
19 necessary to carry out his functions. The Secretary shall
20 ensure that all examiners appointed or assigned to examine
21 the affairs of State-chartered credit unions possess the
22 necessary training and continuing education to effectively
23 execute their jobs.

24 (4) To issue cease and desist orders when in the
25 opinion of the Secretary, a credit union is engaged or has
26 engaged, or the Secretary has reasonable cause to believe

1 the credit union is about to engage, in an unsafe or
2 unsound practice, or is violating or has violated or the
3 Secretary has reasonable cause to believe is about to
4 violate a law, rule or regulation or any condition imposed
5 in writing by the Department.

6 (5) To suspend from office and to prohibit from further
7 participation in any manner in the conduct of the affairs
8 of his credit union any director, officer or committee
9 member who has committed any violation of a law, rule,
10 regulation or of a cease and desist order or who has
11 engaged or participated in any unsafe or unsound practice
12 in connection with the credit union or who has committed or
13 engaged in any act, omission, or practice which constitutes
14 a breach of his fiduciary duty as such director, officer or
15 committee member, when the Secretary has determined that
16 such action or actions have resulted or will result in
17 substantial financial loss or other damage that seriously
18 prejudices the interests of the members.

19 (6) To assess a civil penalty against a credit union
20 provided that:

21 (A) the Secretary reasonably determines, based on
22 objective facts and an accurate assessment of
23 applicable legal standards, that the credit union has:

24 (i) committed a violation of this Act, any rule
25 adopted in accordance with this Act, or any order
26 of the Secretary issued pursuant to his or her

1 authority under this Act; or

2 (ii) engaged or participated in any unsafe or
3 unsound practice;

4 (B) before a civil penalty is assessed under this
5 item (6), the Secretary must make the further
6 reasonable determination, based on objective facts and
7 an accurate assessment of applicable legal standards,
8 that the credit union's action constituting a
9 violation under subparagraph (i) of paragraph (A) of
10 item (6) or an unsafe and unsound practice under
11 subparagraph (ii) of paragraph (A) of item (6):

12 (i) directly resulted in a substantial and
13 material financial loss or created a reasonable
14 probability that a substantial and material
15 financial loss will directly result; or

16 (ii) constituted willful misconduct or a
17 material breach of fiduciary duty of any director,
18 officer, or committee member of the credit union;

19 Material financial loss, as referenced in this
20 paragraph (B), shall be assessed in light of
21 surrounding circumstances and the relative size and
22 nature of the financial loss or probable financial
23 loss. Certain benchmarks shall be used in determining
24 whether financial loss is material, such as a
25 percentage of total assets or total gross income for
26 the immediately preceding 12-month period. Absent

1 compelling and extraordinary circumstances, no civil
2 penalty shall be assessed, unless the financial loss or
3 probable financial loss is equal to or greater than
4 either 1% of the credit union's total assets for the
5 immediately preceding 12-month period, or 1% of the
6 credit union's total gross income for the immediately
7 preceding 12-month period, whichever is less;

8 (C) before a civil penalty is assessed under this
9 item (6), the credit union must be expressly advised in
10 writing of the:

11 (i) specific violation that could subject it
12 to a penalty under this item (6); and

13 (ii) ~~the~~ specific remedial action to be taken
14 within a specific and reasonable time frame to
15 avoid imposition of the penalty;

16 (D) Civil penalties assessed under this item (6)
17 shall be remedial, not punitive, and reasonably
18 tailored to ensure future compliance by the credit
19 union with the provisions of this Act and any rules
20 adopted pursuant to this Act;

21 (E) a credit union's failure to take timely
22 remedial action with respect to the specific violation
23 may result in the issuance of an order assessing a
24 civil penalty up to the following maximum amount, based
25 upon the total assets of the credit union:

26 (i) Credit unions with assets of less than \$10

1 million..... \$1,000

2 (ii) Credit unions with assets of at least \$10
3 million and less than \$50 million \$2,500

4 (iii) Credit unions with assets of at least \$50
5 million and less than \$100 million \$5,000

6 (iv) Credit unions with assets of at least \$100
7 million and less than \$500 million \$10,000

8 (v) Credit unions with assets of at least \$500
9 million and less than \$1 billion \$25,000

10 (vi) Credit unions with assets of \$1 billion
11 and greater..... \$50,000; and

12 (F) an order assessing a civil penalty under this
13 item (6) shall take effect upon service of the order,
14 unless the credit union makes a written request for a
15 hearing under 38 IL. Adm. Code 190.20 of the
16 Department's rules for credit unions within 90 days
17 after issuance of the order; in that event, the order
18 shall be stayed until a final administrative order is
19 entered.

20 This item (6) shall not apply to violations separately
21 addressed in rules as authorized under item (7) of this
22 Section.

23 (7) Except for the fees established in this Act, to
24 prescribe, by rule and regulation, fees and penalties for
25 preparing, approving, and filing reports and other
26 documents; furnishing transcripts; holding hearings;

1 investigating applications for permission to organize,
2 merge, or convert; failure to maintain accurate books and
3 records to enable the Department to conduct an examination;
4 and taking supervisory actions.

5 (8) To destroy, in his discretion, any or all books and
6 records of any credit union in his possession or under his
7 control after the expiration of three years from the date
8 of cancellation of the charter of such credit unions.

9 (9) To make investigations and to conduct research and
10 studies and to publish some of the problems of persons in
11 obtaining credit at reasonable rates of interest and of the
12 methods and benefits of cooperative saving and lending for
13 such persons.

14 (10) To authorize, foster or establish experimental,
15 developmental, demonstration or pilot projects by public
16 or private organizations including credit unions which:

17 (a) promote more effective operation of credit
18 unions so as to provide members an opportunity to use
19 and control their own money to improve their economic
20 and social conditions; or

21 (b) are in the best interests of credit unions,
22 their members and the people of the State of Illinois.

23 (11) To cooperate in studies, training or other
24 administrative activities with, but not limited to, the
25 NCUA, other state credit union regulatory agencies and
26 industry trade associations in order to promote more

1 effective and efficient supervision of Illinois chartered
2 credit unions.

