



Sen. Heather A. Steans

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1 AMENDMENT TO SENATE BILL 7

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 7 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 further finds and declares that  
6 employee workplace safety shall not be diminished and employer  
7 workplace policies shall be interpreted broadly to protect  
8 employee safety.

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

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

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

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

24 "BLS Region" means a region in Illinois used by the United  
25 States Bureau of Labor Statistics to gather and categorize

1 certain employment and wage data. The 12 such regions in  
2 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,  
3 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,  
4 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,  
5 Rockford, St. Louis, Springfield, Northwest Illinois  
6 nonmetropolitan area, West Central Illinois nonmetropolitan  
7 area, East Central Illinois nonmetropolitan area, and South  
8 Illinois nonmetropolitan area.

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

1 "Cannabis" also means concentrate and cannabis-infused  
2 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, CO<sub>2</sub>, 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, food  
14 compliant container, or package used for the purpose of  
15 containment of cannabis or cannabis-infused product during  
16 transportation.

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

25 "Cannabis-infused product" means a beverage, food, oil,  
26 ointment, tincture, topical formulation, or another product

1 containing cannabis that is not intended to be smoked.

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

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

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

20 "Conditional Adult Use Dispensing Organization License"  
21 means a license awarded to top-scoring applicants for an Adult  
22 Use Dispensing Organization License that reserves the right to  
23 a dispensing organization license if the applicant meets  
24 certain conditions described in this Article, but does not  
25 entitle the recipient to begin purchasing or selling cannabis  
26 or cannabis-infused products.

1 "Craft grower" means a facility operated by an organization  
2 or business that is licensed by the Department of Agriculture  
3 to cultivate, dry, cure, and package cannabis and perform other  
4 necessary activities to make cannabis available for sale at a  
5 dispensing organization or use at a processing organization. A  
6 craft grower may contain up to 5,000 square feet of canopy  
7 space on its premises for cultivating plants that are more than  
8 5 inches tall. The Department of Agriculture may authorize an  
9 increase or decrease of flowering stage cultivation space in  
10 increments of 3,000 square feet by rule based on market need,  
11 craft grower capacity, and the licensee's history of compliance  
12 or noncompliance, with a maximum space of 14,000 square feet  
13 for cultivating plants in the flowering stage, which must be  
14 cultivated in all stages of growth in an enclosed and secure  
15 area. A craft grower may share premises with a processing  
16 organization or a dispensing organization, or both, provided  
17 each licensee stores currency and cannabis or cannabis-infused  
18 products in a separate secured vault to which the other  
19 licensee does not have access or all licensees sharing a vault  
20 share more than 50% of the same ownership.

21 "Craft grower agent" means a principal officer, board  
22 member, employee, or other agent of a craft grower who is 21  
23 years of age or older and has not been convicted of an excluded  
24 offense.

25 "Craft Grower Agent Identification Card" means a document  
26 issued by the Department of Agriculture that identifies a

1 person as a craft grower agent.

2 "Cultivation center" means a facility operated by an  
3 organization or business that is licensed by the Department of  
4 Agriculture to cultivate, process, transport (unless otherwise  
5 limited by this Act), and perform other necessary activities to  
6 provide cannabis and cannabis-infused products to cannabis  
7 business establishments.

8 "Cultivation center agent" means a principal officer,  
9 board member, employee, or other agent of a cultivation center  
10 who is 21 years of age or older and has not been convicted of an  
11 excluded offense.

12 "Cultivation Center Agent Identification Card" means a  
13 document issued by the Department of Agriculture that  
14 identifies a person as a cultivation center agent.

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

16 "Dispensing organization" or "dispensary" means a facility  
17 operated by an organization or business that is licensed by the  
18 Department of Financial and Professional Regulation to acquire  
19 cannabis from a cultivation center, craft grower, processing  
20 organization, or another dispensary for the purpose of selling  
21 or dispensing cannabis, cannabis-infused products, cannabis  
22 seeds, paraphernalia, or related supplies under this Act to  
23 purchasers or to qualified registered medical cannabis  
24 patients and caregivers. As used in this Act, dispensary  
25 organization shall include a registered medical cannabis  
26 organization as defined in the Compassionate Use of Medical



1 Cannabis Pilot Program Act or its successor Act that has  
2 obtained an Early Approval Adult Use Dispensing Organization  
3 License.

4 "Dispensing organization agent" means a principal officer,  
5 board member, employee, or agent of a dispensing organization  
6 who is 21 years of age or older and has not been convicted of an  
7 excluded offense.

8 "Dispensing organization agent identification card" means  
9 a document issued by the Department of Financial and  
10 Professional Regulation that identifies a person as a  
11 dispensing organization agent.

12 "Disproportionately Impacted Area" means a census tract or  
13 comparable geographic area that satisfies the following  
14 criteria as determined by the Department of Commerce and  
15 Economic Opportunity, that:

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

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

19 (B) 75% or more of the children in the area  
20 participate in the federal free lunch program  
21 according to reported statistics from the State Board  
22 of Education; or

23 (C) at least 20% of the households in the area  
24 receive assistance under the Supplemental Nutrition  
25 Assistance Program; or

26 (D) the area has an average unemployment rate, as

1           determined by the Illinois Department of Employment  
2           Security, that is more than 120% of the national  
3           unemployment average, as determined by the United  
4           States Department of Labor, for a period of at least 2  
5           consecutive calendar years preceding the date of the  
6           application; and

7           (2) has high rates of arrest, conviction, and  
8           incarceration related to sale, possession, use,  
9           cultivation, manufacture, or transport of cannabis.

10          "Early Approval Adult Use Cultivation Center License"  
11         means a license that permits a medical cannabis cultivation  
12         center licensed under the Compassionate Use of Medical Cannabis  
13         Pilot Program Act on the effective date of this Act to begin  
14         cultivating, packaging, transporting (unless otherwise  
15         provided in this Act), and selling cannabis to cannabis  
16         business establishments for resale to purchasers as permitted  
17         by this Act as of January 1, 2020.

18          "Early Approval Adult Use Dispensing Organization License"  
19         means a license that permits a medical cannabis dispensing  
20         organization licensed under the Compassionate Use of Medical  
21         Cannabis Pilot Program Act on the effective date of this Act to  
22         begin selling cannabis to purchasers as permitted by this Act  
23         as of January 1, 2020.

24          "Enclosed, locked facility" means a room, greenhouse,  
25         building, or other enclosed area equipped with locks or other  
26         security devices that permit access only by cannabis business

1 establishment agents working for the registered cannabis  
2 business establishment or acting pursuant to this Act to  
3 cultivate, process, store, or distribute cannabis.

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

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

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

24 "Excluded offense" means a conviction or admission of guilt  
25 for:

26 (1) a violent crime as defined in Section 3 of the

1 Rights of Crime Victims and Witnesses Act; or

2 (2) a felony violation of State or federal controlled  
3 substance law, the Cannabis Control Act, or the  
4 Methamphetamine Control and Community Protection Act, if  
5 the conviction either occurred less than 10 years before  
6 the person applied for a license or the sentence has not  
7 yet been discharged.

8 "Excluded offense" does not include minor violations  
9 eligible for expungement under this Act.

10 "Financial institution" has the same meaning as "financial  
11 organization" as defined in Section 1501 of the Illinois Income  
12 Tax Act, and also includes the holding companies, subsidiaries,  
13 and affiliates of such financial organizations.

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

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

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

24 "Individual" means a natural person.

25 "Kief" means the resinous crystal-like trichomes that are  
26 found on cannabis and that are accumulated, resulting in a

1 higher concentration of cannabinoids, untreated by heat or  
2 pressure, or extracted using a solvent.

3 "Labor peace agreement" means an agreement between a  
4 cannabis business establishment and any labor organization  
5 recognized under the National Labor Relations Act, referred to  
6 in this Act as a bona fide labor organization, that prohibits  
7 labor organizations and members from engaging in picketing,  
8 work stoppages, boycotts, and any other economic interference  
9 with the cannabis business establishment. This agreement means  
10 that the cannabis business establishment has agreed not to  
11 disrupt efforts by the bona fide labor organization to  
12 communicate with, and attempt to organize and represent, the  
13 cannabis business establishment's employees. The agreement  
14 shall provide a bona fide labor organization access at  
15 reasonable times to areas in which the cannabis business  
16 establishment's employees work, for the purpose of meeting with  
17 employees to discuss their right to representation, employment  
18 rights under State law, and terms and conditions of employment.  
19 This type of agreement shall not mandate a particular method of  
20 election or certification of the bona fide labor organization.

21 "Limited access area" means a building, room, or other area  
22 under the control of a cannabis dispensing organization  
23 licensed under this Act and upon the registered premises with  
24 access limited to purchasers, dispensary owners and other  
25 dispensary agents, or service professionals conducting  
26 business with the dispensing organization.

1           "Member of an impacted family" means an individual who has  
2 a parent, legal guardian, child, spouse, or dependent, or was a  
3 dependent of an individual who, prior to the effective date of  
4 this Act, was arrested for, convicted of, or adjudicated  
5 delinquent for any offense that is eligible for expungement  
6 under this Act.

7           "Mother plant" means a cannabis plant that is cultivated or  
8 maintained for the purpose of generating clones, and that will  
9 not be used to produce plant material for sale to a processor  
10 or dispensary.

11           "Ordinary public view" means within the sight line with  
12 normal visual range of a person, unassisted by visual aids,  
13 from a public street or sidewalk adjacent to real property, or  
14 from within an adjacent property.

15           "Ownership and control" means ownership of at least 51% of  
16 the business, including corporate stock if a corporation, and  
17 control over the management and day-to-day operations of the  
18 business and an interest in the capital, assets, and profits  
19 and losses of the business proportionate to percentage of  
20 ownership.

21           "Person" means a natural individual, firm, partnership,  
22 association, joint stock company, joint venture, public or  
23 private corporation, limited liability company, or a receiver,  
24 executor, trustee, guardian, or other representative appointed  
25 by order of any court.

26           "Possession limit" means the amount of cannabis under

1 Section 10-10 that may be possessed at any one time by a person  
2 21 years of age or older or who is a registered qualifying  
3 medical cannabis patient or caregiver under the Compassionate  
4 Use of Medical Cannabis Pilot Program Act.

5 "Principal officer" includes a cannabis business  
6 establishment applicant or registered cannabis business  
7 establishment's board member, owner with more than 1% interest  
8 of the total cannabis business establishment or more than 5%  
9 interest of the total cannabis business establishment of a  
10 publicly traded company, president, vice president, secretary,  
11 treasurer, partner, officer, member, manager member, or person  
12 with a profit sharing, financial interest, or revenue sharing  
13 arrangement. The definition includes a person with authority to  
14 control the cannabis business establishment, a person who  
15 assumes responsibility for the debts of the cannabis business  
16 establishment and who is further defined in this Article.

17 "Primary residence" means a dwelling where a person usually  
18 stays or stays more often than other locations. It may be  
19 determined by, without limitation, presence, tax filings,  
20 address on driver's license or State ID, or voter registration.  
21 No person may have more than one primary residence.

22 "Process" or "processing" means the act of converting  
23 harvested cannabis plant material into a cannabis concentrate  
24 by physical or chemical means for use as a cannabis concentrate  
25 or as an ingredient in a cannabis-infused product. "Processing"  
26 also includes the act of infusing cannabis oil or concentrate

1 into food, oils, ointments, tinctures, or other products  
2 approved for sale under this Act.

3 "Processing organization" or "processor" means a facility  
4 operated by an organization or business that is licensed by the  
5 Department of Agriculture to process cannabis and perform other  
6 necessary activities to make cannabis available for sale at a  
7 dispensing organization or use at another processing  
8 organization.

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

11 "Processing organization agent identification card" means  
12 a document issued by the Department of Agriculture that  
13 identifies a person as a processing organization agent.

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

18 "Qualified Social Equity Applicant" means a Social Equity  
19 Applicant who has been awarded a conditional license under this  
20 Act to operate a cannabis business establishment.

21 "Resided" means an individual's primary residence was  
22 located within the relevant geographic area as established by 2  
23 of the following:

24 (1) a signed lease agreement that includes the  
25 applicant's name;

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



1 (3) school records;

2 (4) a voter registration card;

3 (5) an Illinois driver's license, an Illinois  
4 Identification Card, or an Illinois Person with a  
5 Disability Identification Card;

6 (6) a paycheck stub;

7 (7) a utility bill; or

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

10 "Smoking" means the inhalation of smoke caused by the  
11 combustion of cannabis.

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

14 (1) an applicant with at least 51% ownership and  
15 control by one or more individuals who have resided for at  
16 least 5 of the preceding 10 years in a Disproportionately  
17 Impacted Area;

18 (2) an applicant with at least 51% of ownership and  
19 control by one or more individuals who have been arrested  
20 for, convicted of, or adjudicated delinquent for any  
21 offense that is eligible for expungement under this Act or  
22 member of an impacted family;

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

26 (i) currently reside in a Disproportionately

1           Impacted Area; or

2                   (ii) have been arrested for, convicted of, or  
3           adjudicated delinquent for any offense that is  
4           eligible for expungement under this Act or member of an  
5           impacted family.

6           "Tincture" means a solution made by dissolving  
7           cannabis in alcohol.

8           "Transporting organization" or "transporter" means an  
9           organization or business that is licensed by the Department of  
10          Agriculture to transport cannabis on behalf of a cannabis  
11          business establishment.

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

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

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

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

25                  (1) if the cannabis plant is in an area that has not  
26          been intentionally deprived of light for a period of time

1 intended to produce flower buds and induce maturation, it  
2 has no more than 2 stigmas visible at each internode of the  
3 cannabis plant; or

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

7 ARTICLE 5.

8 AUTHORITY

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

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

1 other penalties upon cultivation centers, craft growers,  
2 processing organizations, and transporting organizations 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 establishment applying for a license or  
19 identification card under this Act.

20 Each cannabis establishment prospective principal officer,  
21 board member, or agent shall submit his or her fingerprints to  
22 the Department of State Police in the form and manner  
23 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, processing organization,  
15 or 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 Section 5-25. Department of Public Health to make health  
23 warning recommendations.

24 (a) The Department of Public Health shall make  
25 recommendations to the Department of Agriculture and the

1 Department of Financial and Professional Regulation on  
2 appropriate health warnings for dispensaries and advertising,  
3 which may apply to all cannabis products, including item-type  
4 specific labeling or warning requirements, regulate the  
5 facility where cannabis-infused products are made, regulate  
6 cannabis-infused products as provided in subsection (h) of  
7 Section 55-5, and facilitate the Adult Use Cannabis Health  
8 Advisory Committee.

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

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

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

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

1 (4) A pharmacologist.

2 (5) A pulmonologist.

3 (6) An emergency room physician.

4 (7) An emergency medical technician, paramedic, or  
5 other first responder.

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

7 (9) A psychologist.

8 (10) A neonatologist.

9 (11) An obstetrician-gynecologist.

10 (12) A drug epidemiologist.

11 (13) A medical toxicologist.

12 (14) An addiction psychiatrist.

13 (15) A pediatrician.

14 (16) A representative of a statewide professional  
15 public health organization.

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

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

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

22 (20) A representative of an organization focusing on  
23 cannabis-related policy.

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

26 (22) A representative of the criminal defense or civil

1 aid community of attorneys serving Disproportionately  
2 Impacted Areas.

3 (23) A representative of licensed cannabis business  
4 establishments.

5 (24) A Social Equity Applicant.

6 (25) A naturopath.

7 (c) The Committee shall provide a report by September 30,  
8 2021, and every year thereafter, to the General Assembly. The  
9 Department of Public Health shall make the report available on  
10 its website.

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

21 Section 5-45. Illinois Cannabis Regulation Oversight  
22 Officer.

23 (a) The position of Illinois Cannabis Regulation Oversight  
24 Officer is created within the Department of Financial and



1 Professional Regulation under the Director of the Division of  
2 Professional Regulation. The position of Illinois Cannabis  
3 Regulation Oversight Officer shall be appointed by the  
4 Governor.

5 (b) The Illinois Cannabis Regulation Oversight Officer  
6 may:

7 (1) maintain a staff of up to 5 persons;

8 (2) make recommendations for policy, statute, and rule  
9 changes;

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

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

14 (5) ensure the coordination of efforts between various  
15 State agencies involved in regulating and taxing the sale  
16 of cannabis in Illinois; and

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

20 (c) The Illinois Cannabis Regulation Oversight Officer  
21 shall not:

22 (1) participate in the issuance of any business  
23 licensing or the making of awards; or

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

26 (d) Any funding required for the Illinois Cannabis

1 Regulation Oversight Officer, its staff, or its activities  
2 shall be drawn from the Cannabis Regulation Fund.

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

16 ARTICLE 7.

17 SOCIAL EQUITY IN THE CANNABIS INDUSTRY

18 Section 7-1. Findings.

19 (a) In the interest of establishing a legal cannabis  
20 industry that is equitable and accessible to those most  
21 adversely impacted by the enforcement of drug-related laws in  
22 this State, including cannabis-related laws, the General  
23 Assembly finds and declares that a social equity program should  
24 be established.

1           (b) The General Assembly also finds and declares that  
2 individuals who have been arrested or incarcerated due to drug  
3 laws suffer long-lasting negative consequences, including  
4 impacts to employment, business ownership, housing, health,  
5 and long-term financial well-being.

6           (c) The General Assembly also finds and declares that  
7 family members, especially children, and communities of those  
8 who have been arrested or incarcerated due to drug laws, suffer  
9 from emotional, psychological, and financial harms as a result  
10 of such arrests or incarcerations.

11           (d) Furthermore, the General Assembly finds and declares  
12 that certain communities have disproportionately suffered the  
13 harms of enforcement of cannabis-related laws. Those  
14 communities face greater difficulties accessing traditional  
15 banking systems and capital for establishing businesses.

16           (e) The General Assembly also finds that individuals who  
17 have resided in areas of high poverty suffer negative  
18 consequences, including barriers to entry in employment,  
19 business ownership, housing, health, and long-term financial  
20 well-being.

21           (f) The General Assembly also finds and declares that  
22 promotion of business ownership by individuals who have resided  
23 in areas of high poverty and high enforcement of  
24 cannabis-related laws furthers an equitable cannabis industry.

