

# HB5274



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB5274

by Rep. Sonya M. Harper

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/15-70  
410 ILCS 705/15-85

Amends the Cannabis Regulation and Tax Act. Removes language prohibiting dispensing organizations from transporting cannabis to residences or other locations where purchasers may be for delivery. Provides that dispensing organizations may deliver cannabis or cannabis-infused products to purchasers if specified requirements are met.

LRB101 18110 CPF 67550 b

A BILL FOR

1 AN ACT concerning health.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended  
5 by changing Sections 15-70 and 15-85 as follows:

6 (410 ILCS 705/15-70)

7 Sec. 15-70. Operational requirements; prohibitions.

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

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

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

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

21 (e) A dispensing organization shall inspect and count  
22 product received from a transporting organization, adult use  
23 cultivation center, craft grower, infuser organization, or

1 other dispensing organization before dispensing it.

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

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

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

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

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

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

24 (l) A dispensing organization must keep all air treatment  
25 systems that will be installed to reduce odors in good working  
26 order.

1 (m) A dispensing organization must contract with a private  
2 security contractor that is licensed under Section 10-5 of the  
3 Private Detective, Private Alarm, Private Security,  
4 Fingerprint Vendor, and Locksmith Act of 2004 to provide  
5 on-site security at all hours of the dispensary's operation.

6 (n) A dispensing organization shall ensure that any  
7 building or equipment used by a dispensing organization for the  
8 storage or sale of cannabis is maintained in a clean and  
9 sanitary condition.

10 (o) The dispensary shall be free from infestation by  
11 insects, rodents, or pests.

12 (p) A dispensing organization shall not:

13 (1) Produce or manufacture cannabis;

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

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

21 (4) Sell cannabis or cannabis-infused products to a  
22 purchaser unless the dispensing organization is licensed  
23 under the Compassionate Use of Medical Cannabis Program  
24 Act, and the individual is registered under the  
25 Compassionate Use of Medical Cannabis Program or the  
26 purchaser has been verified to be 21 years of age or older;

1           (5) Enter into an exclusive agreement with any adult  
2           use cultivation center, craft grower, or infuser.  
3           Dispensaries shall provide consumers an assortment of  
4           products from various cannabis business establishment  
5           licensees such that the inventory available for sale at any  
6           dispensary from any single cultivation center, craft  
7           grower, processor, transporter, or infuser entity shall  
8           not be more than 40% of the total inventory available for  
9           sale. For the purpose of this subsection, a cultivation  
10          center, craft grower, processor, or infuser shall be  
11          considered part of the same entity if the licensees share  
12          at least one principal officer. The Department may request  
13          that a dispensary diversify its products as needed or  
14          otherwise discipline a dispensing organization for  
15          violating this requirement;

16          (6) Refuse to conduct business with an adult use  
17          cultivation center, craft grower, transporting  
18          organization, or infuser that has the ability to properly  
19          deliver the product and is permitted by the Department of  
20          Agriculture, on the same terms as other adult use  
21          cultivation centers, craft growers, infusers, or  
22          transporters with whom it is dealing;

23          (7) Operate drive-through windows;

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

26          (9) (Blank) ~~Transport cannabis to residences or other~~

1 ~~locations where purchasers may be for delivery;~~

2 (10) Enter into agreements to allow persons who are not  
3 dispensing organization agents to deliver cannabis or to  
4 transport cannabis to purchasers;

5 (11) Operate a dispensary if its video surveillance  
6 equipment is inoperative;

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

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

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

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

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

16 (17) Sell cannabis, cannabis concentrate, or  
17 cannabis-infused products in combination or bundled with  
18 each other or any other items for one price, and each item  
19 of cannabis, concentrate, or cannabis-infused product must  
20 be separately identified by quantity and price on the  
21 receipt;

22 (18) Violate any other requirements or prohibitions  
23 set by Department rules.