3 (12) Notwithstanding the provisions of this Section,
4 the Secretary shall not:

5 (1) issue an order against a credit union organized
6 under this Act for unsafe or unsound banking practices
7 solely because the entity provides or has provided
8 financial services to a cannabis-related legitimate
9 business;

10 (2) prohibit, penalize, or otherwise discourage a
11 credit union from providing financial services to a
12 cannabis-related legitimate business solely because
13 the entity provides or has provided financial services
14 to a cannabis-related legitimate business;

15 (3) recommend, incentivize, or encourage a credit
16 union not to offer financial services to an account
17 holder or to downgrade or cancel the financial services
18 offered to an account holder solely 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 credit union was not aware that the
26 account holder is the owner or operator of a

1 cannabis-related legitimate business; and
2 (4) take any adverse or corrective supervisory
3 action on a loan made to an owner or operator of:

4 (A) a cannabis-related legitimate business
5 solely because the owner or operator owns or
6 operates a cannabis-related legitimate business;
7 or

8 (B) real estate or equipment that is leased to
9 a cannabis-related legitimate business solely
10 because the owner or operator of the real estate or
11 equipment leased the equipment or real estate to a
12 cannabis-related legitimate business.

13 (Source: P.A. 97-133, eff. 1-1-12; 98-400, eff. 8-16-13.)

14 Section 900-35. The Compassionate Use of Medical Cannabis
15 Pilot Program Act is amended by changing Section 210 as
16 follows:

17 (410 ILCS 130/210)

18 (Section scheduled to be repealed on July 1, 2020)

19 Sec. 210. Returns.

20 (a) This subsection (a) applies to returns due on or before
21 the effective date of this amendatory Act of the 101st General
22 Assembly. On or before the twentieth day of each calendar
23 month, every person subject to the tax imposed under this Law
24 during the preceding calendar month shall file a return with

1 the Department, stating:

2 (1) The name of the taxpayer;

3 (2) The number of ounces of medical cannabis sold to a
4 dispensary organization or a registered qualifying patient
5 during the preceding calendar month;

6 (3) The amount of tax due;

7 (4) The signature of the taxpayer; and

8 (5) Such other reasonable information as the
9 Department may require.

10 If a taxpayer fails to sign a return within 30 days after
11 the proper notice and demand for signature by the Department,
12 the return shall be considered valid and any amount shown to be
13 due on the return shall be deemed assessed.

14 The taxpayer shall remit the amount of the tax due to the
15 Department at the time the taxpayer files his or her return.

16 (b) Beginning on the effective date of this amendatory Act
17 of the 101st General Assembly, Section 65-20 of the Cannabis
18 Regulation and Tax Act shall apply to returns filed and taxes
19 paid under this Act to the same extent as if those provisions
20 were set forth in full in this Section.

21 (Source: P.A. 98-122, eff. 1-1-14.)

22 Section 900-38. The Illinois Vehicle Code is amended by
23 changing Sections 2-118.2, 11-501.2, 11-501.9, and 11-502.1
24 and by adding Sections 11-501.10 and 11-502.15 as follows:

1 (625 ILCS 5/2-118.2)

2 Sec. 2-118.2. Opportunity for hearing; ~~medical~~
3 cannabis-related suspension under Section 11-501.9.

4 (a) A suspension of driving privileges under Section
5 11-501.9 of this Code shall not become effective until the
6 person is notified in writing of the impending suspension and
7 informed that he or she may request a hearing in the circuit
8 court of venue under subsection (b) of this Section and the
9 suspension shall become effective as provided in Section
10 11-501.9.

11 (b) Within 90 days after the notice of suspension served
12 under Section 11-501.9, the person may make a written request
13 for a judicial hearing in the circuit court of venue. The
14 request to the circuit court shall state the grounds upon which
15 the person seeks to have the suspension rescinded. Within 30
16 days after receipt of the written request or the first
17 appearance date on the Uniform Traffic Ticket issued for a
18 violation of Section 11-501 of this Code, or a similar
19 provision of a local ordinance, the hearing shall be conducted
20 by the circuit court having jurisdiction. This judicial
21 hearing, request, or process shall not stay or delay the
22 suspension. The hearing shall proceed in the court in the same
23 manner as in other civil proceedings.

24 The hearing may be conducted upon a review of the law
25 enforcement officer's own official reports; provided however,
26 that the person may subpoena the officer. Failure of the

1 officer to answer the subpoena shall be considered grounds for
2 a continuance if in the court's discretion the continuance is
3 appropriate.

4 The scope of the hearing shall be limited to the issues of:

5 ~~(1) Whether the person was issued a registry~~
6 ~~identification card under the Compassionate Use of Medical~~
7 ~~Cannabis Pilot Program Act; and~~

8 (1) ~~(2)~~ Whether the officer had reasonable suspicion to
9 believe that the person was driving or in actual physical
10 control of a motor vehicle upon a highway while impaired by
11 the use of cannabis; and

12 (2) ~~(3)~~ Whether the person, after being advised by the
13 officer that the privilege to operate a motor vehicle would
14 be suspended if the person refused to submit to and
15 complete the field sobriety tests, did refuse to submit to
16 or complete the field sobriety tests authorized under
17 Section 11-501.9; and

18 (3) ~~(4)~~ Whether the person after being advised by the
19 officer that the privilege to operate a motor vehicle would
20 be suspended if the person submitted to field sobriety
21 tests that disclosed the person was impaired by the use of
22 cannabis, did submit to field sobriety tests that disclosed
23 that the person was impaired by the use of cannabis.

24 Upon the conclusion of the judicial hearing, the circuit
25 court shall sustain or rescind the suspension and immediately
26 notify the Secretary of State. Reports received by the

1 Secretary of State under this Section shall be privileged
2 information and for use only by the courts, police officers,
3 and Secretary of State.

4 (Source: P.A. 98-1172, eff. 1-12-15.)

5 (625 ILCS 5/11-501.2) (from Ch. 95 1/2, par. 11-501.2)

6 Sec. 11-501.2. Chemical and other tests.

7 (a) Upon the trial of any civil or criminal action or
8 proceeding arising out of an arrest for an offense as defined
9 in Section 11-501 or a similar local ordinance or proceedings
10 pursuant to Section 2-118.1, evidence of the concentration of
11 alcohol, other drug or drugs, or intoxicating compound or
12 compounds, or any combination thereof in a person's blood or
13 breath at the time alleged, as determined by analysis of the
14 person's blood, urine, breath, or other bodily substance, shall
15 be admissible. Where such test is made the following provisions
16 shall apply:

17 1. Chemical analyses of the person's blood, urine,
18 breath, or other bodily substance to be considered valid
19 under the provisions of this Section shall have been
20 performed according to standards promulgated by the
21 Department of State Police by a licensed physician,
22 registered nurse, trained phlebotomist, licensed
23 paramedic, or other individual possessing a valid permit
24 issued by that Department for this purpose. The Director of
25 State Police is authorized to approve satisfactory

1 techniques or methods, to ascertain the qualifications and
2 competence of individuals to conduct such analyses, to
3 issue permits which shall be subject to termination or
4 revocation at the discretion of that Department and to
5 certify the accuracy of breath testing equipment. The
6 Department of State Police shall prescribe regulations as
7 necessary to implement this Section.

