



Rep. Arthur Turner

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LRB101 20629 CPF 70874 a

1 AMENDMENT TO HOUSE BILL 5545

2 AMENDMENT NO. _____. Amend House Bill 5545 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Section 1-10 as follows:

6 (410 ILCS 705/1-10)

7 Sec. 1-10. Definitions. In this Act:

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

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

1 "Advertise" means to engage in promotional activities
2 including, but not limited to: newspaper, radio, Internet and
3 electronic media, and television advertising; the distribution
4 of fliers and circulars; billboard advertising; and the display
5 of window and interior signs. "Advertise" does not mean
6 exterior signage displaying only the name of the licensed
7 cannabis business establishment.

8 "BLS Region" means a region in Illinois used by the United
9 States Bureau of Labor Statistics to gather and categorize
10 certain employment and wage data. The 17 such regions in
11 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
12 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
13 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
14 Rockford, St. Louis, Springfield, Northwest Illinois
15 nonmetropolitan area, West Central Illinois nonmetropolitan
16 area, East Central Illinois nonmetropolitan area, and South
17 Illinois nonmetropolitan area.

18 "Cannabis" means marijuana, hashish, and other substances
19 that are identified as including any parts of the plant
20 Cannabis sativa and including derivatives or subspecies, such
21 as indica, of all strains of cannabis, whether growing or not;
22 the seeds thereof, the resin extracted from any part of the
23 plant; and any compound, manufacture, salt, derivative,
24 mixture, or preparation of the plant, its seeds, or resin,
25 including tetrahydrocannabinol (THC) and all other naturally
26 produced cannabinol derivatives, whether produced directly or

1 indirectly by extraction; however, "cannabis" does not include
2 the mature stalks of the plant, fiber produced from the stalks,
3 oil or cake made from the seeds of the plant, any other
4 compound, manufacture, salt, derivative, mixture, or
5 preparation of the mature stalks (except the resin extracted
6 from it), fiber, oil or cake, or the sterilized seed of the
7 plant that is incapable of germination. "Cannabis" does not
8 include industrial hemp as defined and authorized under the
9 Industrial Hemp Act. "Cannabis" also means cannabis flower,
10 concentrate, and cannabis-infused products.

11 "Cannabis business establishment" means a cultivation
12 center, craft grower, processing organization, infuser
13 organization, dispensing organization, or transporting
14 organization.

15 "Cannabis concentrate" means a product derived from
16 cannabis that is produced by extracting cannabinoids,
17 including tetrahydrocannabinol (THC), from the plant through
18 the use of propylene glycol, glycerin, butter, olive oil or
19 other typical cooking fats; water, ice, or dry ice; or butane,
20 propane, CO₂, ethanol, or isopropanol and with the intended use
21 of smoking or making a cannabis-infused product. The use of any
22 other solvent is expressly prohibited unless and until it is
23 approved by the Department of Agriculture.

24 "Cannabis container" means a sealed, traceable, container,
25 or package used for the purpose of containment of cannabis or
26 cannabis-infused product during transportation.

1 "Cannabis flower" means marijuana, hashish, and other
2 substances that are identified as including any parts of the
3 plant Cannabis sativa and including derivatives or subspecies,
4 such as indica, of all strains of cannabis; including raw kief,
5 leaves, and buds, but not resin that has been extracted from
6 any part of such plant; nor any compound, manufacture, salt,
7 derivative, mixture, or preparation of such plant, its seeds,
8 or resin.

9 "Cannabis-infused product" means a beverage, food, oil,
10 ointment, tincture, topical formulation, or another product
11 containing cannabis or cannabis concentrate that is not
12 intended to be smoked.

13 "Cannabis paraphernalia" means equipment, products, or
14 materials intended to be used for planting, propagating,
15 cultivating, growing, harvesting, manufacturing, producing,
16 processing, preparing, testing, analyzing, packaging,
17 repackaging, storing, containing, concealing, ingesting, or
18 otherwise introducing cannabis into the human body.

19 "Cannabis plant monitoring system" or "plant monitoring
20 system" means a system that includes, but is not limited to,
21 testing and data collection established and maintained by the
22 cultivation center, craft grower, or processing organization
23 and that is available to the Department of Revenue, the
24 Department of Agriculture, the Department of Financial and
25 Professional Regulation, and the Department of State Police for
26 the purposes of documenting each cannabis plant and monitoring

1 plant development throughout the life cycle of a cannabis plant
2 cultivated for the intended use by a customer from seed
3 planting to final packaging.