25           (g) Therefore, in the interest of remedying the harms  
26 resulting from the disproportionate enforcement of

1 cannabis-related laws, the General Assembly finds and declares  
2 that a social equity program should offer, among other things,  
3 financial assistance and license application benefits to  
4 individuals most directly and adversely impacted by the  
5 enforcement of cannabis-related laws who are interested in  
6 starting cannabis business establishments.

7 Section 7-10. Cannabis Business Development Fund.

8 (a) There is created in the State treasury a special fund,  
9 which shall be held separate and apart from all other State  
10 moneys, to be known as the Cannabis Business Development Fund.  
11 The Cannabis Business Development Fund shall be exclusively  
12 used for the following purposes:

13 (1) to provide low-interest rate loans to Social Equity  
14 Applicants to pay for ordinary and necessary expenses to  
15 start and operate a cannabis business establishment  
16 permitted by this Act;

17 (2) to provide grants to Qualified Social Equity  
18 Applicants to pay for ordinary and necessary expenses to  
19 start and operate a cannabis business establishment  
20 permitted by this Act;

21 (3) to compensate the Department of Commerce and  
22 Economic Opportunity for any costs related to the provision  
23 of low-interest loans and grants to Qualified Social Equity  
24 Applicants;

25 (4) to pay for outreach that may be provided or

1 targeted to attract and support Social Equity Applicants;

2 (5) to compensate the Department of Financial and  
3 Professional Regulation and the Department of Agriculture  
4 for any licensing fees waived for Social Equity Applicants  
5 under this Act;

6 (6) to conduct any study or research concerning the  
7 participation of minorities, women, veterans, or people  
8 with disabilities in the cannabis industry, including,  
9 without limitation, barriers to such individuals entering  
10 the industry as equity owners of cannabis business  
11 establishments;

12 (7) to assist individuals with past cannabis  
13 convictions that are eligible for expungement under this  
14 Act seek expungement, including waiving filing fees and  
15 associated court costs; and

16 (8) to assist with job training and technical  
17 assistance for residents in Disproportionately Impacted  
18 Areas.

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

25 (c) As soon as practical after July 1, 2019, the  
26 Comptroller shall order and the Treasurer shall transfer

1 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund  
2 to the Cannabis Business Development Fund.

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

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

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

15 (b) The Department of Commerce and Economic Opportunity has  
16 the power to:

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

22 (2) enter into agreements that set forth terms and  
23 conditions of the financial assistance, accept funds, or  
24 grants, and engage in cooperation with private entities and  
25 agencies of State or local government to carry out the

1 purposes of this Section;

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

7 (4) coordinate assistance under this program with  
8 activities of the Illinois Department of Financial and  
9 Professional Regulation, the Illinois Department of  
10 Agriculture, and other agencies as needed to maximize the  
11 effectiveness and efficiency of this Act;

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

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

21 (7) establish application, notification, contract, and  
22 other forms, procedures, or rules deemed necessary and  
23 appropriate; and

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

26 (c) Loans made under this Section:

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

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

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

19           (e) Beginning January 1, 2021 and each year thereafter, the  
20 Department shall annually report to the Governor and the  
21 General Assembly on the outcomes and effectiveness of this  
22 action that shall include the following:

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

25           (2) the amount in financial assistance awarded in the  
26 aggregate, in addition to the amount in loans made that are



1 outstanding and the amount of grants awarded;

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

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

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

11 Section 7-20. Fee waivers.

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

19 (1) the applicant, including all individuals and  
20 entities with 10% or greater ownership and all parent  
21 companies, subsidiaries, and affiliates, has less than a  
22 total of \$750,000 of income in the previous calendar year;  
23 and

24 (2) the applicant, including all individuals and  
25 entities with 10% or greater ownership and all parent

1 companies, subsidiaries, and affiliates, has no more than 2  
2 other licenses for cannabis business establishments in the  
3 State of Illinois.

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

9 (c) The Department of Financial and Professional  
10 Regulation and the Department of Agriculture shall be  
11 compensated at an equal amount to any fees waived under  
12 subsection (a) of this Section from moneys in the Cannabis  
13 Business Development Fund.

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

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

1 Applicant.

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

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

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

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

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

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

1 provided by the Illinois Cannabis Regulation Oversight  
2 Officer, information that will allow it to assess the extent of  
3 diversity in the medical and adult use cannabis industry and  
4 methods for reducing or eliminating any identified barriers to  
5 entry, including access to capital. The information shall  
6 include:

7 (1) the number and percentage of licenses provided to  
8 businesses owned by minorities, women, veterans, and  
9 people with disabilities;

10 (2) the total number and percentage of employees in the  
11 cannabis industry who are minorities, women, veterans, or  
12 people with disabilities; and

13 (3) recommendations on reducing or eliminating any  
14 identified barriers to entry, including access to capital,  
15 in the cannabis industry.

16 ARTICLE 10.

17 PERSONAL USE OF CANNABIS

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

20 (a) Beginning January 1, 2020, notwithstanding any other  
21 provision of law, and except as otherwise provided in this Act,  
22 the following acts are not a violation of this Act and shall  
23 not be a criminal or civil offense under State law or the  
24 ordinances of any unit of local government of this State or be

1 a basis for seizure or forfeiture of assets under State law for  
2 persons other than natural individuals under 21 years of age  
3 to:

4 (1) possess, consume, use, purchase, obtain, or  
5 transport an amount of cannabis for personal use that does  
6 not exceed the possession limit under Section 10-10 or  
7 otherwise in accordance with the requirements of this Act;

8 (2) cultivate cannabis for personal use in accordance  
9 with the requirements of this Act; and

10 (3) control property if actions that are authorized by  
11 this Section occur on the property.

12 (b) Cultivating cannabis for personal use is subject to the  
13 following limitations:

14 (1) An Illinois resident 21 years of age or older may  
15 cultivate cannabis plants, with a limit of 5 plants that are  
16 more than 5 inches tall, per household without a  
17 cultivation center or craft grower license. In this  
18 Section, "resident" means a person who has been domiciled  
19 in the State of Illinois for a period of 30 days before  
20 cultivation.

21 (2) Cannabis cultivation must take place in an  
22 enclosed, locked space.

23 (3) Adult purchasers may purchase cannabis seeds from a  
24 dispensary for the purpose of home cultivation. Seeds may  
25 not be given or sold to any other person.

26 (4) Cannabis plants shall not be stored or placed in a

1 location where they are subject to ordinary public view, as  
2 defined in this Act. A person who cultivates cannabis under  
3 this Section shall take reasonable precautions to ensure  
4 the plants are secure from unauthorized access and access  
5 by a person under 21 years of age.

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

11 (6) A person who is cultivating cannabis may not  
12 possess more than 5 plants that are more than 5 inches tall  
13 at any one time.

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

18 (8) Cannabis plants may only be tended by residents who  
19 reside at the residence, or their authorized agent  
20 attending to the residence for brief periods, such as when  
21 the resident is temporarily away from the residence.

22 (9) A person who cultivates more than the allowable  
23 number of cannabis plants, or who sells or gives away  
24 cannabis plants, cannabis, or cannabis-infused products  
25 produced under this Section, is liable for penalties as  
26 provided by law, including the Cannabis Control Act, in

1 addition to loss of home cultivation privileges as  
2 established by rule.

3 Section 10-10. Possession limit.

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

7 (1) 30 grams of cannabis flower;

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

10 (3) 5 grams of cannabis concentrate; and

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

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

18 (1) 15 grams of cannabis flower;

19 (2) 2.5 grams of cannabis concentrate; and

20 (3) 250 milligrams of THC contained in a  
21 cannabis-infused product.

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

24 (d) For a patient or caregiver registered under the  
25 Compassionate Use of Medical Cannabis Pilot Program Act, the

1 possession limit shall not exceed the amount the registered  
2 patient or caregiver is authorized to purchase during any  
3 2-week period.

4 (e) No person shall knowingly obtain, seek to obtain, or  
5 possess an amount of cannabis from a dispensing organization or  
6 craft grower that would cause him or her to exceed the  
7 possession limit under this Section, including cannabis that is  
8 cultivated by a person under this Act or obtained under the  
9 Compassionate Use of Medical Cannabis Pilot Program Act.

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

11 (a) Nothing in this Act is intended to permit the transfer  
12 of cannabis, with or without remuneration, to a person under 21  
13 years of age, or to allow a person under 21 years of age to  
14 purchase, possess, use, process, transport, grow, or consume  
15 cannabis except where authorized by the Compassionate Use of  
16 Medical Cannabis Pilot Program Act.

17 (b) Notwithstanding any other provisions of law  
18 authorizing the possession of medical cannabis, nothing in this  
19 Act authorizes a person who is under 21 years of age to possess  
20 cannabis. A person under 21 years of age with cannabis in his  
21 or her possession equal to or under the possession limit in  
22 subsection (a) of Section 10-10 is guilty of a Class A  
23 misdemeanor. A person who is under 21 years of age with  
24 cannabis in his or her possession over the possession limit set  
25 forth in subsection (a) of Section 10-10 is subject to the



1 provisions of the Cannabis Control Act.

2 (c) The Secretary of State may suspend or revoke the  
3 driving privileges of any person for a violation of this  
4 Section under Section 6-206 of the Illinois Vehicle Code and  
5 the rules adopted under it.

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

1 lessee.

2 Section 10-20. Identification; false identification;  
3 penalty.

4 (a) To protect personal privacy, the Department of  
5 Financial and Professional Regulation shall not require a  
6 purchaser to provide a dispensing organization with personal  
7 information other than government-issued identification to  
8 determine the purchaser's age, and a dispensing organization  
9 shall not obtain and record personal information about a  
10 purchaser without the purchaser's consent. A dispensing  
11 organization shall use an electronic reader or electronic  
12 scanning device to scan a purchaser's government-issued  
13 identification, if applicable, to determine the purchaser's  
14 age and the validity of the identification.

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

20 (1) purchasing, attempting to purchase, or otherwise  
21 obtaining or attempting to obtain cannabis or any cannabis  
22 product; or

23 (2) gaining access to a cannabis establishment.

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

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

5 (e) No agent or employee of the licensee shall be  
6 disciplined or discharged for selling or furnishing cannabis or  
7 cannabis products to a person under 21 years of age if the  
8 agent or employee demanded and was shown, before furnishing  
9 cannabis or cannabis products to a person under 21 years of  
10 age, adequate written evidence of age and identity of the  
11 person. This subsection (e) does not apply if the agent or  
12 employee accepted the written evidence knowing it to be false  
13 or fraudulent. Adequate written evidence of age and identity of  
14 the person is a document issued by a federal, State, county, or  
15 municipal government, or subdivision or agency thereof,  
16 including, but not limited to, a motor vehicle operator's  
17 license, a registration certificate issued under the Military  
18 Selective Service Act, or an identification card issued to a  
19 member of the Armed Forces. Proof that the licensee or his or  
20 her employee or agent was shown and reasonably relied upon such  
21 written evidence in any transaction forbidden by this Section  
22 is an affirmative defense in any criminal prosecution therefor  
23 or to any proceedings for the suspension or revocation of any  
24 license based thereon.

25 Section 10-25. Immunities and presumptions related to the

1 use of cannabis by purchasers.

2 (a) A purchaser who is 21 years of age or older is not  
3 subject to arrest, prosecution, denial of any right or  
4 privilege, or other punishment including, but not limited to,  
5 any civil penalty or disciplinary action taken by an  
6 occupational or professional licensing board, based solely on  
7 the use of cannabis if (1) the purchaser possesses an amount of  
8 cannabis that does not exceed the possession limit under  
9 Section 10-10 and, if the purchaser is licensed, certified, or  
10 registered to practice any trade or profession under any Act  
11 and (2) the use of cannabis does not impair that person when he  
12 or she is engaged in the practice of the profession for which  
13 he or she is licensed, certified, or registered.

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

22 (c) Mere possession of, or application for, an agent  
23 identification card or license does not constitute probable  
24 cause or reasonable suspicion to believe that a crime has been  
25 committed, nor shall it be used as the sole basis to support  
26 the search of the person, property, or home of the person

1 possessing or applying for the agent identification card. The  
2 possession of, or application for, an agent identification card  
3 does not preclude the existence of probable cause if probable  
4 cause exists based on other grounds.

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

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

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

25 Section 10-30. Discrimination prohibited.

1           (a) Neither the presence of cannabinoid components or  
2 metabolites in a person's bodily fluids nor possession of  
3 cannabis-related paraphernalia, nor conduct related to the use  
4 of cannabis or the participation in cannabis-related  
5 activities lawful under this Act by a custodial or noncustodial  
6 parent, grandparent, legal guardian, foster parent, or other  
7 person charged with the well-being of a child, shall form the  
8 sole or primary basis or supporting basis for any action or  
9 proceeding by a child welfare agency or in a family or juvenile  
10 court, any adverse finding, adverse evidence, or restriction of  
11 any right or privilege in a proceeding related to adoption of a  
12 child, acting as a foster parent of a child, or a person's  
13 fitness to adopt a child or act as a foster parent of a child,  
14 or serve as the basis of any adverse finding, adverse evidence,  
15 or restriction of any right of privilege in a proceeding  
16 related to guardianship, conservatorship, trusteeship, the  
17 execution of a will, or the management of an estate, unless the  
18 person's actions in relation to cannabis created an  
19 unreasonable danger to the safety of the minor or otherwise  
20 show the person to not be competent as established by clear and  
21 convincing evidence. This subsection applies only to conduct  
22 protected under this Act.

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

26           (c) Nothing in this Act may be construed to require any

1 person or establishment in lawful possession of property to  
2 allow a guest, client, lessee, customer, or visitor to use  
3 cannabis on or in that property.

4 Section 10-35. Limitations and penalties.

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

8 (1) undertaking any task under the influence of  
9 cannabis when doing so would constitute negligence,  
10 professional malpractice, or professional misconduct;

11 (2) possessing cannabis:

12 (A) in a school bus, unless permitted for a  
13 qualifying patient or caregiver pursuant to the  
14 Compassionate Use of Medical Cannabis Pilot Program  
15 Act;

16 (B) on the grounds of any preschool or primary or  
17 secondary school, unless permitted for a qualifying  
18 patient or caregiver pursuant to the Compassionate Use  
19 of Medical Cannabis Pilot Program Act;

20 (C) in any correctional facility;

21 (D) in a vehicle not open to the public unless the  
22 cannabis is in a reasonably secured, sealed, container  
23 and reasonably inaccessible while the vehicle is  
24 moving; or

25 (E) in a private residence that is used at any time

1 to provide licensed child care or other similar social  
2 service care on the premises;

3 (3) using cannabis:

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

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

12 (C) in any correctional facility;

13 (D) in any motor vehicle;

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

17 (F) in any public place; or

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

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

24 (5) operating, navigating, or being in actual physical  
25 control of any motor vehicle, aircraft, or motorboat while  
26 using or under the influence of cannabis in violation of



1 Section 11-501 or 11-502.1 of the Illinois Vehicle Code;

2 (6) facilitating the use of cannabis by any person who  
3 is not allowed to use cannabis under this Act or the  
4 Compassionate Use of Medical Cannabis Pilot Program Act to  
5 use cannabis;

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

9 (8) the use of cannabis by a law enforcement officer,  
10 corrections officer, probation officer, or firefighter  
11 while on duty; or

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

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

22 (b) Nothing in this Act shall be construed to prevent the  
23 arrest or prosecution of a person for reckless driving or  
24 driving under the influence of cannabis if probable cause  
25 exists.

26 (c) Nothing in this Act shall prevent a private business

1 from restricting or prohibiting the use of cannabis on its  
2 property, including areas where motor vehicles are parked.

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

8 Section 10-40. Restoring Our Communities Program.

9 (a) The General Assembly finds that in order to address the  
10 disparities described below, aggressive approaches and  
11 targeted resources to support local design and control of  
12 community-based responses to these outcomes are required,  
13 which requires identification and support of community assets  
14 that address components of the social determinants of health.  
15 To carry out this intent, the Restoring Our Communities (ROC)  
16 Program is created for the following purposes:

17 (1) to directly address the impact of economic  
18 disinvestment, violence, and the historical overuse of  
19 criminal justice responses to community and individual  
20 needs by providing resources to support local design and  
21 control of community-based responses to these impacts;

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

24 (3) to protect communities from gun violence through  
25 targeted investments and intervention programs, including

1 economic growth and improving family violence prevention,  
2 community trauma treatment rates, gun injury victim  
3 services, and public health prevention activities;

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

7 (b) In this Section, "Authority" means the Illinois  
8 Criminal Justice Information Authority.

9 (c) Eligibility of ROC Areas. Within 60 days after the  
10 effective date of this Act, the Authority shall identify as  
11 eligible, areas in this State by way of historically recognized  
12 geographic boundaries, to be designated by the Restoring Our  
13 Communities Program Board as ROC Areas and therefore eligible  
14 to apply for ROC funding. Local groups within ROC Areas will be  
15 eligible to apply for State funding through the Restoring Our  
16 Communities Program Board. Qualifications for designation as a  
17 ROC Area are as follows:

18 (1) Based on an analysis of data, communities in this  
19 State that are high need, underserved, disproportionately  
20 impacted by historical economic disinvestment, and ravaged  
21 by violence as indicated by the highest rates of gun  
22 injury, unemployment, child poverty rates, and commitments  
23 to and returns from the Illinois Department of Corrections.

24 (2) The Authority shall send to the Legislative Audit  
25 Commission and make publicly available its analysis and  
26 identification of eligible ROC Areas and shall recalculate

1 the eligibility data every 4 years. On an annual basis, the  
2 Authority shall analyze data and indicate if data covering  
3 any ROC Area or portion of an Area has, for 4 consecutive  
4 years, substantially deviated from the average of  
5 statewide data on which the original calculation was made  
6 to determine the Areas, including disinvestment, violence,  
7 gun injury, unemployment, child poverty rates, or  
8 commitments to or returns from the Illinois Department of  
9 Corrections.

10 (d) The Restoring Our Communities Program Board shall  
11 encourage collaborative partnerships within each ROC Area to  
12 minimize multiple partnerships per Area.

13 (e) The Restoring Our Communities Program Board is created  
14 and shall reflect the diversity of the State of Illinois,  
15 including geographic, racial, and ethnic diversity. Using the  
16 data provided by the Authority, the Restoring Our Communities  
17 Program Board shall be responsible for designating the ROC Area  
18 boundaries and for the selection and oversight of ROC Area  
19 grantees. The Restoring Our Communities Program Board  
20 co-chairs and ex officio members shall, within 4 months after  
21 the effective date of this Act, convene the Board to appoint a  
22 full Restoring Our Communities Program Board and oversee,  
23 provide guidance to, and develop an administrative structure  
24 for the ROC Program.