8 2. When a person in this State shall submit to a blood
9 test at the request of a law enforcement officer under the
10 provisions of Section 11-501.1, only a physician
11 authorized to practice medicine, a licensed physician
12 assistant, a licensed advanced practice registered nurse,
13 a registered nurse, trained phlebotomist, or licensed
14 paramedic, or other qualified person approved by the
15 Department of State Police may withdraw blood for the
16 purpose of determining the alcohol, drug, or alcohol and
17 drug content therein. This limitation shall not apply to
18 the taking of breath, other bodily substance, or urine
19 specimens.

20 When a blood test of a person who has been taken to an
21 adjoining state for medical treatment is requested by an
22 Illinois law enforcement officer, the blood may be
23 withdrawn only by a physician authorized to practice
24 medicine in the adjoining state, a licensed physician
25 assistant, a licensed advanced practice registered nurse,
26 a registered nurse, a trained phlebotomist acting under the

1 direction of the physician, or licensed paramedic. The law
2 enforcement officer requesting the test shall take custody
3 of the blood sample, and the blood sample shall be analyzed
4 by a laboratory certified by the Department of State Police
5 for that purpose.

6 3. The person tested may have a physician, or a
7 qualified technician, chemist, registered nurse, or other
8 qualified person of their own choosing administer a
9 chemical test or tests in addition to any administered at
10 the direction of a law enforcement officer. The failure or
11 inability to obtain an additional test by a person shall
12 not preclude the admission of evidence relating to the test
13 or tests taken at the direction of a law enforcement
14 officer.

15 4. Upon the request of the person who shall submit to a
16 chemical test or tests at the request of a law enforcement
17 officer, full information concerning the test or tests
18 shall be made available to the person or such person's
19 attorney.

20 5. Alcohol concentration shall mean either grams of
21 alcohol per 100 milliliters of blood or grams of alcohol
22 per 210 liters of breath.

23 6. Tetrahydrocannabinol concentration means either 5
24 nanograms or more of delta-9-tetrahydrocannabinol per
25 milliliter of whole blood or 10 nanograms or more of
26 delta-9-tetrahydrocannabinol per milliliter of other

1 bodily substance.

2 (a-5) Law enforcement officials may use validated roadside
3 chemical tests or standardized field sobriety tests approved by
4 the National Highway Traffic Safety Administration when
5 conducting investigations of a violation of Section 11-501 or
6 similar local ordinance by drivers suspected of driving under
7 the influence of cannabis. The General Assembly finds that (i)
8 validated roadside chemical tests are effective means to
9 determine if a person is under the influence of cannabis and
10 (ii) standardized field sobriety tests approved by the National
11 Highway Traffic Safety Administration are divided attention
12 tasks that are intended to determine if a person is under the
13 influence of cannabis. The purpose of these tests is to
14 determine the effect of the use of cannabis on a person's
15 capacity to think and act with ordinary care and therefore
16 operate a motor vehicle safely. Therefore, the results of these
17 validated roadside chemical tests and standardized field
18 sobriety tests, appropriately administered, shall be
19 admissible in the trial of any civil or criminal action or
20 proceeding arising out of an arrest for a cannabis-related
21 offense as defined in Section 11-501 or a similar local
22 ordinance or proceedings under Section 2-118.1 or 2-118.2.
23 Where a test is made the following provisions shall apply:

24 1. The person tested may have a physician, or a
25 qualified technician, chemist, registered nurse, or other
26 qualified person of their own choosing administer a

1 chemical test or tests in addition to the standardized
2 field sobriety test or tests administered at the direction
3 of a law enforcement officer. The failure or inability to
4 obtain an additional test by a person does not preclude the
5 admission of evidence relating to the test or tests taken
6 at the direction of a law enforcement officer.

7 2. Upon the request of the person who shall submit to
8 validated roadside chemical tests or a standardized field
9 sobriety test or tests at the request of a law enforcement
10 officer, full information concerning the test or tests
11 shall be made available to the person or the person's
12 attorney.

13 3. At the trial of any civil or criminal action or
14 proceeding arising out of an arrest for an offense as
15 defined in Section 11-501 or a similar local ordinance or
16 proceedings under Section 2-118.1 or 2-118.2 in which the
17 results of these validated roadside chemical tests or
18 standardized field sobriety tests are admitted, the person
19 ~~cardholder~~ may present and the trier of fact may consider
20 evidence that the person ~~card holder~~ lacked the physical
21 capacity to perform the validated roadside chemical tests
22 or standardized field sobriety tests.

23 (b) Upon the trial of any civil or criminal action or
24 proceeding arising out of acts alleged to have been committed
25 by any person while driving or in actual physical control of a
26 vehicle while under the influence of alcohol, the concentration

1 of alcohol in the person's blood or breath at the time alleged
2 as shown by analysis of the person's blood, urine, breath, or
3 other bodily substance shall give rise to the following
4 presumptions:

5 1. If there was at that time an alcohol concentration
6 of 0.05 or less, it shall be presumed that the person was
7 not under the influence of alcohol.

8 2. If there was at that time an alcohol concentration
9 in excess of 0.05 but less than 0.08, such facts shall not
10 give rise to any presumption that the person was or was not
11 under the influence of alcohol, but such fact may be
12 considered with other competent evidence in determining
13 whether the person was under the influence of alcohol.

14 3. If there was at that time an alcohol concentration
15 of 0.08 or more, it shall be presumed that the person was
16 under the influence of alcohol.

17 4. The foregoing provisions of this Section shall not
18 be construed as limiting the introduction of any other
19 relevant evidence bearing upon the question whether the
20 person was under the influence of alcohol.

21 (b-5) Upon the trial of any civil or criminal action or
22 proceeding arising out of acts alleged to have been committed
23 by any person while driving or in actual physical control of a
24 vehicle while under the influence of alcohol, other drug or
25 drugs, intoxicating compound or compounds or any combination
26 thereof, the concentration of cannabis in the person's whole

1 blood or other bodily substance at the time alleged as shown by
2 analysis of the person's blood or other bodily substance shall
3 give rise to the following presumptions:

4 1. If there was a tetrahydrocannabinol concentration
5 of 5 nanograms or more in whole blood or 10 nanograms or
6 more in an other bodily substance as defined in this
7 Section, it shall be presumed that the person was under the
8 influence of cannabis.