4 "Cannabis testing facility" means an entity registered by
5 the Department of Agriculture to test cannabis for potency and
6 contaminants.

7 "Clone" means a plant section from a female cannabis plant
8 not yet rootbound, growing in a water solution or other
9 propagation matrix, that is capable of developing into a new
10 plant.

11 "Community College Cannabis Vocational Training Pilot
12 Program faculty participant" means a person who is 21 years of
13 age or older, licensed by the Department of Agriculture, and is
14 employed or contracted by an Illinois community college to
15 provide student instruction using cannabis plants at an
16 Illinois Community College.

17 "Community College Cannabis Vocational Training Pilot
18 Program faculty participant Agent Identification Card" means a
19 document issued by the Department of Agriculture that
20 identifies a person as Community College Cannabis Vocational
21 Training Pilot Program faculty participant.

22 "Conditional Adult Use Dispensing Organization License"
23 means a license awarded to top-scoring applicants for an Adult
24 Use Dispensing Organization License that reserves the right to
25 an Adult Use Dispensing Organization License if the applicant
26 meets certain conditions described in this Act, but does not

1 entitle the recipient to begin purchasing or selling cannabis
2 or cannabis-infused products.

3 "Conditional Adult Use Cultivation Center License" means a
4 license awarded to top-scoring applicants for an Adult Use
5 Cultivation Center License that reserves the right to an Adult
6 Use Cultivation Center License if the applicant meets certain
7 conditions as determined by the Department of Agriculture by
8 rule, but does not entitle the recipient to begin growing,
9 processing, or selling cannabis or cannabis-infused products.

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

1 products in a separate secured vault to which the other
2 licensee does not have access or all licensees sharing a vault
3 share more than 50% of the same ownership.

4 "Craft grower agent" means a principal officer, board
5 member, employee, or other agent of a craft grower who is 21
6 years of age or older.

7 "Craft Grower Agent Identification Card" means a document
8 issued by the Department of Agriculture that identifies a
9 person as a craft grower agent.

10 "Cultivation center" means a facility operated by an
11 organization or business that is licensed by the Department of
12 Agriculture to cultivate, process, transport (unless otherwise
13 limited by this Act), and perform other necessary activities to
14 provide cannabis and cannabis-infused products to cannabis
15 business establishments.

16 "Cultivation center agent" means a principal officer,
17 board member, employee, or other agent of a cultivation center
18 who is 21 years of age or older.

19 "Cultivation Center Agent Identification Card" means a
20 document issued by the Department of Agriculture that
21 identifies a person as a cultivation center agent.

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

23 "Dispensary" means a facility operated by a dispensing
24 organization at which activities licensed by this Act may
25 occur.

26 "Dispensing organization" means a facility operated by an

1 organization or business that is licensed by the Department of
2 Financial and Professional Regulation to acquire cannabis from
3 a cultivation center, craft grower, processing organization,
4 or another dispensary for the purpose of selling or dispensing
5 cannabis, cannabis-infused products, cannabis seeds,
6 paraphernalia, or related supplies under this Act to purchasers
7 or to qualified registered medical cannabis patients and
8 caregivers. As used in this Act, "dispensing organization"
9 includes a registered medical cannabis organization as defined
10 in the Compassionate Use of Medical Cannabis Program Act or its
11 successor Act that has obtained an Early Approval Adult Use
12 Dispensing Organization License.

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

16 "Dispensing organization agent identification card" means
17 a document issued by the Department of Financial and
18 Professional Regulation that identifies a person as a
19 dispensing organization agent.

20 "Disproportionately Impacted Area" means a census tract or
21 comparable geographic area that satisfies the following
22 criteria as determined by the Department of Commerce and
23 Economic Opportunity, that:

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

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

1 (B) 75% or more of the children in the area
2 participate in the federal free lunch program
3 according to reported statistics from the State Board
4 of Education; or

5 (C) at least 20% of the households in the area
6 receive assistance under the Supplemental Nutrition
7 Assistance Program; or

8 (D) the area has an average unemployment rate, as
9 determined by the Illinois Department of Employment
10 Security, that is more than 120% of the national
11 unemployment average, as determined by the United
12 States Department of Labor, for a period of at least 2
13 consecutive calendar years preceding the date of the
14 application; and

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

18 "Early Approval Adult Use Cultivation Center License"
19 means a license that permits a medical cannabis cultivation
20 center licensed under the Compassionate Use of Medical Cannabis
21 Program Act as of the effective date of this Act to begin
22 cultivating, infusing, packaging, transporting (unless
23 otherwise provided in this Act), processing and selling
24 cannabis or cannabis-infused product to cannabis business
25 establishments for resale to purchasers as permitted by this
26 Act as of January 1, 2020.