25 (1) The ex officio members are:

26 (A) The Governor, or his or her designee, who shall

1 serve as co-chair.

2 (B) The Attorney General, or his or her designee,  
3 who shall serve as co-chair.

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

6 (D) The Director of Public Health, or his or her  
7 designee.

8 (E) The Director of Corrections, or his or her  
9 designee.

10 (F) The Executive Director of the Illinois  
11 Criminal Justice Information Authority, or his or her  
12 designee.

13 (G) The Director of Employment Security, or his or  
14 her designee.

15 (H) The Secretary of Human Services, or his or her  
16 designee.

17 (I) A member of the Senate, designated by the  
18 President of the Senate.

19 (J) A member of the House of Representatives,  
20 designated by the Speaker of the House of  
21 Representatives.

22 (K) A member of the Senate, designated by the  
23 Minority Leader of the Senate.

24 (L) A member of the House of Representatives,  
25 designated by the Minority Leader of the House of  
26 Representatives.

1           (2) Within 60 days after the ROC Areas have been  
2 designated by the Restoring Our Communities Program Board,  
3 the following members shall be appointed to the Board by  
4 the ex officio members:

5           (A) The highest elected public officials of  
6 municipal geographic jurisdictions in the State that  
7 include a ROC Area, or their designees;

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

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

23           (D) One male who has previously been incarcerated  
24 over the age of 24 at time of appointment;

25           (E) One female who has previously been  
26 incarcerated over the age of 24 at time of appointment;

1           (F) Two individuals who have previously been  
2           incarcerated between the ages of 17 and 24 at time of  
3           appointment.

4           As used in this paragraph (2), "an individual who has been  
5           previously incarcerated" means a person who has been convicted  
6           of or pled guilty to one or more felonies, who was sentenced to  
7           a term of imprisonment, and who has completed his or her  
8           sentence.

9           Board members shall serve without compensation and may be  
10          reimbursed for reasonable expenses incurred in the performance  
11          of their duties from funds appropriated for that purpose. Once  
12          all its members have been appointed as outlined in items (A)  
13          through (F) of this paragraph (2), the Board may exercise any  
14          power, perform any function, take any action, or do anything in  
15          furtherance of its purposes and goals upon the appointment of a  
16          quorum of its members. The Board terms of the non-ex officio  
17          and General Assembly Board members shall end 4 years from the  
18          date of appointment.

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

21                (1) develop a process to solicit applications from  
22                eligible ROC Areas;

23                (2) develop a standard template for both planning and  
24                implementation activities to be submitted by ROC Areas to  
25                the State;

26                (3) identify resources sufficient to support the full

1 administration and evaluation of the ROC Program,  
2 including building and sustaining core program capacity at  
3 the community and State levels;

4 (4) review ROC Area grant applications and proposed  
5 agreements and approve the distribution of resources;

6 (5) identify and fund an organization or organizations  
7 to provide training and technical assistance to ROC Area  
8 applicants or grantees who may need capacity building  
9 support, including data collection support. The identified  
10 organization or organizations may serve as a fiscal agent  
11 for the purpose of ensuring that potential applicants in  
12 eligible ROC Areas are not deemed ineligible;

13 (6) develop a performance measurement system that  
14 focuses on positive outcomes and includes, but is not  
15 limited to: key performance indicators related to: the  
16 social determinants of health; the root causes of violence;  
17 outreach, intervention, and support for individuals at  
18 highest risk of violence; and decreasing the use of and  
19 impacts of a historical overuse of criminal justice  
20 responses, incarceration, and correctional control;

21 (7) develop a process to support ongoing monitoring and  
22 evaluation of ROC programs; and

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



1 (g) ROC Area grants.

2 (1) Grant funds shall be awarded by the Restoring Our  
3 Communities Program Board based on the likelihood that the  
4 plan will achieve the outcomes outlined in subsection (b)  
5 and consistent with the requirements of the Grant  
6 Accountability and Transparency Act. The ROC Program shall  
7 also facilitate the provision of training and technical  
8 assistance for capacity building within and among ROC  
9 Areas.

10 (2) ROC Program Board grants shall, within the first 3  
11 to 6 months of operation:

12 (A) use data analysis and community input to  
13 assess: the needs and assets of the community and  
14 identify the issue or problems to be addressed related  
15 to the social determinants of health; the root causes  
16 of violence; and outreach, intervention, and support  
17 for individuals at highest risk of violence;

18 (B) identify and use models, programs, and  
19 interventions that have a basis in evidence or best  
20 practice research for addressing needs and supporting  
21 assets related to: the social determinants of health;  
22 the root causes of violence; and outreach,  
23 intervention, and support for individuals at highest  
24 risk of violence;

25 (C) develop programming that will reduce the use of  
26 the criminal justice system to reduce violence and

1 increase public safety; and

2 (D) develop performance measures that track the  
3 outcomes to be achieved.

4 (3) The Restoring Our Communities Program Board and the  
5 ROC Area grantees shall, within a period of no more than 2  
6 months from the completion of planning activities  
7 described in this Section, finalize an agreement on the  
8 plan for implementation. Implementation activities shall:

9 (A) have a basis in evidence or best practice  
10 research or have evaluations demonstrating the  
11 capacity to address: needs and support assets related  
12 to the social determinants of health; the root causes  
13 of violence; and outreach, intervention, and support  
14 for individuals at highest risk of violence; to produce  
15 desired outcomes;

16 (B) collect data from the inception of planning  
17 activities through implementation, with data  
18 collection technical assistance when needed, including  
19 cost data and data related to identified meaningful  
20 short-term, mid-term, and long-term goals and metrics;

21 (C) report data to the Restoring Our Communities  
22 Program Board biannually; and

23 (D) set aside a percentage of the total grant for  
24 core program capacity to support effective  
25 implementation to include:

26 (i) Dedicated staff at the community level to

1 administer and coordinate the Program.

2 (ii) Data collection technology and staff to  
3 facilitate feedback between the State and local  
4 stakeholders.

5 (iii) Monitoring and evaluation.

6 (iv) Engagement in training and technical  
7 assistance with other ROC Area grantees from the  
8 State and other sources, including peer learning  
9 and cross training from other ROC programs.

10 Section 10-50. Employment; employer liability.

11 (a) Nothing in this Act shall prohibit an employer from  
12 adopting reasonable employment policies concerning smoking,  
13 consumption, storage, or use of cannabis in the workplace  
14 provided that the policy is applied in a nondiscriminatory  
15 manner.

16 (b) Nothing in this Act shall require an employer to permit  
17 an employee to be under the influence of or use cannabis in the  
18 employer's workplace or while performing the employee's job  
19 duties.

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

24 (d) An employer may consider an employee to be impaired by  
25 cannabis if the employer has a good faith belief that an

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

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

18 (1) actions, including, but not limited to, discipline  
19 or termination of employment, based on the employer's good  
20 faith belief that an employee used or possessed cannabis in  
21 the employer's workplace or while performing the  
22 employee's job duties in violation of the employer's  
23 employment policies;

24 (2) actions, including discipline or termination of  
25 employment, based on the employer's good faith belief that  
26 an employee was impaired as a result of the use of cannabis

1 on the employer's workplace or while performing the  
2 employee's job duties in violation of the employer's  
3 workplace drug policy; or

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

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

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

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

24 ARTICLE 15.

25 LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

1 Section 15-5. Authority.

2 (a) It is the duty of the Department of Financial and  
3 Professional Regulation to administer and enforce the  
4 provisions of this Act relating to the licensure and oversight  
5 of dispensing organizations and dispensing organization agents  
6 unless otherwise provided in this Act.

7 (b) No person shall operate a dispensing organization for  
8 the purpose of serving purchasers of cannabis or cannabis  
9 products without a license issued under this Article by the  
10 Department of Financial and Professional Regulation. No person  
11 shall be an officer, director, manager, or employee of a  
12 dispensing organization without having been issued a  
13 dispensing organization agent card by the Department of  
14 Financial and Professional Regulation.

15 (c) Subject to the provisions of this Act, the Department  
16 of Financial and Professional Regulation may exercise the  
17 following powers and duties:

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

20 (2) Examine, inspect, and investigate the premises,  
21 operations, and records of dispensing organization  
22 applicants and licensees.

23 (3) Conduct investigations of possible violations of  
24 this Act pertaining to dispensing organizations and  
25 dispensing organization agents.

1           (4) Conduct hearings on proceeding to refuse to issue  
2           or renew licenses or to revoke, suspend, place on  
3           probation, reprimand, or otherwise discipline a license  
4           under this Article or take other nondisciplinary action.

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

7           Section 15-10. Medical cannabis dispensing organization  
8           exemption. This Article does not apply to medical cannabis  
9           dispensing organizations registered under the Compassionate  
10          Use of Medical Cannabis Pilot Program Act, except for those  
11          issued Early Approval Adult Use Dispensing Organization  
12          Licenses under this Article.

13          Section 15-15. Early Approval Adult Use Dispensing  
14          Organization License.

15          (a) Any medical cannabis dispensing organization holding a  
16          valid license and registered under the Compassionate Use of  
17          Medical Cannabis Pilot Program Act on the effective date of  
18          this Act may, within 60 days of the effective date of this Act,  
19          apply to the Department of Financial and Professional  
20          Regulation for an Early Approval Adult Use Dispensing  
21          Organization License to serve purchasers at any medical  
22          cannabis dispensing location in operation on the effective date  
23          of this Act, pursuant to this Section.

24          (b) A medical cannabis dispensing organization seeking

1 issuance of an Early Approval Adult Use Dispensing Organization  
2 License to serve purchasers at any medical cannabis dispensing  
3 location in operation on the effective date of this Act shall  
4 submit an application on forms provided by the Department of  
5 Financial and Professional Regulation. The application must be  
6 submitted by the same person or entity that holds the medical  
7 cannabis dispensing organization registration and include the  
8 following:

9 (1) Payment of a nonrefundable fee of \$30,000 to be  
10 deposited in the Cannabis Regulation Fund;

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

13 (3) Certification that the applicant will comply with  
14 the requirements contained in the Compassionate Use of  
15 Medical Cannabis Pilot Program Act except as provided in  
16 this Act;

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

18 (5) The physical address of the dispensing  
19 organization;

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

24 (7) A nonrefundable Cannabis Business Development Fee  
25 equal to 3% of the dispensing organization's total sales  
26 between July 1, 2018 to July 1, 2019, or \$100,000,



1           whichever is less, to be deposited into the Cannabis  
2           Business Development Fund; and

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

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

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

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

19          (D) Participate as a host in a cannabis business  
20          incubator program approved by the Department of  
21          Commerce and Economic Opportunity, and in which an  
22          Early Approval Adult Use Dispensing Organization  
23          License 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  
26          year. As used in this Section, "incubate" means

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

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

25 (c) The license fee required by paragraph (1) of subsection  
26 (b) of this Section shall be in addition to any license fee

1 required for the renewal of a registered medical cannabis  
2 dispensing organization license.

3 (d) Applicants must submit all required information,  
4 including the requirements in subsection (b) of this Section,  
5 to the Department of Financial and Professional Regulation.  
6 Failure by an applicant to submit all required information may  
7 result in the application being disqualified.

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

16 (f) If an applicant meets all the requirements of  
17 subsection (b) of this Section, the Department of Financial and  
18 Professional Regulation shall issue the Early Approval Adult  
19 Use Dispensing Organization License within 14 days of receiving  
20 the application unless:

21 (1) The licensee; a principal officer, board member, or  
22 person having a financial or voting interest of 5% or  
23 greater in the licensee; or an agent is delinquent in  
24 filing any required tax returns or paying any amounts owed  
25 to the State of Illinois;

26 (2) The Secretary of Financial and Professional

1 Regulation determines there is reason, based on documented  
2 compliance violations, the licensee is not entitled to an  
3 Early Approval Adult Use Dispensing Organization License;  
4 or

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

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

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

24 (i) If there is a shortage of cannabis or cannabis-infused  
25 products, a dispensing organization holding both a dispensing  
26 organization license under the Compassionate Use of Medical

1 Cannabis Pilot Program Act and this Act shall prioritize  
2 serving qualifying patients and caregivers before serving  
3 purchasers.

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

12 (k) An Early Approval Adult Use Dispensing Organization  
13 License is valid until March 31, 2021. A dispensing  
14 organization that obtains an Early Approval Adult Use  
15 Dispensing Organization License shall receive written or  
16 electronic notice 90 days before the expiration of the license  
17 that the license will expire, and inform the license holder  
18 that it may apply for an Adult Use Dispensing Organization  
19 License. The Department of Financial and Professional  
20 Regulation shall grant an Adult Use Dispensing Organization  
21 License within 45 days of an application being deemed complete  
22 if:

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

26 (2) the Department of Financial and Professional

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

7 (1) The Early Approval Adult Use Dispensing Organization  
8 License renewed pursuant to subsection (k) of this Section  
9 shall expire March 31, 2022. The Early Approval Adult Use  
10 Dispensing Organization Licensee shall receive written or  
11 electronic notice 90 days before the expiration of the license  
12 that the license will expire, and inform the license holder  
13 that it may apply for an Adult Use Dispensing Organization  
14 License. The Department of Financial and Professional  
15 Regulation shall grant an Adult Use Dispensing Organization  
16 License within 45 days of an application being deemed complete  
17 if:

18 (1) the dispensing organization submits a  
19 nonrefundable registration fee of \$60,000; and

20 (2) the Department of Financial and Professional  
21 Regulation has not suspended or revoked the Early Approval  
22 Adult Use Dispensing Organization License or a medical  
23 cannabis dispensing organization license on the same  
24 premises for violations of this Act, the Compassionate Use  
25 of Medical Cannabis Pilot Program Act, or rules adopted  
26 pursuant to those Acts.

1 (m) If a dispensary fails to submit an application for an  
2 Adult Use Dispensing Organization License before the  
3 expiration of the Early Approval Adult Use Dispensing  
4 Organization License, the dispensing organization shall cease  
5 serving purchasers operations until it receives an Adult Use  
6 Dispensing Organization License.

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

14 (o) All fees collected pursuant to this Section shall be  
15 deposited into the Cannabis Regulation Fund, unless otherwise  
16 specified.

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

19 (a) Any medical cannabis dispensing organization holding a  
20 valid license and registered under the Compassionate Use of  
21 Medical Cannabis Pilot Program Act on the effective date of  
22 this Act may, within 60 days of the effective date of this Act,  
23 apply to the Department of Financial and Professional  
24 Regulation for an Early Approval Adult Use Dispensing  
25 Organization License to operate a dispensing organization to

1 serve purchasers at a secondary site not within 1,500 feet of  
2 another medical cannabis dispensing organization or adult use  
3 dispensing organization and within any BLS Region that shares  
4 territory with the dispensing organization district to which  
5 the medical cannabis dispensing organization is assigned under  
6 the administrative rules for dispensing organizations under  
7 the Compassionate Use of Medical Cannabis Pilot Program Act.

8 (b) A medical cannabis dispensing organization seeking  
9 issuance of an Early Approval Adult Use Dispensing Organization  
10 License to serve purchasers at a secondary site as prescribed  
11 in subsection (a) of this Section shall submit an application  
12 on forms provided by the Department of Financial and  
13 Professional Regulation. The application must meet the  
14 following qualifications:

15 (1) include a payment of a nonrefundable application  
16 fee of \$30,000;

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

19 (3) submission of the application by the same person or  
20 entity that holds the medical cannabis dispensing  
21 organization registration;

22 (4) certification that the applicant will comply with  
23 the requirements contained in the Compassionate Use of  
24 Pilot Program Act except as provided in this Act;

25 (5) include the legal name of the medical cannabis  
26 dispensing organization;



1           (6) include the physical address of the medical  
2 cannabis dispensing organization and the proposed physical  
3 address of the secondary site;

4           (7) a copy of the current local zoning ordinance  
5 Sections relevant to dispensary operations. Documentation  
6 of the approval, the conditional approval or the status of  
7 a request for zoning approval from the local zoning office  
8 that the proposed dispensary location is in compliance with  
9 the local zoning rules;

10           (8) a plot plan of the dispensary drawn to scale. The  
11 applicant shall submit general specifications of the  
12 building exterior and interior layout;

13           (9) a statement that the dispensing organization  
14 agrees to respond to the Division's supplemental requests  
15 for information;

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

18               (A) if the property is not owned by the applicant,  
19 a written statement from the property owner and  
20 landlord, if any, certifying consent that the  
21 applicant may operate a dispensary on the premises; or

22               (B) if the property is owned by the applicant,  
23 confirmation of ownership;

24           (11) a copy of the proposed operating bylaws;

25           (12) a copy of the proposed business plan that complies  
26 with the requirements in this Act, including, at a minimum,

1 the following:

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

3 (B) a description of the process of dispensing  
4 cannabis;

5 (13) a copy of the proposed security plan that complies  
6 with the requirements in this Article, including:

7 (A) a description of the delivery process by which  
8 cannabis will be received from a transporting  
9 organization, including receipt of manifests and  
10 protocols that will be used to avoid diversion, theft,  
11 or loss at the dispensary acceptance point; and

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

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

21 (14) a proposed inventory control plan that complies  
22 with this Section;

23 (15) the name, address, social security number, and  
24 date of birth of each principal officer and board member of  
25 the dispensing organization; each of those individuals  
26 shall be at least 21 years of age;

1           (16) a nonrefundable Cannabis Business Development Fee  
2           equal to \$200,000, to be deposited into the Cannabis  
3           Business Development Fund; and

4           (17) commit to completing one of the following Social  
5           Equity Inclusion Plans in subsection (c).

6           (c) To receive an Early Approval Adult Use Dispensing  
7           Organization License, a dispensing organization shall (among  
8           other things) indicate the Social Equity Inclusion Plan that  
9           the applicant plans to achieve before the expiration of the  
10          Early Approval Adult Use Dispensing Organization License from  
11          the list below:

12           (1) make a contribution of 3% of total sales from June  
13          1, 2018, to June 1, 2019, or \$100,000, whichever is less,  
14          to the Cannabis Business Development Fund. This is in  
15          addition to the fee required by paragraph (16) of  
16          subsection (b) of this Section;

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

22           (3) make a donation of \$100,000 or more to a program  
23          that provides job training services to persons recently  
24          incarcerated or that operates in a Disproportionately  
25          Impacted Area;

26           (4) participate as a host in a cannabis business

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

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

1           2 years. The sponsor shall not take an ownership stake of  
2           greater than 10% in any business receiving sponsorship  
3           services to comply with this subsection.