9 2. If there was at that time a tetrahydrocannabinol
10 concentration of less than 5 nanograms in whole blood or
11 less than 10 nanograms in an other bodily substance, such
12 facts shall not give rise to any presumption that the
13 person was or was not under the influence of cannabis, but
14 such fact may be considered with other competent evidence
15 in determining whether the person was under the influence
16 of cannabis.

17 (c) 1. If a person under arrest refuses to submit to a
18 chemical test under the provisions of Section 11-501.1,
19 evidence of refusal shall be admissible in any civil or
20 criminal action or proceeding arising out of acts alleged to
21 have been committed while the person under the influence of
22 alcohol, other drug or drugs, or intoxicating compound or
23 compounds, or any combination thereof was driving or in actual
24 physical control of a motor vehicle.

25 2. Notwithstanding any ability to refuse under this Code to
26 submit to these tests or any ability to revoke the implied

1 consent to these tests, if a law enforcement officer has
2 probable cause to believe that a motor vehicle driven by or in
3 actual physical control of a person under the influence of
4 alcohol, other drug or drugs, or intoxicating compound or
5 compounds, or any combination thereof has caused the death or
6 personal injury to another, the law enforcement officer shall
7 request, and that person shall submit, upon the request of a
8 law enforcement officer, to a chemical test or tests of his or
9 her blood, breath, other bodily substance, or urine for the
10 purpose of determining the alcohol content thereof or the
11 presence of any other drug or combination of both.

12 This provision does not affect the applicability of or
13 imposition of driver's license sanctions under Section
14 11-501.1 of this Code.

15 3. For purposes of this Section, a personal injury includes
16 any Type A injury as indicated on the traffic accident report
17 completed by a law enforcement officer that requires immediate
18 professional attention in either a doctor's office or a medical
19 facility. A Type A injury includes severe bleeding wounds,
20 distorted extremities, and injuries that require the injured
21 party to be carried from the scene.

22 (d) If a person refuses validated roadside chemical tests
23 or standardized field sobriety tests under Section 11-501.9 of
24 this Code, evidence of refusal shall be admissible in any civil
25 or criminal action or proceeding arising out of acts committed
26 while the person was driving or in actual physical control of a

1 vehicle and alleged to have been impaired by the use of
2 cannabis.

3 (e) Department of State Police compliance with the changes
4 in this amendatory Act of the 99th General Assembly concerning
5 testing of other bodily substances and tetrahydrocannabinol
6 concentration by Department of State Police laboratories is
7 subject to appropriation and until the Department of State
8 Police adopt standards and completion validation. Any
9 laboratories that test for the presence of cannabis or other
10 drugs under this Article, the Snowmobile Registration and
11 Safety Act, or the Boat Registration and Safety Act must comply
12 with ISO/IEC 17025:2005.

13 (Source: P.A. 99-697, eff. 7-29-16; 100-513, eff. 1-1-18.)

14 (625 ILCS 5/11-501.9)

15 Sec. 11-501.9. Suspension of driver's license; failure or
16 refusal of validated roadside chemical tests ~~medical cannabis~~
17 ~~card holder~~; failure or refusal of field sobriety tests;
18 implied consent.

19 (a) A person ~~who has been issued a registry identification~~
20 ~~card under the Compassionate Use of Medical Cannabis Pilot~~
21 ~~Program Act~~ who drives or is in actual physical control of a
22 motor vehicle upon the public highways of this State shall be
23 deemed to have given consent to (i) validated roadside chemical
24 tests or (ii) standardized field sobriety tests approved by the
25 National Highway Traffic Safety Administration, under

1 subsection (a-5) of Section 11-501.2 of this Code, if detained
2 by a law enforcement officer who has a reasonable suspicion
3 that the person is driving or is in actual physical control of
4 a motor vehicle while impaired by the use of cannabis. The law
5 enforcement officer must have an independent, cannabis-related
6 factual basis giving reasonable suspicion that the person is
7 driving or in actual physical control of a motor vehicle while
8 impaired by the use of cannabis for conducting validated
9 roadside chemical tests or standardized field sobriety tests,
10 which shall be included with the results of the validated
11 roadside chemical tests and field sobriety tests in any report
12 made by the law enforcement officer who requests the test. The
13 person's possession of a registry identification card issued
14 under the Compassionate Use of Medical Cannabis Pilot Program
15 Act alone is not a sufficient basis for reasonable suspicion.

16 For purposes of this Section, a law enforcement officer of
17 this State who is investigating a person for an offense under
18 Section 11-501 of this Code may travel into an adjoining state
19 where the person has been transported for medical care to
20 complete an investigation and to request that the person submit
21 to field sobriety tests under this Section.

22 (b) A person who is unconscious, or otherwise in a
23 condition rendering the person incapable of refusal, shall be
24 deemed to have withdrawn the consent provided by subsection (a)
25 of this Section.

26 (c) A person requested to submit to validated roadside

1 chemical tests or field sobriety tests, as provided in this
2 Section, shall be warned by the law enforcement officer
3 requesting the field sobriety tests that a refusal to submit to
4 the validated roadside chemical tests or field sobriety tests
5 will result in the suspension of the person's privilege to
6 operate a motor vehicle, as provided in subsection (f) of this
7 Section. The person shall also be warned by the law enforcement
8 officer that if the person submits to validated roadside
9 chemical tests or field sobriety tests as provided in this
10 Section which disclose the person is impaired by the use of
11 cannabis, a suspension of the person's privilege to operate a
12 motor vehicle, as provided in subsection (f) of this Section,
13 will be imposed.

14 (d) The results of validated roadside chemical tests or
15 field sobriety tests administered under this Section shall be
16 admissible in a civil or criminal action or proceeding arising
17 from an arrest for an offense as defined in Section 11-501 of
18 this Code or a similar provision of a local ordinance. These
19 test results shall be admissible only in actions or proceedings
20 directly related to the incident upon which the test request
21 was made.

22 (e) If the person refuses validated roadside chemical tests
23 or field sobriety tests or submits to validated roadside
24 chemical tests or field sobriety tests that disclose the person
25 is impaired by the use of cannabis, the law enforcement officer
26 shall immediately submit a sworn report to the circuit court of

1 venue and the Secretary of State certifying that testing was
2 requested under this Section and that the person refused to
3 submit to validated roadside chemical tests or field sobriety
4 tests or submitted to validated roadside chemical tests or
5 field sobriety tests that disclosed the person was impaired by
6 the use of cannabis. The sworn report must include the law
7 enforcement officer's factual basis for reasonable suspicion
8 that the person was impaired by the use of cannabis.