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

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

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

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

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

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

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

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

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

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

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

1 remainder of the marijuana plant growth cycle.

2 "Individual" means a natural person.

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

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

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

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

4 "Limited access area" means a room or other area under the
5 control of a cannabis dispensing organization licensed under
6 this Act and upon the licensed premises where cannabis sales
7 occur with access limited to purchasers, dispensing
8 organization owners and other dispensing organization agents,
9 or service professionals conducting business with the
10 dispensing organization, or, if sales to registered qualifying
11 patients, caregivers, provisional patients, and Opioid
12 Alternative Pilot Program participants licensed pursuant to
13 the Compassionate Use of Medical Cannabis Program Act are also
14 permitted at the dispensary, registered qualifying patients,
15 caregivers, provisional patients, and Opioid Alternative Pilot
16 Program participants.

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

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

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

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

11 "Person" means a natural individual, firm, partnership,
12 association, joint stock company, joint venture, 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 "Possession limit" means the amount of cannabis under
17 Section 10-10 that may be possessed at any one time by a person
18 21 years of age or older or who is a registered qualifying
19 medical cannabis patient or caregiver under the Compassionate
20 Use of Medical Cannabis Program Act.

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

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

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

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

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

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

25 "Purchaser" means a person 21 years of age or older who
26 acquires cannabis for a valuable consideration. "Purchaser"

1 does not include a cardholder under the Compassionate Use of
2 Medical Cannabis Program Act.

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

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

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

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

12 (3) school records;

13 (4) a voter registration card;

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

17 (6) a paycheck stub;

18 (7) a utility bill;

19 (8) tax records; or

20 (9) 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; or -

19 (4) an applicant who exercises meaningful control over
20 the operations of the cannabis business establishment.

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

26 In evaluating whether an applicant has at least 51%

1 ownership and control by one or more individuals, the following
2 factors shall be taken into account, with no factor being
3 determinative:

4 (1) whether the applicant is immediately vested in the
5 applicant's ownership interests;

6 (2) whether the applicant has a substantial
7 opportunity to share in the profits of the cannabis
8 business establishment and in the gains from sale of the
9 business;

10 (3) whether nonapplicant owners are entitled to
11 preferential returns of profits;

12 (4) whether, and the conditions under which,
13 nonapplicant owners or third parties can require the
14 applicant to sell the applicant's ownership interests;

15 (5) whether, and the extent to which, an applicant's
16 ownership is subject to repurchase by the cannabis business
17 establishment or a nonapplicant owner for less than fair
18 market value, except that repurchase for less than fair
19 market value in the event of material breach or misconduct
20 by an applicant shall not be deemed to abrogate bona fide
21 ownership by the applicant;

22 (6) whether, and the extent to which, sales or
23 transfers by the applicant of the applicant's ownership
24 interests are restricted; and

25 (7) whether, and the extent to which, applicant owners
26 are subject to noncompete agreements.

1 In evaluating whether an applicant exercises meaningful
2 control over the operations of a cannabis business
3 establishment, the following factors shall be taken into
4 account, with no factor being determinative:

5 (1) the prior business experience of the applicant's
6 owner;

7 (2) whether the applicant's owner participates in and
8 manages the day to day retail operations of the cannabis
9 business establishment, including, but not limited to, the
10 hiring and firing of retail employees and contracting for
11 goods and services; and

12 (3) the extent to which any management contract or
13 other third-party agreement restricts the decision-making
14 power of the applicant's owner.

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

22 "Transporting organization" or "transporter" means an
23 organization or business that is licensed by the Department of
24 Agriculture to transport cannabis or cannabis-infused product
25 on behalf of a cannabis business establishment or a community
26 college licensed under the Community College Cannabis

1 Vocational Training Pilot Program.

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

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

8 "Unit of local government" means any county, city, village,
9 or incorporated town.

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

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

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

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

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."