4           (d) An Early Approval Adult Use Dispensing Organization  
5           License is valid until March 1, 2021. A dispensing organization  
6           that obtains an Early Approval Adult Use Dispensing  
7           Organization License shall receive written or electronic  
8           notice 90 days before the expiration of the license that the  
9           license will expire, and inform the license holder that it may  
10          apply for an Adult Use Dispensing Organization License. The  
11          Department of Financial and Professional Regulation shall  
12          grant an Adult Use Dispensing Organization License within 45  
13          days of submission of an application if:

14                 (1) the dispensing organization submits an application  
15                 and the required nonrefundable fee of \$30,000 for an Adult  
16                 Use Dispensing Organization License;

17                 (2) the Department of Financial and Professional  
18                 Regulation has not suspended the license of the dispensing  
19                 organization or suspended or revoked the license for  
20                 violating this Act or rules adopted under this Act; and

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

24           (e) The license fee required by paragraph (1) of subsection  
25           (b) of this Section is in addition to any license fee required  
26           for the renewal of a registered medical cannabis dispensing

1 organization license.

2 (f) Applicants must submit all required information,  
3 including the requirements in subsection (b) of this Section,  
4 to the Department of Financial and Professional Regulation.  
5 Failure by an applicant to submit all required information may  
6 result in the application being disqualified.

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

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

22 (i) Upon completion of the dispensary, the dispensing  
23 organization shall request an inspection. The Department will  
24 inspect the dispensary to confirm compliance with the  
25 application, the Act, and this Article.

26 (j) A license shall be issued only after the completion of

1 a successful inspection.

2 (k) If an applicant passes the inspection under this  
3 Section, the Department of Financial and Professional  
4 Regulation shall issue the Early Approval Adult Use Dispensing  
5 Organization License within one business day unless:

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

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

16 (l) Once the Department has issued a registration, the  
17 dispensary organization shall notify the Department of the  
18 proposed opening date.

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

25 (n) A dispensing organization holding a medical cannabis  
26 dispensing organization license issued under the Compassionate

1 Use of Medical Cannabis Pilot Program Act must maintain an  
2 adequate supply of cannabis and cannabis-infused products for  
3 purchase by qualifying patients and caregivers. For the  
4 purposes of this subsection, "adequate supply" means a monthly  
5 inventory level that is comparable in type and quantity to  
6 those medical cannabis products provided to patients and  
7 caregivers on an average monthly basis for the 6 months before  
8 the effective date of this Act.

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

15 (p) An Early Approval Adult Use Dispensing Organization  
16 License at a secondary site is valid until March 31, 2021. A  
17 dispensing organization that obtains an Early Approval Adult  
18 Use Dispensing Organization License shall receive written or  
19 electronic notice 90 days before the expiration of the license  
20 that the license will expire, and inform the license holder  
21 that it may apply for an Adult Use Dispensing Organization  
22 License. The Department of Financial and Professional  
23 Regulation shall grant an Adult Use Dispensing Organization  
24 License within 45 days of submission of an application being  
25 deemed complete if:

26 (1) the dispensing organization submits an application



1 and the required nonrefundable renewal fee of \$30,000, to  
2 be deposited into the Cannabis Regulation Fund; and

3 (2) the Department of Financial and Professional  
4 Regulation has not suspended or revoked the Early Approval  
5 Adult Use Dispensing Organization License or a medical  
6 cannabis dispensing organization license on the same  
7 premises for violating this Act or rules adopted under this  
8 Act or the Compassionate Use of Medical Cannabis Pilot  
9 Program Act or rules adopted under that Act.

10 (q) The Early Approval Adult Use Dispensing Organization  
11 License renewed pursuant to subsection (k) of this Section  
12 shall expire March 31, 2022. The Early Approval Adult Use  
13 Dispensing Organization Licensee shall receive written or  
14 electronic notice 90 days before the expiration of the license  
15 that the license will expire, and inform the license holder  
16 that it may apply for an Adult Use Dispensing Organization  
17 License. The Department of Financial and Professional  
18 Regulation shall grant an Adult Use Dispensing Organization  
19 License within 45 days of an application being deemed complete  
20 if:

21 (1) the dispensing organization submits a  
22 nonrefundable registration fee of \$60,000; and

23 (2) the Department of Financial and Professional  
24 Regulation has not suspended or revoked the Early Approval  
25 Adult Use Dispensing Organization License or a medical  
26 cannabis dispensing organization license on the same

1 premises for violations of this Act, the Compassionate Use  
2 of Medical Cannabis Pilot Program Act, or rules adopted  
3 pursuant to those Acts.

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

10 (s) 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 (t) If the Department of Financial and Professional  
18 Regulation suspends or revokes the Early Approval Adult Use  
19 Dispensing Organization License of a dispensing organization  
20 that also holds a medical cannabis dispensing organization  
21 license issued under the Compassionate Use of Medical Cannabis  
22 Pilot Program Act, the Department shall suspend or revoke the  
23 medical cannabis dispensing organization license concurrently  
24 with the Early Approval Adult Use Dispensing Organization  
25 License.

26 (u) All fees or fines collected from an Early Approval

1 Adult Use Dispensary Organization License holder as a result of  
2 a disciplinary action in the enforcement of this Act shall be  
3 deposited into the Cannabis Regulation Fund and be appropriated  
4 to the Department of Financial and Professional Regulation for  
5 the ordinary and contingent expenses of the Department in the  
6 administration and enforcement of this Section.

7 Section 15-25. Awarding of Conditional Adult Use  
8 Dispensing Organization Licenses.

9 (a) The Department of Financial and Professional  
10 Regulation shall issue up to 75 Conditional Adult Use  
11 Dispensing Organization Licenses before May 1, 2020.

12 (b) The Department of Financial and Professional  
13 Regulation shall make the application for a Conditional Adult  
14 Use Dispensing Organization License available no later than  
15 October 1, 2019 and shall receive them back no later than  
16 January 1, 2020.

17 (c) To ensure the geographic dispersion of Conditional  
18 Adult Use Dispensing Organization License holders, the  
19 following number of licenses shall be awarded in each BLS  
20 Region as determined by each region's percentage of the State's  
21 population:

- 22 (1) Bloomington: 1  
23 (2) Cape Girardeau: 1  
24 (3) Carbondale-Marion: 1  
25 (4) Champaign-Urbana: 1

- 1 (5) Chicago-Naperville-Elgin: 47
- 2 (6) Danville: 1
- 3 (7) Davenport-Moline-Rock Island: 1
- 4 (8) Decatur: 1
- 5 (9) Kankakee: 1
- 6 (10) Peoria: 3
- 7 (11) Rockford: 2
- 8 (12) St. Louis: 4
- 9 (13) Springfield: 1
- 10 (14) Northwest Illinois nonmetropolitan: 3
- 11 (15) West Central Illinois nonmetropolitan: 3
- 12 (16) East Central Illinois nonmetropolitan: 2
- 13 (17) South Illinois nonmetropolitan: 2

14 (d) An applicant seeking issuance of a Conditional Adult  
15 Use Dispensing Organization License shall submit an  
16 application on forms provided by the Department of Financial  
17 and Professional Regulation. An applicant must meet the  
18 following requirements:

19 (1) Payment of a nonrefundable application fee of  
20 \$5,000 for each license for which the applicant is  
21 applying, which shall be deposited into the Cannabis  
22 Regulation Fund;

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

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

1           (4) A statement that the dispensing organization  
2 agrees to respond to the Department's supplemental  
3 requests for information;

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

6                 (A) has previously held or currently holds an  
7 ownership interest in a cannabis business  
8 establishment in Illinois; or

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

15           (6) Disclosure of whether any principal officer has  
16 ever filed for bankruptcy or defaulted on alimony or child  
17 support obligation;

18           (7) A resume for each principal officer, including  
19 whether that person has an academic degree, certification,  
20 or relevant experience with a cannabis business or in a  
21 related industry;

22           (8) A description of the training and education that  
23 will be provided to dispensary agents;

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

25           (10) A copy of the proposed business plan that complies  
26 with the requirements in this Act, including, at a minimum,

1 the following:

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

3 (B) A description of the process of dispensing  
4 cannabis;

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

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

11 (B) The process to ensure that access to the  
12 restricted access areas is restricted to, registered  
13 agents, service professionals, transporting  
14 organization agents, Department inspectors, and  
15 security personnel;

16 (12) A proposed inventory control plan that complies  
17 with this Section;

18 (13) A proposed floor plan, square footage estimate,  
19 and a description of proposed security devices, including,  
20 without limitation, cameras, motion detectors, servers,  
21 video storage capabilities, and alarm service providers;

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

26 (15) Evidence of the applicant's status as a Social

1 Equity Applicant, if applicable;

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

5 (17) Information, in writing, regarding any instances  
6 in which a business or not-for-profit that any of the  
7 prospective board members managed or served on the board  
8 was convicted, fined, or censured for any offense, or had a  
9 registration suspended or revoked in any administrative or  
10 judicial proceeding;

11 (18) A plan for community engagement;

12 (19) Procedures to ensure accurate recordkeeping and  
13 security measures that are in accordance with this Article  
14 and Department of Financial and Professional Regulation  
15 rules;

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

18 (21) A description of the features that will provide  
19 accessibility to purchasers as required by the Americans  
20 with Disabilities Act;

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

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

26 (24) A proposed financial plan that demonstrates how

1 the applicant:

2 (A) has access to \$100,000 in liquid assets;

3 (B) has a loan, line of credit, or other form of  
4 financing in an amount of \$100,000 or greater that is  
5 guaranteed or that is guaranteed contingent upon the  
6 award of the license for which the application is being  
7 submitted; or

8 (C) if the applicant qualifies as a Social Equity  
9 Applicant, has applied to the Department of Commerce  
10 and Economic Opportunity for a loan or grant issued  
11 from the Cannabis Business Development Fund;

12 (25) The dated signature of each principal officer;

13 (26) A description of the enclosed, locked facility  
14 where cannabis will be stored by the dispensing  
15 organization;

16 (27) Signed statements from each dispensing  
17 organization agent stating that he or she will not divert  
18 cannabis;

19 (28) How many licenses it is applying for in each BLS  
20 Region;

21 (29) A diversity plan that includes a narrative that  
22 establishes a goal of diversity in ownership, management,  
23 employment, and contracting to ensure that diverse  
24 participants and groups are afforded equality of  
25 opportunity; and

26 (30) Other information deemed necessary by the



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

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

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

25 (f) A dispensing organization that is awarded a Conditional  
26 Adult Use Dispensing Organization License pursuant to the

1 criteria in Section 15-30 shall not purchase, possess, sell, or  
2 dispense cannabis or cannabis-infused products until the  
3 person has received an Adult Use Dispensing Organization  
4 License Issued by the Department of Financial and Professional  
5 Regulation. The Department of Financial and Professional  
6 Regulation shall not issue an Adult Use Dispensing Organization  
7 License until:

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

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

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

1 check. These fingerprints shall be checked against the  
2 fingerprint records now and hereafter, to the extent allowed by  
3 law, filed in the Department of State Police and Federal Bureau  
4 of Identification criminal history records databases. The  
5 Department of State Police shall furnish, following positive  
6 identification, all Illinois conviction information to the  
7 Department of Financial and Professional Regulation.

8 Section 15-30. Selection criteria for conditional licenses  
9 awarded under Section 15-25.

10 (a) Applicants must submit all required information,  
11 including that required in Section 15-25 to the Department of  
12 Financial and Professional Regulation. Failure by an applicant  
13 to submit all required information may result in the  
14 application being disqualified.

15 (b) If the Department of Financial and Professional  
16 Regulation receives an application that fails to provide the  
17 required elements contained in Section 15-30, the Department of  
18 Financial and Professional Regulation shall issue a deficiency  
19 notice to the applicant. The applicant shall have 10 calendar  
20 days from the date of the deficiency notice to resubmit the  
21 incomplete information. Applications that are still incomplete  
22 after this opportunity to cure, will not be scored and will be  
23 disqualified.

24 (c) Applications will not be scored if the applicant fails  
25 to provide, or is unable to cure a deficiency in the time

1 provided in subsection (b), evidence that the applicant:

2 (1) has access to \$100,000 in liquid assets;

3 (2) has a loan, line of credit, or other form of  
4 financing in an amount of \$100,000 or greater that is  
5 guaranteed or that is guaranteed contingent upon the award  
6 of the license for which the application is being  
7 submitted; or

8 (3) if the applicant qualifies as a Social Equity  
9 Applicant, has applied to the Department of Commerce and  
10 Economic Opportunity for a loan or grant issued from the  
11 Cannabis Business Development Fund.

12 (d) The Department will award up to 200 points to complete  
13 applications based on the sufficiency of the applicant's  
14 responses to required information. Applicants will be awarded  
15 points based on a determination that the application  
16 satisfactorily includes the following elements:

17 (1) Suitability of the Proposed Dispensary Floor Plan  
18 (10 points).

19 The proposed floor plan is suitable for public  
20 access, the layout promotes safe dispensing of  
21 cannabis, is compliant with the Americans with  
22 Disabilities Act and the Environmental Barriers Act,  
23 and facilitates safe product handling and storage.

24 (2) Suitability of Employee Training Plan (10 points).

25 The plan includes an employee training plan that  
26 demonstrates that employees will understand the rules

1 and laws to be followed by dispensary employees, have  
2 knowledge of any security measures and operating  
3 procedures of the dispensary, and are able to advise  
4 purchasers on how to safely consume cannabis and use  
5 individual products offered by the dispensary.

6 (3) Security and Recordkeeping (60 points).

7 (A) The security plan accounts for the prevention  
8 of the theft or diversion of cannabis. The security  
9 plan demonstrates safety procedures for dispensary  
10 agents and purchasers, and safe delivery and storage of  
11 cannabis and currency. It demonstrates compliance with  
12 all security requirements in this Act and rules.

13 (B) A plan for recordkeeping, tracking, and  
14 monitoring inventory, quality control, and other  
15 policies and procedures that will promote standard  
16 recordkeeping and discourage unlawful activity. This  
17 plan includes the applicant's strategy to communicate  
18 with the Department of Financial and Professional  
19 Regulation and the Department of State Police on the  
20 destruction and disposal of cannabis. The plan must  
21 also demonstrate compliance with this Act and rules.

22 (4) Applicant's Business Plan, Financials, and  
23 Operating Plan (65 points).

24 (A) The business plan shall describe, at a minimum,  
25 how the dispensing organization will be managed on a  
26 long-term basis. This shall include a description of

1 the dispensing organization's point-of-sale system,  
2 purchases and denials of sale, confidentiality, and  
3 products and services to be offered. It will  
4 demonstrate compliance with this Act and rules.

5 (B) The operating plan shall include, at a minimum,  
6 best practices for day-to-day dispensary operation and  
7 staffing.

8 (5) Knowledge and Experience (30 points).

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

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

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

24 (6) Status as a Social Equity Applicant (25 points).

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

1 (d) The Department may also award up to 12 bonus points for  
2 preferred, but not required, initiatives based on the  
3 applicant's ability to meet requirements in the following  
4 categories. Bonus points will only be awarded if the Department  
5 receives a greater number of applications that meet the minimum  
6 number of points required in subsection (c) than are available  
7 for a particular region.

8 (1) Labor and employment practices (2): The applicant  
9 may describe plans to provide a safe, healthy, and  
10 economically beneficial working environment for its  
11 agents, including, but not limited to, codes of conduct,  
12 health care benefits, educational benefits, retirement  
13 benefits, living wage standards, and entering a labor peace  
14 agreement with employees.

15 (2) Local community/neighborhood report (2): The  
16 applicant may provide comments, concerns, or support  
17 received regarding the potential impact of the proposed  
18 location on the local community and neighborhood in which  
19 the applicant plans to locate.

20 (3) Environmental Plan (2): The applicant may  
21 demonstrate an environmental plan of action to minimize the  
22 carbon footprint, environmental impact, and resource needs  
23 for the dispensary, which may include, without imitation,  
24 recycling cannabis product packaging.

25 (4) Illinois owner (2): The applicant is 51% or more  
26 owned and controlled by an Illinois resident, who can prove



1 residency in each of the past 5 years with tax records.

2 (5) A plan to engage with the community (2):

3 The applicant may demonstrate a desire to help its  
4 community by, among other actions,

5 (A) Establishment of an incubator program  
6 designed to increase participation in the  
7 cannabis industry by persons who would qualify  
8 as Social Equity Applicants;

9 (B) providing financial assistance to  
10 substance abuse treatment centers;

11 (C) educating children and teens about the  
12 potential harms of cannabis use; or

13 (D) other measures demonstrating a  
14 commitment to the applicant's community.

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 dispensary.

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

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

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

24 (3) Who has been found guilty of a violation of the  
25 Act, or whose medical cannabis dispensing organization,  
26 cannabis dispensing organization, or Adult Use Cultivation

1 Center License was suspended, restricted, revoked, or  
2 denied for just cause in any other state; or

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

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

13 (h) The Department of Financial and Professional  
14 Regulation shall verify an applicant's compliance with the  
15 requirements of this Article and rules before issuing a  
16 dispensing organization license.

17 (i) Should the applicant be awarded a license, the  
18 information and plans provided in the application, including  
19 any plans submitted for bonus points, shall become a condition  
20 of the authorization. Dispensing organizations have a duty to  
21 disclose any material changes to the application. The  
22 Department of Financial and Professional Regulation shall  
23 review all material changes disclosed by the dispensing  
24 organization, and may re-evaluate its prior decision regarding  
25 the awarding of a license, including, but not limited to,  
26 suspending or revoking a license. Failure to comply with the

1 conditions or requirements in the application may subject the  
2 dispensing organization to discipline, up to and including  
3 suspension or revocation of its authorization or license by the  
4 Department of Financial and Professional Regulation.

5 (j) If an applicant has not begun operating as a dispensing  
6 organization within one year of the issuance of the conditional  
7 dispensing organization license, the Department of Financial  
8 and Professional Regulation may revoke the conditional  
9 dispensing organization license and award it to the next  
10 highest scoring applicant in the BLS region if a suitable  
11 applicant indicates a continued interest in the license or  
12 begin a new selection process to award a conditional dispensing  
13 organization license.