9 (f) Upon receipt of the sworn report of a law enforcement
10 officer submitted under subsection (e) of this Section, the
11 Secretary of State shall enter the suspension to the driving
12 record as follows:

13 (1) for refusal or failure to complete validated
14 roadside chemical tests or field sobriety tests, a 12 month
15 suspension shall be entered; or

16 (2) for submitting to validated roadside chemical
17 tests or field sobriety tests that disclosed the driver was
18 impaired by the use of cannabis, a 6 month suspension shall
19 be entered.

20 The Secretary of State shall confirm the suspension by
21 mailing a notice of the effective date of the suspension to the
22 person and the court of venue. However, should the sworn report
23 be defective for insufficient information or be completed in
24 error, the confirmation of the suspension shall not be mailed
25 to the person or entered to the record; instead, the sworn
26 report shall be forwarded to the court of venue with a copy

1 returned to the issuing agency identifying the defect.

2 (g) The law enforcement officer submitting the sworn report
3 under subsection (e) of this Section shall serve immediate
4 notice of the suspension on the person and the suspension shall
5 be effective as provided in subsection (h) of this Section. If
6 immediate notice of the suspension cannot be given, the
7 arresting officer or arresting agency shall give notice by
8 deposit in the United States mail of the notice in an envelope
9 with postage prepaid and addressed to the person at his or her
10 address as shown on the Uniform Traffic Ticket and the
11 suspension shall begin as provided in subsection (h) of this
12 Section. The officer shall confiscate any Illinois driver's
13 license or permit on the person at the time of arrest. If the
14 person has a valid driver's license or permit, the officer
15 shall issue the person a receipt, in a form prescribed by the
16 Secretary of State, that will allow the person to drive during
17 the period provided for in subsection (h) of this Section. The
18 officer shall immediately forward the driver's license or
19 permit to the circuit court of venue along with the sworn
20 report under subsection (e) of this Section.

21 (h) The suspension under subsection (f) of this Section
22 shall take effect on the 46th day following the date the notice
23 of the suspension was given to the person.

24 (i) When a driving privilege has been suspended under this
25 Section and the person is subsequently convicted of violating
26 Section 11-501 of this Code, or a similar provision of a local

1 ordinance, for the same incident, any period served on
2 suspension under this Section shall be credited toward the
3 minimum period of revocation of driving privileges imposed
4 under Section 6-205 of this Code.

5 (Source: P.A. 98-1172, eff. 1-12-15.)

6 (625 ILCS 5/11-501.10 new)

7 Sec. 11-501.10. DUI Cannabis Task Force.

8 (a) The DUI Cannabis Task Force is hereby created to study
9 the issue of driving under the influence of cannabis. The Task
10 Force shall consist of the following members:

11 (1) The Director of State Police, or his or her
12 designee, who shall serve as chair;

13 (2) The Secretary of State, or his or her designee;

14 (3) The President of the Illinois State's Attorneys
15 Association, or his or her designee;

16 (4) The President of the Illinois Association of
17 Criminal Defense Lawyers, or his or her designee;

18 (5) One member appointed by the Speaker of the House of
19 Representatives;

20 (6) One member appointed by the Minority Leader of the
21 House of Representatives;

22 (7) One member appointed by the President of the
23 Senate;

24 (8) One member appointed by the Minority Leader of the
25 Senate;

1 (9) One member of an organization dedicated to end
2 drunk driving and drugged driving;

3 (10) The president of a statewide bar association,
4 appointed by the Governor; and

5 (11) One member of a statewide organization
6 representing civil and constitutional rights, appointed by
7 the Governor.

8 (b) The members of the Task Force shall serve without
9 compensation.

10 (c) The Task Force shall examine best practices in the area
11 of driving under the influence of cannabis enforcement,
12 including examining emerging technology in roadside testing.

13 (d) The Task Force shall meet no fewer than 3 times and
14 shall present its report and recommendations on improvements to
15 enforcement of driving under the influence of cannabis, in
16 electronic format, to the Governor and the General Assembly no
17 later than July 1, 2020.

18 (e) The Department of State Police shall provide
19 administrative support to the Task Force as needed. The
20 Sentencing Policy Advisory Council shall provide data on
21 driving under the influence of cannabis offenses and other data
22 to the Task Force as needed.

23 (f) This Section is repealed on July 1, 2021.

24 (625 ILCS 5/11-502.1)

25 Sec. 11-502.1. Possession of medical cannabis in a motor

1 vehicle.

2 (a) No driver, who is a medical cannabis cardholder, may
3 use medical cannabis within the passenger area of any motor
4 vehicle upon a highway in this State.

5 (b) No driver, who is a medical cannabis cardholder, a
6 medical cannabis designated caregiver, medical cannabis
7 cultivation center agent, or dispensing organization agent may
8 possess medical cannabis within any area of any motor vehicle
9 upon a highway in this State except in a sealed, odor-proof,
10 and child-resistant ~~tamper-evident~~ medical cannabis container.

11 (c) No passenger, who is a medical cannabis card holder, a
12 medical cannabis designated caregiver, or medical cannabis
13 dispensing organization agent may possess medical cannabis
14 within any passenger area of any motor vehicle upon a highway
15 in this State except in a sealed, odor-proof, and
16 child-resistant ~~tamper-evident~~ medical cannabis container.

17 (d) Any person who violates subsections (a) through (c) of
18 this Section:

19 (1) commits a Class A misdemeanor;

20 (2) shall be subject to revocation of his or her
21 medical cannabis card for a period of 2 years from the end
22 of the sentence imposed;

23 (4) shall be subject to revocation of his or her status
24 as a medical cannabis caregiver, medical cannabis
25 cultivation center agent, or medical cannabis dispensing
26 organization agent for a period of 2 years from the end of

1 the sentence imposed.

2 (Source: P.A. 98-122, eff. 1-1-14.)

3 (625 ILCS 5/11-502.15 new)

4 Sec. 11-502.15. Possession of adult use cannabis in a motor
5 vehicle.

6 (a) No driver may use cannabis within the passenger area of
7 any motor vehicle upon a highway in this State.

8 (b) No driver may possess cannabis within any area of any
9 motor vehicle upon a highway in this State except in a sealed,
10 odor-proof, child-resistant cannabis container.

11 (c) No passenger may possess cannabis within any passenger
12 area of any motor vehicle upon a highway in this State except
13 in a sealed, odor-proof, child-resistant cannabis container.

14 (d) Any person who knowingly violates subsection (a), (b),
15 or (c) of this Section commits a Class A misdemeanor.