24 (q) It is unlawful for any person having an Early Approval  
25 Adult Use Cannabis Dispensing Organization License, a  
26 Conditional Adult Use Cannabis Dispensing Organization, an

1 Adult Use Dispensing Organization License, or a medical  
2 cannabis dispensing organization license issued under the  
3 Compassionate Use of Medical Cannabis Program Act or any  
4 officer, associate, member, representative, or agent of such  
5 licensee to accept, receive, or borrow money or anything else  
6 of value or accept or receive credit (other than merchandising  
7 credit in the ordinary course of business for a period not to  
8 exceed 30 days) directly or indirectly from any adult use  
9 cultivation center, craft grower, infuser, or transporting  
10 organization in exchange for preferential placement on the  
11 dispensing organization's shelves, display cases, or website.  
12 This includes anything received or borrowed or from any  
13 stockholders, officers, agents, or persons connected with an  
14 adult use cultivation center, craft grower, infuser, or  
15 transporting organization.

16 (r) It is unlawful for any person having an Early Approval  
17 Adult Use Cannabis Dispensing Organization License, a  
18 Conditional Adult Use Cannabis Dispensing Organization, an  
19 Adult Use Dispensing Organization License, or a medical  
20 cannabis dispensing organization license issued under the  
21 Compassionate Use of Medical Cannabis Program to enter into any  
22 contract with any person licensed to cultivate, process, or  
23 transport cannabis whereby such dispensing organization agrees  
24 not to sell any cannabis cultivated, processed, transported,  
25 manufactured, or distributed by any other cultivator,  
26 transporter, or infuser, and any provision in any contract

1 violative of this Section shall render the whole of such  
2 contract void and no action shall be brought thereon in any  
3 court.

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

5 (410 ILCS 705/15-85)

6 Sec. 15-85. Dispensing cannabis; delivery.

7 (a) Before a dispensing organization agent dispenses  
8 cannabis to a purchaser, the agent shall:

9 (1) Verify the age of the purchaser by checking a  
10 government-issued identification card by use of an  
11 electronic reader or electronic scanning device to scan a  
12 purchaser's government-issued identification, if  
13 applicable, to determine the purchaser's age and the  
14 validity of the identification;

15 (2) Verify the validity of the government-issued  
16 identification card by use of an electronic reader or  
17 electronic scanning device to scan a purchaser's  
18 government-issued identification, if applicable, to  
19 determine the purchaser's age and the validity of the  
20 identification;

21 (3) Offer any appropriate purchaser education or  
22 support materials;

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

25 (i) The dispensing organization agent's



1 identification number;

2 (ii) The dispensing organization's identification  
3 number;

4 (iii) The amount, type (including strain, if  
5 applicable) of cannabis or cannabis-infused product  
6 dispensed;

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

8 (b) A dispensing organization shall refuse to sell cannabis  
9 or cannabis-infused products to any person unless the person  
10 produces a valid identification showing that the person is 21  
11 years of age or older. A medical cannabis dispensing  
12 organization may sell cannabis or cannabis-infused products to  
13 a person who is under 21 years of age if the sale complies with  
14 the provisions of the Compassionate Use of Medical Cannabis  
15 Program Act and rules.

16 (c) For the purposes of this Section, valid identification  
17 must:

18 (1) Be valid and unexpired;

19 (2) Contain a photograph and the date of birth of the  
20 person.

21 (d) A dispensing organization may deliver cannabis or  
22 cannabis-infused products to a purchaser if:

23 (1) every sale of cannabis or cannabis-infused  
24 products that is delivered by the dispensing organization  
25 is made directly from the dispensing organization or a  
26 website, digital network, or software application service

1 of the dispensing organization;

2 (2) in addition to any other requirements imposed by  
3 the Department by rule, the name of the dispensing  
4 organization has been published on the Department's  
5 website; and

6 (3) the delivery is made by a dispensing organization  
7 agent who is authorized to make the delivery by the  
8 dispensing organization by which he or she is employed.

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