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

25 Section 15-35. Adult Use Dispensing Organization License.

1           (a) By December 21, 2021, the Department of Financial and  
2 Professional Regulation may issue up to 110 additional Adult  
3 Use Dispensing Organization Licenses. Prior to issuing such  
4 licenses, the Department may adopt rules through emergency  
5 rulemaking in accordance with subsection (gg) of Section 5-45  
6 of the Illinois Administrative Procedure Act. The General  
7 Assembly finds that the adoption of rules to regulate cannabis  
8 use is deemed an emergency and necessary for the public  
9 interest, safety, and welfare. Such rules may:

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

14                   (A) Purchaser wait times;

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

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

26                   (D) Whether there is an adequate supply of cannabis

1 and cannabis-infused products to serve registered  
2 medical cannabis patients;

3 (E) Population increases or shifts;

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

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

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

14 (I) Any other criteria the Department of Financial  
15 and Professional Regulation deems relevant.

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

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

1 and Professional Regulation issue more than 500 Adult Use  
2 Dispensary Organization Licenses.

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

7 (1) employed by, an agent of, has a contract to receive  
8 payment in any form from a dispensing organization,  
9 registered medical cannabis dispensing organization;

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

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

15 shall hold any legal, equitable, ownership, or beneficial  
16 interest, directly or indirectly, in a dispensing organization  
17 that would result in such person or entity owning, acting as an  
18 agent of, or having a contract to receive payment from, more  
19 than 10 dispensing organizations.

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

1 choose which licenses from which to withdraw and such licenses  
2 shall become available to the next qualified applicant.

3 (e) Applicants for a dispensing organization license shall  
4 meet the minimum qualifications as established by this Section  
5 and be subject to the selection criteria as set forth in this  
6 Article and rules before the Department issues a dispensing  
7 organization license.

8 (f) A dispensing organization that is awarded a Conditional  
9 Adult Use Dispensing Organization License pursuant to the  
10 criteria established pursuant to rules made under Section 15-35  
11 shall not purchase, possess, sell, or dispense cannabis or  
12 cannabis-infused products until the person has received an  
13 Adult Use Dispensing Organization License issued by the  
14 Department of Financial and Professional Regulation. The  
15 Department of Financial and Professional Regulation shall not  
16 issue an Adult Use Dispensing Organization License until:

17 (1) the Department of Financial and Professional  
18 Regulation has inspected the dispensary site and proposed  
19 operations and verified that they are in compliance with  
20 this Act and local zoning laws; and

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

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

3 (a) The Department of Financial and Professional  
4 Regulation shall:

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

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

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

17 (4) Allow for an electronic application process and  
18 provide a confirmation by electronic or other methods that  
19 an application has been submitted; and

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

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

25 (c) The dispensing organization agent identification cards  
26 shall contain the following:



1 (1) The name of the cardholder;

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

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

7 (4) A photograph of the cardholder.

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

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

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

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

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

25 (i) Cannabis retail sales training requirements.

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

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

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

12 (3) Training modules shall include at least 2 hours of  
13 instruction time approved by the Department of Financial  
14 and Professional Regulation including:

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

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

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

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

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

3 (I) How to check identification; and

4 (II) Common mistakes made in verification;

5 (vi) Safe storage of cannabis;

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

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

9 (ix) Health and safety standards;

10 (x) Maintenance of records;

11 (xi) Security and surveillance requirements;

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

14 (xiii) Privacy issues;

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

17 (xv) Other areas as determined by rule.

18 (j) Any modules complying with paragraph (3) of subsection  
19 (h) and not approved within 180 days after receipt by the  
20 Department of Financial and Professional Regulation of the  
21 business application shall automatically be considered  
22 approved.

23 (k) Upon the successful completion of the Responsible  
24 Vendor Program, the provider shall deliver proof of completion  
25 either through mail or electronic communication to the  
26 dispensing organization, which shall retain a copy of the

1 certificate.

2 (l) The license of a dispensing organization or medical  
3 cannabis dispensing organization whose owners, managers,  
4 employees, or agents fail to comply with this Section may be  
5 suspended or revoked under Section 15-145.

6 (m) The regulation of dispensing organization and medical  
7 cannabis dispensing employer and employee training is an  
8 exclusive function of the State, and regulation by a unit of  
9 local government, including a home rule unit, is prohibited.  
10 This subsection (m) 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 15-45. Renewal.

14 (a) Early Approval Adult Use Dispensing Organization  
15 Licenses shall expire on March 31 of even-numbered years.

16 (b) All other licenses and identification cards shall  
17 expire one year from the date they are issued.

18 (c) Licensees and dispensing agents shall submit a renewal  
19 application as provided by the Department of Financial and  
20 Professional Regulation and pay the required renewal fee. No  
21 license or agent identification card shall be renewed if it is  
22 currently under revocation or suspension for violation of this  
23 Article or the rules adopted under this Article or the  
24 licensee, principal officer, board member, person having a  
25 financial or voting interest of 5% or greater in the licensee,

1 or agent is delinquent in filing any required tax returns or  
2 paying any amounts owed to the State of Illinois.

3 (d) Renewal fees are:

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

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

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

11 (f) If a dispensing organization agent fails to renew his  
12 or her registration before its expiration, he or she shall cease  
13 to work or volunteer at a dispensing organization until his or  
14 her registration is renewed.

15 (g) Any dispensing organization that continues to operate  
16 or dispensing agent that continues to work or volunteer at a  
17 dispensing organization that fails to renew its license is  
18 subject to penalty as provided in this Article.

19 (h) The Department of Financial and Professional  
20 Regulation shall not renew a license or 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 Section 15-50. Disclosure of ownership and control.

24 (a) Each dispensing organization applicant and licensee  
25 shall file and maintain a Table of Organization, Ownership and

1 Control with the Department of Financial and Professional  
2 Regulation. The Table of Organization, Ownership and Control  
3 shall contain the information required by this Section in  
4 sufficient detail to identify all owners, directors, and  
5 principal officers, and the title of each principal officer or  
6 business entity that, through direct or indirect means,  
7 manages, owns, or controls the applicant or licensee.

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

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

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

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

24 (1) The name and percentage of ownership interest of  
25 each individual or business entity with ownership of more  
26 than 5% of the voting shares of the entity, to the extent

1 such information is known or contained in 13D or 13G  
2 Securities and Exchange Commission filings.

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

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

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

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

21 (g) A dispensing organization separating with a principal  
22 officer must do so under this Act and this Article. The  
23 principal officer must communicate the separation to the  
24 Department within 5 business days.

25 (h) A principal officer not in compliance with the  
26 requirements of this Act shall be removed from his or her

1 position with the dispensing organization or shall otherwise  
2 terminate his or her affiliation. Failure to do so may subject  
3 the dispensing organization to discipline, suspension, or  
4 revocation of its license by the Department.

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

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

24 (1) Establishing and maintaining an escrow or surety  
25 account in a financial institution in the amount of



1       \$50,000, with escrow terms, approved by the Department of  
2       Financial and Professional Regulation, that it shall be  
3       payable to the Department in the event of circumstances  
4       outlined in this Act and rules.

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

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

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

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

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

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

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

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

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

21           (b) A dispensing organization may only add principal  
22 officers after being approved by the Department of Financial  
23 and Professional Regulation.

24           (c) A dispensing organization shall provide written notice  
25 of the removal of a principal officer within 5 business days

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

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

10 (e) All proposed new principal officers shall be subject to  
11 the requirements of this Act and this Article.

12 (f) The Department may prohibit the addition of a principal  
13 officer to a dispensing organization for failure to comply with  
14 this Act or this Article.

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

16 (h) A dispensing organization may not transfer a license  
17 without prior Department approval.

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

23 (j) A dispensing organization may apply to the Department  
24 to approve a sale of the dispensary. A request to sell the  
25 dispensary must be on application forms provided by the  
26 Department. A request for an approval to sell a dispensing

1 organization must comply with the following:

2 (1) New application materials shall comply with this  
3 Act;

4 (2) Application materials shall include a change of  
5 ownership fee;

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

11 (4) New principal officers shall each complete the  
12 proposed new principal officer application;

13 (5) If the Department approves the application  
14 materials and proposed new principal officer applications,  
15 it will perform an inspection before issuing a dispensary  
16 license;

17 (6) If a new license is approved, the Department will  
18 issue a new license number and certificate to the new  
19 dispensing organization.

20 (k) The dispensing organization shall provide the  
21 Department with the personal information for all new dispensing  
22 organizations agents as required in this Article and all new  
23 dispensing organization agents shall be subject to the  
24 requirements of this Article. A dispensing organization agent  
25 must obtain an agent card from the Department before beginning  
26 work at a dispensary.

1           (1) Before remodeling, expansion, reduction, or other  
2 physical, noncosmetic alteration of a dispensary, the  
3 dispensing organization must notify the Department and confirm  
4 the alterations are in compliance with this Act.

5           Section 15-65. Administration.

6           (a) A dispensing organization shall establish, maintain,  
7 and comply with written policies and procedures as submitted in  
8 an Operations and Management Practices Plan, approved by the  
9 Department of Financial and Professional Regulation, for the  
10 security, storage, inventory, and distribution of cannabis.  
11 These policies and procedures shall include methods for  
12 identifying, recording, and reporting diversion, theft, or  
13 loss, and for correcting errors and inaccuracies in  
14 inventories. At a minimum, dispensing organizations shall  
15 ensure the written policies and procedures provide for the  
16 following:

17           (1) Mandatory and voluntary recalls of cannabis  
18 products. The policies shall be adequate to deal with  
19 recalls due to any action initiated at the request of the  
20 Department and any voluntary action by the dispensing  
21 organization to remove defective or potentially defective  
22 cannabis from the market or any action undertaken to  
23 promote public health and safety, including:

24           (i) A mechanism reasonably calculated to contact  
25 purchasers who have, or likely have, obtained the

1 product from the dispensary, including information on  
2 the policy for return of the recalled product;

3 (ii) A mechanism to identify and contact the adult  
4 use cultivation center, craft grower, or processor  
5 that manufactured the cannabis;

6 (iii) Policies for communicating with the  
7 Department of Financial and Professional Regulation,  
8 the Department of Agriculture, and the Department of  
9 Public Health within 24 hours of discovering defective  
10 or potentially defective cannabis; and

11 (iv) Policies for destruction of any recalled  
12 cannabis product;

13 (2) Responses to local, State, or national  
14 emergencies, including natural disasters, that affect the  
15 security or operation of a dispensary;

16 (3) Segregation and destruction of outdated, damaged,  
17 deteriorated, misbranded, or adulterated cannabis. This  
18 procedure shall provide for written documentation of the  
19 cannabis disposition;

20 (4) Ensure the oldest stock of a cannabis product is  
21 distributed first. The procedure may permit deviation from  
22 this requirement, if such deviation is temporary and  
23 appropriate;

24 (5) Training of dispensing organization agents in the  
25 provisions of this Act and rules, to effectively operate  
26 the point-of-sale system and the State's verification

1 system, proper inventory handling and tracking, specific  
2 uses of cannabis or cannabis-infused products, instruction  
3 regarding regulatory inspection preparedness and law  
4 enforcement interaction, awareness of the legal  
5 requirements for maintaining status as an agent, and other  
6 topics as specified by the dispensing organization or the  
7 Department. The dispensing organization shall maintain  
8 evidence of all training provided to each agent in its  
9 files that is subject to inspection and audit by the  
10 Department of Financial and Professional Regulation. The  
11 dispensing organization shall ensure agents receive a  
12 minimum of 8 hours of training annually, unless otherwise  
13 approved by the Department of Financial and Professional  
14 Regulation;

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

23 (7) Inventory control, including:

24 (i) Tracking purchases and denials of sale;

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

- 1 (8) Purchaser education and support, including:
- 2 (i) Whether possession of cannabis is illegal
- 3 under federal law;
- 4 (ii) Current educational information issued by the
- 5 Department of Public Health about the health risks
- 6 associated with the use or abuse of cannabis;
- 7 (iii) Information about possible side effects;
- 8 (iv) Prohibition on smoking cannabis in public
- 9 places; and
- 10 (v) Offer any other appropriate purchaser
- 11 education or support materials.

12 (b) Security, including:

- 13 (1) Protocols for purchaser and agent safety and
- 14 management;
- 15 (2) Security of cannabis and currency;
- 16 (3) Restricted access to the areas where cannabis is
- 17 stored to authorized agents;
- 18 (4) Identification of authorized agents;
- 19 (5) Controlled access and prevention of loitering both
- 20 inside and outside the dispensary;
- 21 (6) Electronic monitoring, including cameras and
- 22 motion detector; and
- 23 (7) Use of a panic button.

- 24 (c) A dispensing organization shall maintain copies of the
- 25 policies and procedures on the dispensary premises and provide
- 26 copies to the Department of Financial and Professional



1 Regulation upon request. The dispensing organization shall  
2 review the dispensing organization policies and procedures at  
3 least once every 12 months from the issue date of the license  
4 and update as needed due to changes in industry standards or as  
5 requested by the Department of Financial and Professional  
6 Regulation;

7 (d) A dispensing organization shall ensure that each  
8 principal officer and each dispensary organization agent has a  
9 current agent identification card in the agent's immediate  
10 possession when the agent is at the dispensary.

11 (e) A dispensing organization shall provide prompt written  
12 notice to the Department, including the date of the event, when  
13 a dispensing organization agent no longer is employed by the  
14 dispensing organization.

15 (f) A dispensing organization shall promptly document and  
16 report any loss or theft of medical cannabis from the  
17 dispensary to the Department of State Police and the  
18 Department. It is the duty of any dispensing organization agent  
19 who becomes aware of the loss or theft to report it as provided  
20 in this Article. If the dispensing organization knows that a  
21 principal officer or dispensing organization agent has been  
22 arrested for or convicted of an excluded offense, the  
23 dispensing organization shall promptly notify the Department.

24 (g) A dispensing organization shall post the following  
25 information in a conspicuous location in an area of the  
26 dispensary accessible to consumers:

1 (1) The dispensing organization's registration;

2 (2) The hours of operation.

3 (h) Signage.

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

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

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

15 (B) "The effects of cannabis products can vary from  
16 person to person, and it can take as long as two hours  
17 to feel the effects of some cannabis-infused products.  
18 Carefully review the portion size information and  
19 warnings contained on the product packaging before  
20 consuming."

21 (3) The placards shall be no smaller than 24 inches  
22 tall by 36 inches wide, with typed letters no smaller than  
23 2 inches, containing no additional language. The placard  
24 shall be clearly visible and readable by customers and  
25 shall be written in English. The signage shall be placed in  
26 the area where edible cannabis-infused products are sold

1 and may be translated into additional languages as needed.

2 (i) A dispensing organization shall prominently post  
3 notices inside the dispensing organization that state  
4 activities that are strictly prohibited and punishable by law,  
5 including, but not limited to:

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

9 (2) Distribution to persons under the age of 21 is  
10 prohibited;

11 (3) Transportation of cannabis or cannabis products  
12 across state lines is prohibited.

13 Section 15-70. Operational requirements; prohibitions.

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

17 (b) A dispensing organization must include the legal name  
18 of the dispensary on the packaging of any cannabis product it  
19 sells.

20 (c) All cannabis, cannabis-infused products, and cannabis  
21 seeds must be obtained from an Illinois registered adult use  
22 cultivation center, craft grower, processor, or another  
23 dispensary.

24 (d) Dispensing organizations are prohibited from selling  
25 any product containing alcohol except tinctures, which must be

1 limited to containers that are no larger than 30 milliliters.

2 (e) A dispensing organization shall inspect and count  
3 product received by the adult use cultivation center before  
4 dispensing it.

5 (f) A dispensing organization may only accept cannabis  
6 deliveries into a restricted access area. Deliveries may not be  
7 accepted through the public or limited access areas unless  
8 otherwise approved by the Department of Financial and  
9 Professional Regulation.

10 (g) A dispensing organization shall maintain compliance  
11 with State and local building, fire, and zoning requirements or  
12 regulations.

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

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

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

25 (k) A dispensing organization must keep all lighting  
26 outside and inside the dispensary in good working order and

1 wattage sufficient for security cameras.

2 (1) A dispensing organization shall ensure that any  
3 building or equipment used by a dispensing organization for the  
4 storage or sale of cannabis is maintained in a clean and  
5 sanitary condition.

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

8 (n) A dispensing organization shall not:

9 (1) Produce or manufacture cannabis;

10 (2) Accept a cannabis product from an adult use  
11 cultivation center, craft grower, processor, or  
12 transporting organization unless it is pre-packaged and  
13 labeled in accordance with this Act;

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

16 (4) Sell cannabis or cannabis-infused products to a  
17 purchaser unless the individual is registered under the  
18 Compassionate Use of Medical Cannabis Pilot Program or the  
19 purchaser has been verified to be over the age of 21;

20 (5) Enter into an exclusive agreement with any adult  
21 use cultivation center, craft grower, or processor.  
22 Dispensaries shall provide consumers an assortment of  
23 products from various cannabis business establishment  
24 licensees. The Department may request that a dispensary  
25 diversify its products as needed;

26 (6) Refuse to conduct business with a adult use

1 cultivation center, craft grower, or processor that has the  
2 ability to properly deliver the product and is permitted by  
3 the Department of Agriculture, on the same terms as other  
4 adult use cultivation centers with whom it is dealing;

5 (7) Operate drive-through windows;

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

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

10 (10) Enter into agreements to allow persons who are not  
11 dispensing organization agents to deliver cannabis to  
12 transport cannabis to purchasers.

13 (11) Operate a dispensary if its video surveillance  
14 equipment is inoperative;

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

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

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

21 (15) Be located within 1,500 feet of the property line  
22 of a pre-existing dispensing organization or medical  
23 cannabis dispensing organization;

24 (16) Conduct sales or accept payment over the Internet;  
25 however, the dispensing organization may allow purchasers  
26 to pre-order items for pick up and payment inside the

1           dispensary;

2           (17) Sell clones or any other live plant material;

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

9           (19) Violate any other requirements or prohibitions  
10 set by Department of Financial and Professional Regulation  
11 rules.

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

1 organization, including preferential placement on the  
2 dispensing organization's shelves, display cases, or website.