16 Section 900-39. The Juvenile Court Act of 1987 is amended
17 by changing Section 5-401 as follows:

18 (705 ILCS 405/5-401)

19 Sec. 5-401. Arrest and taking into custody of a minor.

20 (1) A law enforcement officer may, without a warrant,

21 (a) arrest a minor whom the officer with probable cause
22 believes to be a delinquent minor; or

23 (b) take into custody a minor who has been adjudged a

1 ward of the court and has escaped from any commitment
2 ordered by the court under this Act; or

3 (c) take into custody a minor whom the officer
4 reasonably believes has violated the conditions of
5 probation or supervision ordered by the court.

6 (2) Whenever a petition has been filed under Section 5-520
7 and the court finds that the conduct and behavior of the minor
8 may endanger the health, person, welfare, or property of the
9 minor or others or that the circumstances of his or her home
10 environment may endanger his or her health, person, welfare or
11 property, a warrant may be issued immediately to take the minor
12 into custody.

13 (3) Except for minors accused of violation of an order of
14 the court, any minor accused of any act under federal or State
15 law, or a municipal or county ordinance that would not be
16 illegal if committed by an adult, cannot be placed in a jail,
17 municipal lockup, detention center, or secure correctional
18 facility. Juveniles accused with underage consumption and
19 underage possession of alcohol or cannabis cannot be placed in
20 a jail, municipal lockup, detention center, or correctional
21 facility.

22 (Source: P.A. 90-590, eff. 1-1-99.)

23 Section 900-40. The Cannabis Control Act is amended by
24 changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

1 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

2 Sec. 4. Except as otherwise provided in the Cannabis
3 Regulation and Tax Act, it ~~is~~ is unlawful for any person
4 knowingly to possess cannabis.

5 Any person who violates this Section ~~section~~ with respect to:

6 (a) not more than 10 grams of any substance containing
7 cannabis is guilty of a civil law violation punishable by a
8 minimum fine of \$100 and a maximum fine of \$200. The
9 proceeds of the fine shall be payable to the clerk of the
10 circuit court. Within 30 days after the deposit of the
11 fine, the clerk shall distribute the proceeds of the fine
12 as follows:

13 (1) \$10 of the fine to the circuit clerk and \$10 of
14 the fine to the law enforcement agency that issued the
15 citation; the proceeds of each \$10 fine distributed to
16 the circuit clerk and each \$10 fine distributed to the
17 law enforcement agency that issued the citation for the
18 violation shall be used to defer the cost of automatic
19 expungements under paragraph (2.5) of subsection (a)
20 of Section 5.2 of the Criminal Identification Act;

21 (2) \$15 to the county to fund drug addiction
22 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

1 enforcement agency that issued the citation for the
2 violation.

3 With respect to funds designated for the Department of
4 State Police, the moneys shall be remitted by the circuit
5 court clerk to the Department of State Police within one
6 month after receipt for deposit into the State Police
7 Operations Assistance Fund. With respect to funds
8 designated for the Department of Natural Resources, the
9 Department of Natural Resources shall deposit the moneys
10 into the Conservation Police Operations Assistance Fund;

11 (b) more than 10 grams but not more than 30 grams of
12 any substance containing cannabis is guilty of a Class B
13 misdemeanor;

14 (c) more than 30 grams but not more than 100 grams of
15 any substance containing cannabis is guilty of a Class A
16 misdemeanor; provided, that if any offense under this
17 subsection (c) is a subsequent offense, the offender shall
18 be guilty of a Class 4 felony;

19 (d) more than 100 grams but not more than 500 grams of
20 any substance containing cannabis is guilty of a Class 4
21 felony; provided that if any offense under this subsection
22 (d) is a subsequent offense, the offender shall be guilty
23 of a Class 3 felony;

24 (e) more than 500 grams but not more than 2,000 grams
25 of any substance containing cannabis is guilty of a Class 3
26 felony;

1 (f) more than 2,000 grams but not more than 5,000 grams
2 of any substance containing cannabis is guilty of a Class 2
3 felony;

4 (g) more than 5,000 grams of any substance containing
5 cannabis is guilty of a Class 1 felony.

6 (Source: P.A. 99-697, eff. 7-29-16.)

7 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

8 Sec. 5. Except as otherwise provided in the Cannabis
9 Regulation and Tax Act, it ~~is~~ is unlawful for any person
10 knowingly to manufacture, deliver, or possess with intent to
11 deliver, or manufacture, cannabis. Any person who violates this
12 Section ~~section~~ with respect to:

13 (a) not more than 2.5 grams of any substance containing
14 cannabis is guilty of a Class B misdemeanor;

15 (b) more than 2.5 grams but not more than 10 grams of any
16 substance containing cannabis is guilty of a Class A
17 misdemeanor;

18 (c) more than 10 grams but not more than 30 grams of any
19 substance containing cannabis is guilty of a Class 4 felony;

20 (d) more than 30 grams but not more than 500 grams of any
21 substance containing cannabis is guilty of a Class 3 felony for
22 which a fine not to exceed \$50,000 may be imposed;

23 (e) more than 500 grams but not more than 2,000 grams of
24 any substance containing cannabis is guilty of a Class 2 felony
25 for which a fine not to exceed \$100,000 may be imposed;

1 (f) more than 2,000 grams but not more than 5,000 grams of
2 any substance containing cannabis is guilty of a Class 1 felony
3 for which a fine not to exceed \$150,000 may be imposed;

4 (g) more than 5,000 grams of any substance containing
5 cannabis is guilty of a Class X felony for which a fine not to
6 exceed \$200,000 may be imposed.

7 (Source: P.A. 90-397, eff. 8-15-97.)

8 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

9 Sec. 5.1. Cannabis Trafficking.

10 (a) Except for purposes authorized by this Act or the
11 Cannabis Regulation and Tax Act, any person who knowingly
12 brings or causes to be brought into this State for the purpose
13 of manufacture or delivery or with the intent to manufacture or
14 deliver 2,500 grams or more of cannabis in this State or any
15 other state or country is guilty of cannabis trafficking.

16 (b) A person convicted of cannabis trafficking shall be
17 sentenced to a term of imprisonment not less than twice the
18 minimum term and fined an amount as authorized by subsection
19 (f) or (g) of Section 5 of this Act, based upon the amount of
20 cannabis brought or caused to be brought into this State, and
21 not more than twice the maximum term of imprisonment and fined
22 twice the amount as authorized by subsection (f) or (g) of
23 Section 5 of this Act, based upon the amount of cannabis
24 brought or caused to be brought into this State.

25 (Source: P.A. 90-397, eff. 8-15-97.)

1 (720 ILCS 550/5.3)

2 Sec. 5.3. Unlawful use of cannabis-based product
3 manufacturing equipment.

4 (a) A person commits unlawful use of cannabis-based product
5 manufacturing equipment when he or she knowingly engages in the
6 possession, procurement, transportation, storage, or delivery
7 of any equipment used in the manufacturing of any
8 cannabis-based product using volatile or explosive gas,
9 including, but not limited to, canisters of butane gas, with
10 the intent to manufacture, compound, covert, produce, derive,
11 process, or prepare either directly or indirectly any
12 cannabis-based product.

13 (b) This Section does not apply to a cultivation center or
14 cultivation center agent that prepares medical cannabis or
15 cannabis-infused products in compliance with the Compassionate
16 Use of Medical Cannabis Pilot Program Act and Department of
17 Public Health and Department of Agriculture rules.

18 (c) Sentence. A person who violates this Section is guilty
19 of a Class 2 felony.

20 (d) This Section does not apply to craft growers,
21 cultivation centers, and infuser organizations licensed under
22 the Cannabis Regulation and Tax Act.

23 (e) This Section does not apply to manufacturers of
24 cannabis-based product manufacturing equipment or transporting
25 organizations with documentation identifying the seller and

1 purchaser of the equipment if the seller or purchaser is a
2 craft grower, cultivation center, or infuser organization
3 licensed under the Cannabis Regulation and Tax Act.

4 (Source: P.A. 99-697, eff. 7-29-16.)

5 (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

6 Sec. 8. Except as otherwise provided in the Cannabis
7 Regulation and Tax Act, it ~~it~~ is unlawful for any person
8 knowingly to produce the Cannabis ~~cannabis~~ sativa plant or to
9 possess such plants unless production or possession has been
10 authorized pursuant to the provisions of Section 11 or 15.2 of
11 the Act. Any person who violates this Section with respect to
12 production or possession of:

13 (a) Not more than 5 plants is guilty of a civil violation
14 punishable by a minimum fine of \$100 and a maximum fine of
15 \$200. The proceeds of the fine are payable to the clerk of the
16 circuit court. Within 30 days after the deposit of the fine,
17 the clerk shall distribute the proceeds of the fine as follows:

18 (1) \$10 of the fine to the circuit clerk and \$10 of the
19 fine to the law enforcement agency that issued the
20 citation; the proceeds of each \$10 fine distributed to the
21 circuit clerk and each \$10 fine distributed to the law
22 enforcement agency that issued the citation for the
23 violation shall be used to defer the cost of automatic
24 expungements under paragraph (2.5) of subsection (a) of
25 Section 5.2 of the Criminal Identification Act;

1 (2) \$15 to the county to fund drug addiction services;

2 (3) \$10 to the Office of the State's Attorneys

3 Appellate Prosecutor for use in training programs;

4 (4) \$10 to the State's Attorney; and

5 (5) any remainder of the fine to the law enforcement
6 agency that issued the citation for the violation.

7 With respect to funds designated for the Department of
8 State Police, the moneys shall be remitted by the circuit court
9 clerk to the Department of State Police within one month after
10 receipt for deposit into the State Police Operations Assistance
11 Fund. With respect to funds designated for the Department of
12 Natural Resources, the Department of Natural Resources shall
13 deposit the moneys into the Conservation Police Operations
14 Assistance Fund. ~~Class A misdemeanor.~~

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

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

19 (d) More than 50, but not more than 200 plants, is guilty
20 of a Class 2 felony for which a fine not to exceed \$100,000 may
21 be imposed and for which liability for the cost of conducting
22 the investigation and eradicating such plants may be assessed.
23 Compensation for expenses incurred in the enforcement of this
24 provision shall be transmitted to and deposited in the
25 treasurer's office at the level of government represented by
26 the Illinois law enforcement agency whose officers or employees

1 conducted the investigation or caused the arrest or arrests
2 leading to the prosecution, to be subsequently made available
3 to that law enforcement agency as expendable receipts for use
4 in the enforcement of laws regulating controlled substances and
5 cannabis. If such seizure was made by a combination of law
6 enforcement personnel representing different levels of
7 government, the court levying the assessment shall determine
8 the allocation of such assessment. The proceeds of assessment
9 awarded to the State treasury shall be deposited in a special
10 fund known as the Drug Traffic Prevention Fund.

11 (e) More than 200 plants is guilty of a Class 1 felony for
12 which a fine not to exceed \$100,000 may be imposed and for
13 which liability for the cost of conducting the investigation
14 and eradicating such plants may be assessed. Compensation for
15 expenses incurred in the enforcement of this provision shall be
16 transmitted to and deposited in the treasurer's office at the
17 level of government represented by the Illinois law enforcement
18 agency whose officers or employees conducted the investigation
19 or caused the arrest or arrests leading to the prosecution, to
20 be subsequently made available to that law enforcement agency
21 as expendable receipts for use in the enforcement of laws
22 regulating controlled substances and cannabis. If such seizure
23 was made by a combination of law enforcement personnel
24 representing different levels of government, the court levying
25 the assessment shall determine the allocation of such
26 assessment. The proceeds of assessment awarded to the State

1 treasury shall be deposited in a special fund known as the Drug
2 Traffic Prevention Fund.

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

4 Section 900-42. The Code of Civil Procedure is amended by
5 changing Section 2-1401 as follows:

6 (735 ILCS 5/2-1401) (from Ch. 110, par. 2-1401)

7 Sec. 2-1401. Relief from judgments.

8 (a) Relief from final orders and judgments, after 30 days
9 from the entry thereof, may be had upon petition as provided in
10 this Section. Writs of error coram nobis and coram vobis, bills
11 of review and bills in the nature of bills of review are
12 abolished. All relief heretofore obtainable and the grounds for
13 such relief heretofore available, whether by any of the
14 foregoing remedies or otherwise, shall be available in every
15 case, by proceedings hereunder, regardless of the nature of the
16 order or judgment from which relief is sought or of the
17 proceedings in which it was entered. Except as provided in the
18 Illinois Parentage Act of 2015, there shall be no distinction
19 between actions and other proceedings, statutory or otherwise,
20 as to availability of relief, grounds for relief or the relief
21 obtainable.

22 (b) The petition must be filed in the same proceeding in
23 which the order or judgment was entered but is not a
24 continuation thereof. The petition must be supported by

1 affidavit or other appropriate showing as to matters not of
2 record. A petition to reopen a foreclosure proceeding must
3 include as parties to the petition, but is not limited to, all
4 parties in the original action in addition to the current
5 record title holders of the property, current occupants, and
6 any individual or entity that had a recorded interest in the
7 property before the filing of the petition. All parties to the
8 petition shall be notified as provided by rule.