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

15 Section 15-75. Inventory control system.

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

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



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

4           (2) Acquisition of cannabis and cannabis-infused  
5           products from a permitted adult use cultivation center,  
6           including:

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

10                   (ii) The name and registry identification number  
11                   of the permitted adult use cultivation center, craft  
12                   grower, or processor providing the cannabis and  
13                   cannabis products;

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

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

21                   (v) The date of acquisition.

22           (3) The disposal of cannabis, including:

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

26                   (ii) The method of disposal; and

1 (iii) The date and time of disposal.

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

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

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

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

1 action taken to date. The dispensing organization shall  
2 work diligently to determine the reason for the mistake.

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

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

1 60 days after the end of the calendar year. The compilation  
2 report shall include a letter authored by a licensed  
3 certified public accountant that it has been reviewed and  
4 is accurate based on the information provided. The  
5 dispensing organization, financial statement, and  
6 accompanying documents are not required to be audited  
7 unless specifically requested by the Department.

8 (e) A dispensing organization shall:

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

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

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

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

21 Section 15-80. Storage requirements.

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

1 inventory tracking rules.

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

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

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

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

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

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

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

20 Section 15-85. Dispensing cannabis.

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

23 (1) Verify the age of the purchaser by checking a  
24 government-issued identification card containing a  
25 photograph of the purchaser;

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

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

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

7           (i) The dispensing organization agent's  
8           identification number;

9           (ii) The dispensing organization's identification  
10          number;

11          (iii) The amount, type (including strain, if  
12          applicable) of cannabis or cannabis-infused product  
13          dispensed;

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

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

23          (c) For the purposes of this Section, valid identification  
24          must:

25                 (1) Be valid and unexpired;

26                 (2) Contain a photograph and the date of birth of the

1 person.

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

3 (a) Cannabis and cannabis-infused products must be  
4 destroyed by rendering them unusable using methods approved by  
5 the Department of Financial and Professional Regulation that  
6 comply with this Act and rules.

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

13 (1) Compostable mixed waste: Compost, anaerobic  
14 digester, or other facility with approval of the  
15 jurisdictional health department.

16 (2) Noncompostable mixed waste: Landfill, incinerator,  
17 or other facility with approval of the jurisdictional  
18 health department.

19 (c) All waste and unusable product shall be weighed,  
20 recorded, and entered into the inventory system before  
21 rendering it unusable. Verification of this event shall be  
22 performed by an agent-in-charge and conducted in an area with  
23 video surveillance.

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

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

2 (a) Every dispensing organization shall designate, at a  
3 minimum, one agent-in-charge for each licensed dispensary. The  
4 designated agent-in-charge must hold a dispensing organization  
5 agent identification card. Maintaining an agent-in-charge is a  
6 continuing requirement for the license, except as provided in  
7 subsection (g).

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

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

21 (d) In determining whether an agent-in-charge manages the  
22 dispensary, the Department may consider the responsibilities  
23 identified in this Section, the number of dispensing  
24 organization agents under the supervision of the  
25 agent-in-charge, and the employment relationship between the



1 agent-in-charge and the dispensing organization, including the  
2 existence of a contract for employment and any other relevant  
3 fact or circumstance.

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

9 (f) In the event of the separation of an agent-in-charge  
10 due to death, incapacity, termination, or any other reason and  
11 if the dispensary does not have an active agent-in-charge, the  
12 dispensing organization shall immediately contact the  
13 Department and request a temporary certificate of authority  
14 allowing the continuing operation. The request shall include  
15 the name of an interim agent-in-charge until a replacement is  
16 identified, or shall include the name of the replacement. The  
17 Department shall issue the temporary certificate of authority  
18 promptly after it approves the request. If a dispensing  
19 organization fails to promptly request a temporary certificate  
20 of authority after the separation of the agent-in-charge, its  
21 registration shall cease until the Department approves the  
22 temporary certificate of authority or registers a new  
23 agent-in-charge. No temporary certificate of authority shall  
24 be valid for more than 90 days. The succeeding agent-in-charge  
25 shall register with the Department in compliance with this  
26 Article. Once the permanent succeeding agent-in-charge is

1 registered with the Department, the temporary certificate of  
2 authority is void. No temporary certificate of authority shall  
3 be issued for the separation of an agent-in-charge due to  
4 disciplinary action by the Department related to his or her  
5 conduct on behalf of the dispensing organization.

6 (g) The dispensing organization agent-in-charge  
7 registration shall expire one year from the date it is issued.  
8 The agent-in-charge's registration shall be renewed annually.  
9 The Department shall review the dispensary's compliance  
10 history when determining whether to grant the request to renew.

11 (h) Upon termination of an agent-in-charge's employment,  
12 the dispensing organization shall immediately reclaim the  
13 dispensary agent identification card. The dispensing  
14 organization shall promptly return the identification card to  
15 the Department.

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

19 (1) Submission of misleading, incorrect, false, or  
20 fraudulent information in the application or renewal  
21 application;

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

23 (3) Fraudulent use of the agent-in-charge  
24 identification card;

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

1           (5) Tampering with, falsifying, altering, modifying,  
2 or duplicating an agent-in-charge identification card;

3           (6) Tampering with, falsifying, altering, or modifying  
4 the surveillance video footage, point-of-sale system, or  
5 the State's verification system;

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

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

12           (9) Conviction of an excluded offense or any incident  
13 listed in this Act or rules following the issuance of an  
14 agent-in-charge identification card; or

15           (10) Dispensing to purchasers in amounts above the  
16 limits provided in this Act.

17           Section 15-100. Security.

18           (a) A dispensing organization shall implement security  
19 measures to deter and prevent entry into and theft of cannabis  
20 or currency.

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

25           (c) The dispensing organization shall implement security

1 measures to protect the premises, purchasers, and dispensing  
2 organization agents including, but not limited to the  
3 following:

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

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

9 (3) Develop a policy that addresses the maximum  
10 capacity and purchaser flow in the waiting rooms and  
11 limited access areas;

12 (4) Dispose of cannabis in accordance with this Act and  
13 rules;

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

19 (6) When the dispensary is closed, store all cannabis  
20 and currency in a reinforced vault room in the restricted  
21 access area and in a manner as to prevent diversion, theft,  
22 or loss;

23 (7) Keep the reinforced vault room and any other  
24 equipment or cannabis storage areas securely locked and  
25 protected from unauthorized entry;

26 (8) Keep an electronic daily log of dispensing

1 organization agents with access to the reinforced vault  
2 room and knowledge of the access code or combination;

3 (9) Keep all locks and security equipment in good  
4 working order;

5 (10) The security and alarm system shall be operational  
6 at all times;

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

10 (12) Prohibit accessibility of security measures,  
11 including combination numbers, passwords, or electronic or  
12 biometric security systems to persons other than  
13 specifically authorized dispensing organization agents;

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

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

19 (15) Develop emergency policies and procedures for  
20 securing all product and currency following any instance of  
21 diversion, theft, or loss of cannabis, and conduct an  
22 assessment to determine whether additional safeguards are  
23 necessary; and

24 (16) Develop sufficient additional safeguards in  
25 response to any special security concerns, or as required  
26 by the Department.

1           (d) The Department may request or approve alternative  
2 security provisions that it determines are an adequate  
3 substitute for a security requirement specified in this  
4 Article. Any additional protections may be considered by the  
5 Department in evaluating overall security measures.

6           (e) A dispensing organization may share premises with  
7 another licensee as permitted in this Act other than a adult  
8 use cultivation center, provided each licensee stores currency  
9 and cannabis or cannabis-infused products in a separate secured  
10 vault to which the other licensee does not have access, or to  
11 which all licensees sharing the vault are owned by the same  
12 entity.

13           (f) A dispensing organization shall provide additional  
14 security as needed and in a manner appropriate for the  
15 community where it operates.

16           (g) Restricted access areas.

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

22           (2) All restricted access areas shall be clearly  
23 described in the floor plan of the premises, in the form  
24 and manner determined by the Department, reflecting walls,  
25 partitions, counters, and all areas of entry and exit. The  
26 floor plan shall show all storage, disposal, and retail

1 sales areas.

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

5 (h) Security and alarm.

6 (1) A dispensing organization shall have an adequate  
7 security plan and security system to prevent and detect  
8 diversion, theft, or loss of cannabis, currency, or  
9 unauthorized intrusion using commercial grade equipment  
10 installed by an Illinois licensed private alarm contractor  
11 or private alarm contractor agency that shall, at a  
12 minimum, include:

13 (i) A perimeter alarm on all entry points and glass  
14 break protection on perimeter windows;

15 (ii) Security shatterproof tinted film on exterior  
16 windows;

17 (iii) A failure notification system that provides  
18 an audible, text, or visual notification of any failure  
19 in the surveillance system, including, but not limited  
20 to, panic buttons, alarms, and video monitoring  
21 system. The failure notification system shall provide  
22 an alert to designated dispensing organization agents  
23 within 5 minutes after the failure, either by telephone  
24 or text message;

25 (iv) A duress alarm, panic button, and alarm, or  
26 holdup alarm and after-hours intrusion detection alarm

1           that by design and purpose will directly or indirectly  
2           notify, by the most efficient means, the Public Safety  
3           Answering Point for the law enforcement agency having  
4           primary jurisdiction;

5           (v) Security equipment to deter and prevent  
6           unauthorized entrance into the dispensary, including  
7           electronic door locks on the limited and restricted  
8           access areas that include devices or a series of  
9           devices to detect unauthorized intrusion that may  
10          include a signal system interconnected with a radio  
11          frequency method, cellular, private radio signals or  
12          other mechanical or electronic device.

13          (2) All security system equipment and recordings shall  
14          be maintained in good working order, in a secure location  
15          so as to prevent theft, loss, destruction, or alterations.

16          (3) Access to surveillance monitoring recording  
17          equipment shall be limited to persons that are essential to  
18          surveillance operations, law enforcement authorities  
19          acting within their jurisdiction, security system service  
20          personnel, and the Department. A current list of authorized  
21          dispensing organization agents and service personnel that  
22          have access to the surveillance equipment must be available  
23          to the Department upon request.

24          (4) All security equipment shall be inspected and  
25          tested at regular intervals, not to exceed one month from  
26          the previous inspection, and tested to ensure the systems



1 remain functional.

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

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

8 (i) To monitor the dispensary, the dispensing organization  
9 shall incorporate continuous electronic video monitoring  
10 including the following:

11 (1) All monitors must be 19 inches or greater;

12 (2) Unobstructed video surveillance of all enclosed  
13 dispensary areas, unless prohibited by law, including all  
14 points of entry and exit that shall be appropriate for the  
15 normal lighting conditions of the area under surveillance.  
16 The cameras shall be directed so all areas are captured,  
17 including, but not limited to, safes, vaults, sales areas,  
18 and areas where cannabis is stored, handled, dispensed, or  
19 destroyed. Cameras shall be angled to allow for facial  
20 recognition, the capture of clear and certain  
21 identification of any person entering or exiting the  
22 dispensary area and in lighting sufficient during all times  
23 of night or day;

24 (3) Unobstructed video surveillance of outside areas,  
25 the storefront, and the parking lot, that shall be  
26 appropriate for the normal lighting conditions of the area

1 under surveillance. Cameras shall be angled so as to allow  
2 for the capture of facial recognition, clear and certain  
3 identification of any person entering or exiting the  
4 dispensary and the immediate surrounding area, and license  
5 plates of vehicles in the parking lot;

6 (4) 24-hour recordings from all video cameras  
7 available for immediate viewing by the Department upon  
8 request. Recordings shall not be destroyed or altered and  
9 shall be retained for at least 90 days. Recordings shall be  
10 retained as long as necessary if the dispensing  
11 organization is aware of the loss or theft of cannabis or a  
12 pending criminal, civil, or administrative investigation  
13 or legal proceeding for which the recording may contain  
14 relevant information;

15 (5) The ability to immediately produce a clear, color  
16 still photo from the surveillance video, either live or  
17 recorded;

18 (6) A date and time stamp embedded on all video  
19 surveillance recordings. The date and time shall be  
20 synchronized and set correctly and shall not significantly  
21 obscure the picture;

22 (7) The ability to remain operational during a power  
23 outage and ensure all access doors are not solely  
24 controlled by an electronic access panel to ensure that  
25 locks are not released during a power outage;

26 (8) All video surveillance equipment shall allow for

1 the exporting of still images in an industry standard image  
2 format, including .jpg, .bmp, and .gif. Exported video  
3 shall have the ability to be archived in a proprietary  
4 format that ensures authentication of the video and  
5 guarantees that no alteration of the recorded image has  
6 taken place. Exported video shall also have the ability to  
7 be saved in an industry standard file format that can be  
8 played on a standard computer operating system. All  
9 recordings shall be erased or destroyed before disposal;

10 (9) The video surveillance system shall be operational  
11 during a power outage with a 4-hour minimum battery backup;

12 (10) A video camera or cameras recording at each  
13 point-of-sale location allowing for the identification of  
14 the dispensing organization agent distributing the  
15 cannabis and any purchaser. The camera or cameras shall  
16 capture the sale, the individuals. and the computer  
17 monitors used for the sale;

18 (11) A failure notification system that provides an  
19 audible and visual notification of any failure in the  
20 electronic video monitoring system; and

21 (12) All electronic video surveillance monitoring must  
22 record at least the equivalent of 8 frames per second and  
23 be available to the Department and the Department of State  
24 Police 24 hours a day in real time via a secure web-based  
25 portal with reverse functionality.

26 (j) The requirements contained in this Act are minimum

1 requirements for operating a dispensing organization. The  
2 Department may establish additional requirements by rule.

3 Section 15-110. Recordkeeping.

4 (a) Dispensing organization records must be maintained  
5 electronically and be available for inspection by the  
6 Department of Financial and Professional Regulation upon  
7 request. Required written records include, but are not limited  
8 to, the following:

9 (1) Operating procedures;

10 (2) Inventory records, policies, and procedures;

11 (3) Security records;

12 (4) Audit records;

13 (5) Staffing plan; and

14 (6) Business records, including but not limited to:

15 (i) Assets and liabilities;

16 (ii) Monetary transactions;

17 (iii) Written or electronic accounts, including  
18 bank statements, journals, ledgers and supporting  
19 documents, agreements, checks, invoices, receipts, and  
20 vouchers; and

21 (iv) Any other financial accounts reasonably  
22 related to the dispensary operations.

23 (b) Storage and transfer of records. If a dispensary closes  
24 due to insolvency, revocation, bankruptcy, or for any other  
25 reason, all records must be preserved at the expense of the

1 dispensing organization for at least 3 years in a form and  
2 location in Illinois acceptable to the Department. The  
3 dispensing organization shall keep the records longer if  
4 requested by the Department. The dispensing organization shall  
5 notify the Department of the location where the dispensary  
6 records are stored or transferred.

7 Section 15-120. Closure of a dispensary.

8 (a) If a dispensing organization decides not to renew its  
9 license or decides to close its business, it shall promptly  
10 notify the Department of Financial and Professional Regulation  
11 not less than 3 months before the effective date of the closing  
12 date or as otherwise authorized by the Department.

13 (b) The dispensing organization shall work with the  
14 Department to develop a closure plan that addresses, at a  
15 minimum, the transfer of business records, transfer of cannabis  
16 products, and anything else the Department finds necessary.

17 Section 15-125. Fees. After January 1, 2022, the Department  
18 of Financial and Professional Regulation may by rule modify any  
19 application or renewal fee established under this Article.

20 Section 15-130. Confidentiality.

21 (a) The following information received and records kept by  
22 the Department of Financial and Professional Regulation for  
23 purposes of administering this Article are subject to all

1 applicable federal privacy laws, confidential, and exempt from  
2 the Freedom of Information Act, and not subject to disclosure  
3 to any individual or public or private entity, except as  
4 necessary for authorized employees of the Department of  
5 Financial and Professional Regulation to perform official  
6 duties under this Article and the following information  
7 received and kept by the Department of Financial and  
8 Professional Regulation, excluding any existing or nonexisting  
9 Illinois or national criminal history record information, may  
10 be disclosed to the Department of Public Health, the Department  
11 of Agriculture, the Department of Revenue, or the Department of  
12 State Police upon request:

13 (1) Applications and renewals, their contents, and  
14 supporting information submitted by or on behalf of  
15 dispensing organizations in compliance with this Article,  
16 including their physical addresses;

17 (2) Any plans, procedures, policies, or other records  
18 relating to dispensing organization security;

19 (3) Information otherwise exempt from disclosure by  
20 State or federal law.

21 (b) All information collected by the Department of  
22 Financial and Professional Regulation in the course of an  
23 examination, inspection, or investigation of a licensee or  
24 applicant, including, but not limited to, any complaint against  
25 a licensee or applicant filed with the Department and  
26 information collected to investigate any such complaint, shall

1 be maintained for the confidential use of the Department and  
2 shall not be disclosed, except as otherwise provided in the  
3 Act. A formal complaint filed against a licensee by the  
4 Department or any disciplinary order issued by the Department  
5 against a licensee or applicant shall be a public record,  
6 except as otherwise prohibited by law.

7 Section 15-135. Investigations.

8 (a) Dispensing organizations are subject to random and  
9 unannounced dispensary inspections and cannabis testing by the  
10 Department of Financial and Professional Regulation, the  
11 Department of State Police, and local law enforcement.

12 (b) The Department of Financial and Professional  
13 Regulation and its authorized representatives may enter any  
14 place, including a vehicle, in which cannabis is held, stored,  
15 dispensed, sold, produced, delivered, transported,  
16 manufactured, or disposed of and inspect, in a reasonable  
17 manner, the place and all pertinent equipment, containers and  
18 labeling, and all things including records, files, financial  
19 data, sales data, shipping data, pricing data, personnel data,  
20 research, papers, processes, controls, and facility, and  
21 inventory any stock of cannabis and obtain samples of any  
22 cannabis or cannabis product, any labels or containers for  
23 cannabis, or paraphernalia.

24 (c) The Department of Financial and Professional  
25 Regulation may conduct an investigation of an applicant,

1 application, dispensing organization, principal officer,  
2 dispensary agent, third party vendor, or any other party  
3 associated with a dispensing organization for an alleged  
4 violation of this Act or rules or to determine qualifications  
5 to be granted a registration by the Department.