9 (b-5) A movant may present a meritorious claim under this
10 Section if the allegations in the petition establish each of
11 the following by a preponderance of the evidence:

12 (1) the movant was convicted of a forcible felony;

13 (2) the movant's participation in the offense was
14 related to him or her previously having been a victim of
15 domestic violence as perpetrated by an intimate partner;

16 (3) no evidence of domestic violence against the movant
17 was presented at the movant's sentencing hearing;

18 (4) the movant was unaware of the mitigating nature of
19 the evidence of the domestic violence at the time of
20 sentencing and could not have learned of its significance
21 sooner through diligence; and

22 (5) the new evidence of domestic violence against the
23 movant is material and noncumulative to other evidence
24 offered at the sentencing hearing, and is of such a
25 conclusive character that it would likely change the
26 sentence imposed by the original trial court.

1 Nothing in this subsection (b-5) shall prevent a movant
2 from applying for any other relief under this Section or any
3 other law otherwise available to him or her.

4 As used in this subsection (b-5):

5 "Domestic violence" means abuse as defined in Section
6 103 of the Illinois Domestic Violence Act of 1986.

7 "Forcible felony" has the meaning ascribed to the term
8 in Section 2-8 of the Criminal Code of 2012.

9 "Intimate partner" means a spouse or former spouse,
10 persons who have or allegedly have had a child in common,
11 or persons who have or have had a dating or engagement
12 relationship.

13 (c) Except as provided in Section 20b of the Adoption Act
14 and Section 2-32 of the Juvenile Court Act of 1987 or in a
15 petition based upon Section 116-3 of the Code of Criminal
16 Procedure of 1963, or in a motion to vacate and expunge
17 convictions under the Cannabis Control Act as provided by
18 subsection (i) of Section 5.2 of the Criminal Identification
19 Act, the petition must be filed not later than 2 years after
20 the entry of the order or judgment. Time during which the
21 person seeking relief is under legal disability or duress or
22 the ground for relief is fraudulently concealed shall be
23 excluded in computing the period of 2 years.

24 (d) The filing of a petition under this Section does not
25 affect the order or judgment, or suspend its operation.

26 (e) Unless lack of jurisdiction affirmatively appears from

1 the record proper, the vacation or modification of an order or
2 judgment pursuant to the provisions of this Section does not
3 affect the right, title or interest in or to any real or
4 personal property of any person, not a party to the original
5 action, acquired for value after the entry of the order or
6 judgment but before the filing of the petition, nor affect any
7 right of any person not a party to the original action under
8 any certificate of sale issued before the filing of the
9 petition, pursuant to a sale based on the order or judgment.
10 When a petition is filed pursuant to this Section to reopen a
11 foreclosure proceeding, notwithstanding the provisions of
12 Section 15-1701 of this Code, the purchaser or successor
13 purchaser of real property subject to a foreclosure sale who
14 was not a party to the mortgage foreclosure proceedings is
15 entitled to remain in possession of the property until the
16 foreclosure action is defeated or the previously foreclosed
17 defendant redeems from the foreclosure sale if the purchaser
18 has been in possession of the property for more than 6 months.

19 (f) Nothing contained in this Section affects any existing
20 right to relief from a void order or judgment, or to employ any
21 existing method to procure that relief.

22 (Source: P.A. 99-85, eff. 1-1-16; 99-384, eff. 1-1-16; 99-642,
23 eff. 7-28-16; 100-1048, eff. 8-23-18.)

24 Section 900-45. The Condominium Property Act is amended by
25 adding Section 33 as follows:

1 (765 ILCS 605/33 new)

2 Sec. 33. Limitations on the use of smoking cannabis. The
3 condominium instruments of an association may prohibit or limit
4 the smoking of cannabis, as the term "smoking" is defined in
5 the Cannabis Regulation and Tax Act, within a unit owner's
6 unit. The condominium instruments and rules and regulations
7 shall not otherwise restrict the consumption of cannabis by any
8 other method within a unit owner's unit, or the limited common
9 elements, but may restrict any form of consumption on the
10 common elements.

11 Section 900-50. The Right to Privacy in the Workplace Act
12 is amended by changing Section 5 as follows:

13 (820 ILCS 55/5) (from Ch. 48, par. 2855)

14 Sec. 5. Discrimination for use of lawful products
15 prohibited.

16 (a) Except as otherwise specifically provided by law,
17 including Section 10-50 of the Cannabis Regulation and Tax Act,
18 and except as provided in subsections (b) and (c) of this
19 Section, it shall be unlawful for an employer to refuse to hire
20 or to discharge any individual, or otherwise disadvantage any
21 individual, with respect to compensation, terms, conditions or
22 privileges of employment because the individual uses lawful
23 products off the premises of the employer during nonworking and

1 non-call hours. As used in this Section, "lawful products"
2 means products that are legal under state law. For purposes of
3 this Section, an employee is deemed on-call when the employee
4 is scheduled with at least 24 hours' notice by his or her
5 employer to be on standby or otherwise responsible for
6 performing tasks related to his or her employment either at the
7 employer's premises or other previously designated location by
8 his or her employer or supervisor to perform a work-related
9 task. ~~hours.~~

10 (b) This Section does not apply to any employer that is a
11 non-profit organization that, as one of its primary purposes or
12 objectives, discourages the use of one or more lawful products
13 by the general public. This Section does not apply to the use
14 of those lawful products which impairs an employee's ability to
15 perform the employee's assigned duties.

16 (c) It is not a violation of this Section for an employer
17 to offer, impose or have in effect a health, disability or life
18 insurance policy that makes distinctions between employees for
19 the type of coverage or the price of coverage based upon the
20 employees' use of lawful products provided that:

21 (1) differential premium rates charged employees
22 reflect a differential cost to the employer; and

23 (2) employers provide employees with a statement
24 delineating the differential rates used by insurance
25 carriers.

26 (Source: P.A. 87-807.)

1 ARTICLE 999.

2 MISCELLANEOUS PROVISIONS

3 Section 999-95. No acceleration or delay. Where this Act
4 makes changes in a statute that is represented in this Act by
5 text that is not yet or no longer in effect (for example, a
6 Section represented by multiple versions), the use of that text
7 does not accelerate or delay the taking effect of (i) the
8 changes made by this Act or (ii) provisions derived from any
9 other Public Act.

10 Section 999-99. Effective date. This Act takes effect upon
11 becoming law."