6 (d) The Department of Financial and Professional  
7 Regulation may require an applicant or dispensing organization  
8 to produce documents, records, or any other material pertinent  
9 to the investigation of an application or alleged violations of  
10 this Act or rules. Failure to provide the required material may  
11 be grounds for denial or discipline.

12 (e) Every person charged with preparation, obtaining, or  
13 keeping records, logs, reports, or other documents in  
14 connection with this Act and rules and every person in charge,  
15 or having custody, of those documents shall, upon request by  
16 the Department, make the documents immediately available for  
17 inspection and copying by the Department, the Department's  
18 authorized representative, or others authorized by law to  
19 review the documents.

20 Section 15-140. Citations. The Department may issue  
21 nondisciplinary citations for minor violations. Any such  
22 citation issued by the Department may be accompanied by a fee.  
23 The fee shall not exceed \$20,000 per violation. The citation  
24 shall be issued to the licensee and shall contain the  
25 licensee's name and address, the licensee's license number, a



1 brief factual statement, the Sections of the law allegedly  
2 violated, and the fee, if any, imposed. The citation must  
3 clearly state that the licensee may choose, in lieu of  
4 accepting the citation, to request a hearing. If the licensee  
5 does not dispute the matter in the citation with the Department  
6 within 30 days after the citation is served, then the citation  
7 shall become final and not subject to appeal. The penalty shall  
8 be a fee or other conditions as established by rule.

9 Section 15-145. Grounds for discipline.

10 (a) The Department of Financial and Professional  
11 Regulation may deny issuance, refuse to renew or restore, or  
12 may reprimand, place on probation, suspend, revoke, or take  
13 other disciplinary or nondisciplinary action against any  
14 license or agent identification card or may impose a fine for  
15 any of the following:

16 (1) Material misstatement in furnishing information to  
17 the Department;

18 (2) Violations of this Act or rules;

19 (3) Obtaining an authorization or license by fraud or  
20 misrepresentation;

21 (4) A pattern of conduct that demonstrates  
22 incompetence or lack of fitness;

23 (5) Aiding or assisting another person in violating any  
24 provision of this Act or rules;

25 (6) Failing to respond to a written request for

1 information by the Department within 30 days;

2 (7) Engaging in unprofessional, dishonorable, or  
3 unethical conduct of a character likely to deceive,  
4 defraud, or harm the public;

5 (8) Discipline by another United States jurisdiction  
6 or foreign nation;

7 (9) A finding by the Department that the licensee,  
8 after having his or her license placed on suspended or  
9 probationary status, has violated the terms of the  
10 suspension or probation;

11 (10) Conviction, entry of a plea of guilty, nolo  
12 contendere, or the equivalent in a State or federal court  
13 of a principal officer or agent-in-charge to an excluded  
14 offense, a felony, or of 2 or more misdemeanors involving  
15 moral turpitude during the previous 5 years as shown by a  
16 certified copy of a court record;

17 (11) Excessive use or addiction to alcohol, narcotics,  
18 stimulants, or any other chemical agent or drug;

19 (12) A finding by the Department of a discrepancy in a  
20 Department audit of cannabis;

21 (13) A finding by the Department of a discrepancy in a  
22 Department audit of capital or funds;

23 (14) A finding by the Department of acceptance of  
24 cannabis from a source other than an Adult Use Cultivation  
25 Center licensed by the Department of Agriculture;

26 (15) An inability to operate using reasonable

1 judgment, skill, or safety due to physical or mental  
2 illness or other impairment or disability, including,  
3 without limitation, deterioration through the aging  
4 process or loss of motor skills or mental incompetence;

5 (16) Failing to report to the Department within the  
6 time frames established, or if not identified, 14 days, of  
7 any adverse final action taken against the dispensing  
8 organization or an agent by a licensing jurisdiction in any  
9 state or any territory of the United States or any foreign  
10 jurisdiction, any governmental agency, any law enforcement  
11 agency or any court defined in this Section;

12 (17) Failing to comply with a subpoena issued by the  
13 Department;

14 (18) Failure to promptly inform the Department of any  
15 change of address;

16 (19) Disclosing customer names, personal information,  
17 or protected health information in violation of any State  
18 or federal law;

19 (20) Operating a dispensary before obtaining a license  
20 from the Department;

21 (21) Dispensing cannabis when prohibited by this Act or  
22 rules;

23 (22) Any fact or condition that, if it had existed at  
24 the time of the original application for the license, would  
25 have warranted the denial of the license;

26 (23) Permitting a person without a valid agent

1 identification card to be employed by the dispensing  
2 organization;

3 (24) Failure to assign an agent-in-charge as required  
4 by this Article;

5 (25) Personnel insufficient in number or unqualified  
6 in training or experience to properly operate the  
7 dispensary business;

8 (26) Any pattern of activity that causes a harmful  
9 impact on the community; and

10 (27) Failing to prevent diversion, theft, or loss of  
11 cannabis.

12 (b) All fines and fees imposed under this Section shall be  
13 paid within 60 days after the effective date of the order  
14 imposing the fine or as otherwise specified in the order.

15 (c) A circuit court order establishing that an  
16 agent-in-charge or principal officer holding an agent  
17 identification card is subject to involuntary admission as that  
18 term is defined in Sections 1-119 or 1-119.1 of the Mental  
19 Health and Developmental Disabilities Code shall operate as a  
20 suspension of that card.

21 Section 15-150. Temporary suspension.

22 (a) The Secretary of Financial and Professional Regulation  
23 may temporarily suspend a dispensing organization license or an  
24 agent registration without a hearing if the Secretary finds  
25 that public safety or welfare requires emergency action. The

1 Secretary shall cause the temporary suspension by issuing a  
2 suspension notice in connection with the institution of  
3 proceedings for a hearing.

4 (b) If the Secretary temporarily suspends a license or  
5 agent registration without a hearing, the licensee or agent is  
6 entitled to a hearing within 45 days after the suspension  
7 notice has been issued. The hearing shall be limited to the  
8 issues cited in the suspension notice, unless all parties agree  
9 otherwise.

10 (c) If the Department does not hold a hearing within 45 days  
11 after the date the suspension notice was issued, then the  
12 suspended license or registration shall be automatically  
13 reinstated and the suspension vacated.

14 (d) The suspended licensee or agent may seek a continuance  
15 of the hearing date, during which time the suspension remains  
16 in effect and the license or registration shall not be  
17 automatically reinstated.

18 (e) Subsequently discovered causes of action by the  
19 Department after the issuance of the suspension notice may be  
20 filed as a separate notice of violation. The Department is not  
21 precluded from filing a separate cause of action against the  
22 suspended licensee or agent.

23 Section 15-155. Consent to administrative supervision  
24 order. In appropriate cases, the Department of Financial and  
25 Professional Regulation may resolve a complaint against a

1 licensee or agent through the issuance of a consent order for  
2 administrative supervision. A license or agent subject to a  
3 consent order shall be considered by the Department to hold a  
4 license or registration in good standing.

5 Section 15-160. Notice; hearing.

6 (a) The Department shall, before disciplining an applicant  
7 or licensee, at least 30 days before the date set for the  
8 hearing: (i) notify the accused in writing of the charges made  
9 and the time and place for the hearing on the charges; (ii)  
10 direct him or her to file a written answer to the charges under  
11 oath within 20 days after service; and (iii) inform the  
12 applicant or licensee that failure to answer will result in a  
13 default being entered against the applicant or licensee.

14 (b) At the time and place fixed in the notice, the hearing  
15 officer appointed by the Secretary shall proceed to hear the  
16 charges, and the parties or their counsel shall be accorded  
17 ample opportunity to present any pertinent statements,  
18 testimony, evidence, and arguments. The hearing officer may  
19 continue the hearing from time to time. In case the person,  
20 after receiving the notice, fails to file an answer, his or her  
21 license may, in the discretion of the Secretary, having first  
22 received the recommendation of the hearing officer, be  
23 suspended, revoked, or placed on probationary status, or be  
24 subject to whatever disciplinary action the Secretary  
25 considers proper, including a fine, without hearing, if that

1 act or acts charged constitute sufficient grounds for that  
2 action under this Act.

3 (c) The written notice and any notice in the subsequent  
4 proceeding may be served by regular mail or email to the  
5 licensee's or applicant's address of record.

6 Section 15-165. Subpoenas; oaths. The Department of  
7 Financial and Professional Regulation shall have the power to  
8 subpoena and bring before it any person and to take testimony  
9 either orally or by deposition, or both, with the same fees and  
10 mileage and in the same manner as prescribed by law in judicial  
11 proceedings in civil cases in courts in this State. The  
12 Secretary or the hearing officer shall each have the power to  
13 administer oaths to witnesses at any hearings that the  
14 Department is authorized to conduct.

15 Section 15-170. Hearing; motion for rehearing.

16 (a) The hearing officer shall hear evidence in support of  
17 the formal charges and evidence produced by the licensee. At  
18 the conclusion of the hearing, the hearing officer shall  
19 present to the Secretary a written report of his or her  
20 findings of fact, conclusions of law, and recommendations.

21 (b) At the conclusion of the hearing, a copy of the hearing  
22 officer's report shall be served upon the applicant or licensee  
23 by the Department, either personally or as provided in this Act  
24 for the service of a notice of hearing. Within 20 calendar days

1 after service, the applicant or licensee may present to the  
2 Department a motion in writing for rehearing, which shall  
3 specify the particular grounds for rehearing. The Department  
4 may respond to the motion for rehearing within 20 calendar days  
5 after its service on the Department. If no motion for rehearing  
6 is filed, then, upon the expiration of the time specified for  
7 filing such motion or upon denial of a motion for rehearing,  
8 the Secretary may enter an order in accordance with the  
9 recommendation of the hearing officer. If the applicant or  
10 licensee orders from the reporting service and pays for a  
11 transcript of the record within the time for filing a motion  
12 for rehearing, the 20-day period within which a motion may be  
13 filed shall commence upon the delivery of the transcript to the  
14 applicant or licensee.

15 (c) If the Secretary disagrees in any regard with the  
16 report of the hearing officer, the Secretary may issue an order  
17 contrary to the report.

18 (d) Whenever the Secretary is not satisfied that  
19 substantial justice has been done, the Secretary may order a  
20 rehearing by the same or another hearing officer.

21 (e) At any point in any investigation or disciplinary  
22 proceeding under in this Article, both parties may agree to a  
23 negotiated consent order. The consent order shall be final upon  
24 signature of the Secretary.

25 Section 15-175. Review under the Administrative Review



1 Law.

2 (a) All final administrative decisions of the Department  
3 hereunder shall be subject to judicial review under the  
4 provisions of the Administrative Review Law, and all amendment  
5 and modifications thereof. The term "administrative decision"  
6 is defined as in Section 3-101 of the Code of Civil Procedure.

7 (b) Proceedings for judicial review shall be commenced in  
8 the circuit court of the county in which the party applying for  
9 review resides, but if the party is not a resident of Illinois,  
10 the venue shall be in Sangamon County.

11 (c) The Department shall not be required to certify any  
12 record to the court, file any answer in court, or otherwise  
13 appear in any court in a judicial review proceeding, unless and  
14 until the Department has received from the plaintiff payment of  
15 the costs of furnishing and certifying the record, which costs  
16 shall be determined by the Department. Failure on the part of  
17 the plaintiff to file a receipt in court shall be grounds for  
18 dismissal of the action.

19 ARTICLE 20.

20 ADULT USE CULTIVATION CENTERS

21 Section 20-5. Issuance of licenses. On or after January 1,  
22 2021, the Department of Agriculture by rule may:

23 (1) Modify or change the number of cultivation center  
24 licenses available, which shall at no time exceed 30

1 cultivation center licenses. In determining whether to  
2 exercise the authority granted by this subsection, the  
3 Department of Agriculture must consider the following  
4 factors:

5 (A) The percentage of cannabis sales occurring in  
6 Illinois not in the regulated market using data from  
7 the Substance Abuse and Mental Health Services  
8 Administration, National Survey on Drug Use and  
9 Health, Illinois Behavioral Risk Factor Surveillance  
10 System, and tourism data from the Illinois Office of  
11 Tourism to ascertain total cannabis consumption in  
12 Illinois compared to the amount of sales in licensed  
13 dispensing organizations;

14 (B) Whether there is an adequate supply of cannabis  
15 and cannabis-infused products to serve registered  
16 medical cannabis patients;

17 (C) Whether there is an adequate supply of cannabis  
18 and cannabis-infused products to serve purchasers;

19 (D) Whether there is an oversupply of cannabis in  
20 Illinois leading to trafficking of cannabis to states  
21 where the sale of cannabis is not permitted by law;

22 (E) Population increases or shifts;

23 (F) Changes to federal law;

24 (G) Perceived security risks of increasing the  
25 number or location of cultivation centers;

26 (H) The past security records of cultivation

1 centers;

2 (I) The Department of Agriculture's capacity to  
3 appropriately regulate additional licensees;

4 (J) The findings and recommendations from the  
5 disparity and availability study commissioned by the  
6 Department of Commerce and Economic Opportunity  
7 referenced in subsection (e) of Section 5-45 to reduce  
8 or eliminate any identified barriers to entry in the  
9 cannabis industry; and

10 (K) Any other criteria the Department of  
11 Agriculture deems relevant.

12 (2) Modify or change the licensing application process  
13 to reduce or eliminate the barriers identified in the  
14 disparity and availability study commission by the  
15 Illinois Cannabis Regulation Oversight Officer and shall  
16 make modifications to remedy evidence of discrimination.

17 Section 20-10. Early Approval of Adult Use Cultivation  
18 Center License.

19 (a) Any medical cannabis cultivation center registered and  
20 in good standing under the Compassionate Use of Medical  
21 Cannabis Pilot Program Act may, within 60 days of the effective  
22 date of this Act, apply to the Department of Agriculture for an  
23 Early Approval Adult Use Cultivation Center License to produce  
24 cannabis and cannabis products at its existing facilities as of  
25 the effective date of this Act.

1 (b) A medical cannabis cultivation center seeking issuance  
2 of an Early Approval Adult Use Cultivation Center License shall  
3 submit an application on forms provided by the Department of  
4 Agriculture. The application must meet the following  
5 qualifications:

6 (1) Includes payment of a nonrefundable application  
7 fee of \$100,000 to be deposited in the Cannabis Regulation  
8 Fund;

9 (2) Proof of registration as a medical cannabis  
10 cultivation center that is in good standing;

11 (3) Submission of the application by the same person or  
12 entity that holds the medical cannabis cultivation center  
13 registration;

14 (4) Certification that the applicant will comply with  
15 the requirements of Section 20-30;

16 (5) Include the legal name of the cultivation center;

17 (6) Include the physical address of the cultivation  
18 center;

19 (7) The name, address, social security number, and date  
20 of birth of each principal officer and board member of the  
21 cultivation center; each of those individuals shall be at  
22 least 21 years of age;

23 (8) A nonrefundable Cannabis Business Development fee  
24 equal to 5% of the cultivation center's total sales between  
25 July 1, 2018 to July 1, 2019 or \$500,000, whichever is  
26 less, but at not less than \$100,000, to be deposited in the

1 Cannabis Business Development Fund; and

2 (9) Commit to completing one of the following Social  
3 Equity Inclusion Plans provided for in this subsection (b)  
4 before the expiration of the Early Approval Adult Use  
5 Dispensing Organization License:

6 (A) A contribution of 5% of the cultivation  
7 center's total sales from June 1, 2018, to June 1,  
8 2019, or \$100,000, whichever is less, to one of the  
9 following:

10 (i) the Cannabis Business Development Fund.  
11 This is in addition to the fee required by item (8)  
12 of this subsection (b);

13 (ii) a cannabis industry training or education  
14 program at an Illinois community college as  
15 defined in the Public Community College Act;

16 (iii) a program that provides job training  
17 services to persons recently incarcerated or that  
18 operates in a Disproportionately Impacted Area.

19 (B) Participate as a host in a cannabis business  
20 incubator program approved by the Department of  
21 Commerce and Economic Opportunity, and in which an  
22 Early Approval Adult Use Cultivation Center License  
23 holder agrees to provide a loan of at least \$100,000  
24 and mentorship to incubate a licensee that qualifies as  
25 a Social Equity Applicant for at least a year. As used  
26 here, "incubate" means providing direct financial

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

17 (c) An Early Approval Adult Use Cultivation Center License  
18 is valid until March 31, 2021. A cultivation center that  
19 obtains an Early Approval Adult Use Cultivation Center License  
20 shall receive written or electronic notice 90 days before the  
21 expiration of the license that the license will expire, and  
22 inform the license holder that it may apply for an Adult Use  
23 Cultivation Center License. The Department of Agriculture  
24 shall grant an Adult Use Cultivation Center License within 45  
25 days of submission of an application if:

26 (1) the cultivation center submits an application and

1 the required nonrefundable fee of \$30,000 for an Adult Use  
2 Cultivation Center License;

3 (2) the Department of Agriculture has not suspended the  
4 license of the cultivation center or suspended or revoked  
5 the license for violating this Act or rules adopted under  
6 this Act; and

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

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; or

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 community  
15 benefits program.

16 (h) A cultivation center may begin producing cannabis and  
17 cannabis products once the Early Approval Adult Use Cultivation  
18 Center License is approved. A cultivation center that obtains  
19 an Early Approval Adult Use Cultivation Center License may  
20 begin selling cannabis and cannabis products on September 1,  
21 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) A cultivation center that obtains an Early Approval  
10 Adult Use Cultivation Center License shall receive written or  
11 electronic notice 90 days before the expiration of the license  
12 that the license will expire, and inform the license holder  
13 that it may apply for an Adult Use Cultivation Center License.  
14 The Department of Agriculture shall grant an Adult Use  
15 Cultivation Center License within 45 days of submission of an  
16 application for an Adult Use Cultivation Center from a  
17 recipient of an Early Approval Adult Use Cultivation License  
18 Holder if:

19 (1) the cultivation center submits an application and  
20 the required nonrefundable fee for an Adult Use Cultivation  
21 Center License;

22 (2) the Department of Agriculture has not suspended the  
23 license of the dispensing organization or suspended or  
24 revoked the license for violating this Act or rules adopted  
25 under this Act; and

26 (3) the cultivation center has completed a Community

1 Benefits Plan as required by paragraph (9) of subsection  
2 (b) of this Section.

3 (l) If a cultivation center fails to submit an application  
4 for an Adult Use Cultivation Center License before the  
5 expiration of the Early Approval Adult Use Cultivation Center  
6 License, the dispensing organization shall cease serving  
7 purchasers operations until it receives an Adult Use  
8 Cultivation Center License.

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

16 (n) If the Department of Agriculture suspends or revokes  
17 the Early Approval Adult Use Cultivation Center License of a  
18 cultivation center that also holds a medical cannabis  
19 cultivation center license issued under the Compassionate Use  
20 of Medical Cannabis Pilot Program Act, the Department of  
21 Agriculture shall suspend or revoke the medical cannabis  
22 cultivation center license concurrently with the Early  
23 Approval Adult Use Cultivation Center License.

24 (o) All fees or fines collected from an Early Approval  
25 Adult Use Cultivation Center License holder as a result of a  
26 disciplinary action in the enforcement of this Act shall be

1 deposited into the Cannabis Regulation Fund.

2 Section 20-15. Application.

3 (a) If the Department of Agriculture makes available  
4 additional cultivation center licenses, applicants for a  
5 cultivation center license shall electronically submit the  
6 following in such form as the Department of Agriculture may  
7 direct:

8 (1) the nonrefundable application fee set by rule by  
9 the Department of Agriculture, to be deposited into the  
10 Cannabis Regulation Fund;

11 (2) the legal name of the cultivation center;

12 (3) the proposed physical address of the cultivation  
13 center;

14 (4) the name, address, social security number, and date  
15 of birth of each principal officer and board member of the  
16 cultivation center; each principal officer and board  
17 member shall be at least 21 years of age;

18 (5) the details of any administrative or judicial  
19 proceeding in which any of the principal officers or board  
20 members of the cultivation center (i) pled guilty, were  
21 convicted, fined, or had a registration or license  
22 suspended or revoked, or (ii) managed or served on the  
23 board of a business or non-profit organization that pled  
24 guilty, was convicted, fined, or had a registration or  
25 license suspended or revoked;

1           (6) proposed operating bylaws that include procedures  
2           for the oversight of the cultivation center, including the  
3           development and implementation of a plant monitoring  
4           system, accurate recordkeeping, staffing plan, and  
5           security plan approved by the Department of State Police  
6           that are in accordance with the rules issued by the  
7           Department of Agriculture under this Act. A physical  
8           inventory shall be performed of all plants and cannabis on  
9           a weekly basis by the cultivation center;

10          (7) verification from the Department of State Police  
11          that all background checks of the prospective principal  
12          officers, board members, and agents of the cannabis  
13          establishment have been conducted and those persons have  
14          not been convicted of an excluded offense;

15          (8) a copy of the current local zoning ordinance or  
16          permit and verification that the proposed cultivation  
17          center is in compliance with the local zoning rules and  
18          distance limitations established by the local  
19          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 and 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 the cultivation of agricultural  
3 or horticultural products, operating an agriculturally  
4 related business, or operating a horticultural business;

5 (12) whether the applicant consents to a labor peace  
6 agreement. The applicant may attest that the applicant has  
7 entered into a labor peace agreement and will abide by the  
8 terms of the agreement. The applicant may submit a copy of  
9 the page of the labor peace agreement that contains the  
10 signatures of the union representative and the applicant;

11 (13) a description of the enclosed, locked facility  
12 where cannabis will be grown, harvested, manufactured,  
13 processed, packaged, or otherwise prepared for  
14 distribution to a dispensing organization;

15 (14) a survey of the enclosed, locked facility,  
16 including the space used for cultivation;

17 (15) cultivation, processing, inventory, and packaging  
18 plans;

19 (16) a description of the applicant's experience with  
20 agricultural cultivation techniques and industry  
21 standards;

22 (17) a list of any academic degrees, certifications, or  
23 relevant experience of all prospective principal officers,  
24 board members, and agents with related businesses;

25 (18) the identity of every person having a financial or  
26 voting interest of 5% or greater in the cultivation center

1 operation with respect to which the license is sought,  
2 whether a trust, corporation, partnership, limited  
3 liability company, or sole proprietorship, including the  
4 name and address of each person;

5 (19) a plan describing how the cultivation center will  
6 address each of the following:

7 (i) energy needs, including estimates of monthly  
8 electricity and gas usage, to what extent it will  
9 procure energy from a local utility or from on-site  
10 generation, and if it has or will adopt a sustainable  
11 energy use and energy conservation policy;

12 (ii) water needs, including estimated water draw  
13 and if it has or will adopt a sustainable water use and  
14 water conservation policy; and

15 (iii) waste management, including if it has or will  
16 adopt a waste reduction policy;

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

22 (21) any other information required by rule.

23 (b) Applicants must submit all required information,  
24 including that required in Section 20-10, to the Department of  
25 Agriculture. Failure by an applicant to submit all required  
26 information may result in the application being 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 (d) An applicant may submit for further consideration:

9 (1) A recycling plan.

10 (A) Purchaser packaging, including cartridges,  
11 shall be accepted by the applicant and recycled.

12 (B) Any recyclable waste generated by the cannabis  
13 cultivation facility shall be recycled per applicable  
14 State and local laws, ordinances, and rules.

15 (C) Any cannabis waste, liquid waste, or hazardous  
16 waste shall be disposed of in accordance with 8 Ill.  
17 Adm. Code 1000.460, except, to the greatest extent  
18 feasible, all cannabis plant waste will be rendered  
19 unusable by grinding and incorporating the cannabis  
20 plant waste with compostable mixed waste to be disposed  
21 of in accordance with 8 Ill Adm. Code 1000.460(g) (1).

22 (2) Commitment to comply with local waste provisions: a  
23 cultivation facility must remain in compliance with  
24 applicable State and federal environmental requirements,  
25 including, but not limited to:

26 (A) storing, securing, and managing all

1 recyclables and waste, including organic waste  
2 composed of or containing finished cannabis and  
3 cannabis products, in accordance with applicable State  
4 and local laws, ordinances, and rules, and

5 (B) Disposing liquid waste containing cannabis or  
6 byproducts of cannabis processing in compliance with  
7 all applicable State and federal requirements,  
8 including, but not limited to, the cannabis  
9 cultivation facility's permits under Title X of the  
10 Environmental Protection Act.

11 (3) A commitment to a technology standard for resource  
12 efficiency of the cultivation center or craft grow  
13 facility.

14 (A) A cannabis cultivation facility commits to use  
15 resources efficiently, including energy and water. For  
16 the following, a cannabis cultivation facility commits  
17 to meet or exceed the technology standard identified in  
18 paragraphs (ii), (iii), and (iv), which may be modified  
19 by rule:

20 (i) lighting systems, including light bulbs;

21 (ii) HVAC system;

22 (iii) water application system to the crop;

23 and

24 (iv) filtration system for removing  
25 contaminants from wastewater.

26 (B) Lighting. The Lighting Power Densities (LPD)



1           for cultivation space commits to not exceed an average  
2           of 36 watts per gross square foot of active and growing  
3           space canopy, or all installed lighting technology  
4           shall meet a photosynthetic photon efficacy (PPE) of no  
5           less than 2.2 micromoles per joule fixture and shall be  
6           featured on the DesignLights Consortium (DLC)  
7           Horticultural Specification Qualified Products List  
8           (QPL). In the event that DLC requirement for minimum  
9           efficacy exceeds 2.2 micromoles per joule fixture,  
10          that PPE shall become the new standard.

11           (C) HVAC.

12           (i) For cannabis grow operations with less  
13           than 6,000 square feet of canopy, the licensee  
14           commits that all HVAC units will be  
15           high-efficiency ductless split HVAC units, or  
16           other more energy efficient equipment.

17           (ii) For cannabis grow operations with 6,000  
18           square feet of canopy or more, the licensee commits  
19           that all HVAC units will be variable refrigerant  
20           flow HVAC units, or other more energy efficient  
21           equipment.

22           (D) Water application.

23           (i) The cannabis cultivation facility commits  
24           to use automated watering systems, including, but  
25           not limited to, drip irrigation and flood tables,  
26           to irrigate cannabis crop.

1           (ii) The cannabis cultivation facility commits  
2           to measure runoff from watering events and report  
3           this volume in its water usage plan, and that on  
4           average, watering events shall have no more than  
5           20% of runoff of water.

6           (E) Filtration. The cultivator commits that HVAC  
7           condensate, dehumidification water, excess runoff, and  
8           other wastewater produced by the cannabis cultivation  
9           facility shall be captured and filtered to the best of  
10          the facility's ability to achieve the quality needed to  
11          be reused in subsequent watering rounds.

12          (F) Reporting energy use and efficiency as  
13          required by rule.

14          (4) The existence of a labor peace agreement.

15          (A) The applicant may attest that the applicant has  
16          entered into a labor peace agreement and will abide by  
17          the terms of the agreement. The applicant shall submit  
18          a copy of the page of the labor peace agreement that  
19          contains the signatures of the union representative  
20          and the applicant. Maintaining a labor peace agreement  
21          shall be an ongoing material condition of a cannabis  
22          business license.

23          (B) Applicants that submit an attestation  
24          affirming that they will use best efforts to use union  
25          labor in the construction or retrofit of the facilities  
26          associated with their cannabis business.

1 Section 20-20. Scoring applications.

2 (a) The Department of Agriculture shall by rule develop a  
3 system to score cultivation center applications to  
4 administratively rank applications based on the clarity,  
5 organization, and quality of the applicant's responses to  
6 required information. Applicants shall be awarded points  
7 according based on the following categories:

8 (1) Suitability of the proposed facility;

9 (2) Proposed staffing and consent to enter a peace  
10 labor agreement with employees;

11 (3) Security plan;

12 (4) Cultivation plan;

13 (5) Product safety and labeling plan;

14 (6) Business plan;

15 (7) The applicant's status as a Social Equity  
16 Applicant, which shall constitute no less than 12.5% of  
17 total available points;

18 (8) Bonus points based on the applicant's: (i) plan to  
19 perform research; (ii) use environmentally friendly  
20 practices; (iii) engage in philanthropic efforts; (iv) the  
21 existence of a labor peace agreement; and (v) the applicant  
22 is 51% or more owned and controlled by an individual or  
23 individuals who have been an Illinois resident for the past  
24 5 years as proved by tax records; and

25 (9) Any other criteria the Department of Agriculture

1           may set by rule for points or bonus points.

2           (b) Should the applicant be awarded a cultivation center  
3 license, the information and plans that an applicant provided  
4 in its application, including any plans submitted for the  
5 acquiring of bonus points, becomes a mandatory condition of the  
6 permit. Any variation from or failure to perform such plans may  
7 result in discipline, including the revocation or nonrenewal of  
8 a license.

9           (c) Should the applicant be awarded a cultivation center  
10 license, it shall pay a fee of \$100,000 prior to receiving the  
11 license, to be deposited into the Cannabis Regulation Fund. The  
12 Department of Agriculture may by rule adjust the fee in this  
13 Section after January 1, 2021.

14           Section 20-25. Denial of application. An application for a  
15 cultivation center license must be denied if any of the  
16 following conditions are met:

17           (1) the applicant failed to submit the materials  
18 required by this Article;

19           (2) the applicant would not be in compliance with local  
20 zoning rules;

21           (3) one or more of the prospective principal officers  
22 or board members has been convicted of an excluded offense;

23           (4) one or more of the prospective principal officers  
24 or board members causes a violation of Section 20-30 of  
25 this Article;

1           (5) one or more of the principal officers or board  
2 members is under 21 years of age;

3           (6) a principal officer or board member of the  
4 cultivation center has been convicted of a felony under the  
5 laws of this State, any other state, or the United States;

6           (7) a principal officer or board member of the  
7 cultivation center has been convicted of any violation of  
8 Article 28 of the Criminal Code of 2012, or substantially  
9 similar laws of any other jurisdiction;

10          (8) the person has submitted an application for a  
11 permit under this Act that contains false information; or

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

17          Section 20-30. Cultivation center requirements;  
18 prohibitions.

19          (a) The operating documents of a cultivation center shall  
20 include procedures for the oversight of the cultivation center  
21 a cannabis plant monitoring system including a physical  
22 inventory recorded weekly, accurate recordkeeping, and a  
23 staffing plan.

24          (b) A cultivation center shall implement a security plan  
25 reviewed by the Department of State Police that includes, but

1 is not limited to: facility access controls, perimeter  
2 intrusion detection systems, personnel identification systems,  
3 24-hour surveillance system to monitor the interior and  
4 exterior of the cultivation center facility and accessibility  
5 to authorized law enforcement, the Department of Public Health  
6 where processing takes place, and the Department of Agriculture  
7 in real time.

8 (c) All cultivation of cannabis by a cultivation center  
9 must take place in an enclosed, locked facility at the physical  
10 address provided to the Department of Agriculture during the  
11 licensing process. The cultivation center location shall only  
12 be accessed by the agents working for the cultivation center  
13 the Department of Agriculture staff performing inspections,  
14 the Department of Public Health staff performing inspections,  
15 local and State law enforcement or other emergency personnel,  
16 contractors working on jobs unrelated to cannabis, such as  
17 installing or maintaining security devices or performing  
18 electrical wiring, transporting organization agents as  
19 provided in this Act, individuals in a mentoring or educational  
20 program approved by the State, or other individuals as provided  
21 by rule.

22 (d) A cultivation center may not sell or distribute any  
23 cannabis or cannabis-infused products to any person other than  
24 a dispensing organization, processing organization, or as  
25 otherwise authorized by rule.

26 (e) A cultivation center may not either directly or

1 indirectly discriminate in price between different dispensing  
2 organizations that are purchasing a like grade, strain, brand,  
3 and quality of cannabis or cannabis-infused product. Nothing in  
4 this subsection (e) prevents a cultivation centers from pricing  
5 cannabis differently based on differences in the cost of  
6 manufacturing or processing, the quantities sold, such as  
7 volume discounts, or the way the products are delivered.

8 (f) All cannabis harvested by a cultivation center and  
9 intended for distribution to a dispensing organization must be  
10 entered into a data collection system, packaged and labeled  
11 under section (section on package and label section number),  
12 and placed into a cannabis container for transport. All  
13 cannabis harvested by a cultivation center and intended for  
14 distribution to a processing organization must be packaged in a  
15 labeled cannabis container and entered into a data collection  
16 system before transport.

17 (g) No person who has been convicted of or pled guilty to  
18 an excluded offense may be a cultivation center agent.

19 (h) Cultivation centers are subject to random inspections  
20 by the Department of Agriculture, the Department of Public  
21 Health, local safety or health inspectors, and the Department  
22 of State Police, .

23 (i) A cultivation center agent shall notify local law  
24 enforcement, the Department of State Police, and the Department  
25 of Agriculture within 24 hours of the discovery of any loss or  
26 theft. Notification shall be made by phone or in person, or by

1 written or electronic communication.

2 (j) A cultivation center shall comply with all State and  
3 any applicable federal rules and regulations regarding the use  
4 of pesticides on cannabis plants.

5 (k) No person or entity shall hold any legal, equitable,  
6 ownership, or beneficial interest, directly or indirectly, of  
7 more than 3 cultivation centers licensed under this Article.  
8 Further, no person or entity who is employed by, an agent of,  
9 has a contract to receive payment in any form from a  
10 cultivation center, is a principal officer of a cultivation  
11 center, or entity controlled by or affiliated with a principal  
12 officer of a cultivation shall hold any legal, equitable,  
13 ownership, or beneficial interest, directly or indirectly, in a  
14 cultivation that would result in the person or entity owning or  
15 controlling in combination with any cultivation center,  
16 principal officer of a cultivation center, or entity controlled  
17 or affiliated with a principal officer of a cultivation center  
18 by which he, she, or it is employed, is an agent of, or has a  
19 contract to receive payment from, more than 3 cultivation  
20 center licenses.

21 (l) A cultivation center may not contain more than 100,000  
22 square feet of canopy space for cultivation of cannabis.

23 (m) A cultivation center may process cannabis, cannabis  
24 concentrates, and cannabis-infused products.

25 (n) Beginning July 1, 2020, a cultivation center shall not  
26 transport cannabis to a craft grower, dispensing organization,



1 processing organization, or laboratory licensed under this  
2 Act, unless it has obtained a transporting organization  
3 license.

4 (o) It is unlawful for any person having a cultivation  
5 center license or any officer, associate, member,  
6 representative, or agent of such licensee to offer or deliver  
7 money, or anything else of value, directly or indirectly to any  
8 person having an Early Applicant Adult Use Dispensing  
9 Organization License, an Adult Use Dispensing Organization  
10 License, or a medical cannabis dispensing organization license  
11 issued under the Compassionate Use of Medical Cannabis Pilot  
12 Program Act, or to any person connected with or in any way  
13 representing, or to any member of the family of, such person  
14 holding an Early Applicant Adult Use Dispensing Organization  
15 License, an Adult Use Dispensing Organization License, or a  
16 medical cannabis dispensing organization license issued under  
17 the Compassionate Use of Medical Cannabis Pilot Program Act, or  
18 to any stockholders in any corporation engaged the retail sales  
19 of cannabis, or to any officer, manager, agent, or  
20 representative of the Early Applicant Adult Use Dispensing  
21 Organization License, an Adult Use Dispensing Organization  
22 License, or a medical cannabis dispensing organization license  
23 issued under the Compassionate Use of Medical Cannabis Pilot  
24 Program Act to obtain preferential placement within the  
25 dispensing organization, including, without limitation, on  
26 shelves and in display cases where purchasers can view

1 products, or on the dispensing organization's website.

2 (p) Any other requirements or prohibitions set by  
3 Department of Agriculture rules.

4 Section 20-35. Cultivation center agent identification  
5 card.

6 (a) The Department of Agriculture shall:

7 (1) establish by rule the information required in an  
8 initial application or renewal application for an agent  
9 identification card submitted under this Act and the  
10 nonrefundable fee to accompany the initial application or  
11 renewal application;

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

18 (3) issue an agent identification card to a qualifying  
19 agent within 15 business days of approving the initial  
20 application or renewal application;

21 (4) enter the license number of the craft grower where  
22 the agent works; and

23 (5) allow for an electronic initial application and  
24 renewal application process, and provide a confirmation by  
25 electronic or other methods that an application has been

1 submitted. Each Department may by rule require prospective  
2 agents to file their applications by electronic means and  
3 to provide notices to the agents by electronic means.

4 (b) An agent must keep his or her identification card  
5 visible at all times when on the property of a cannabis  
6 establishment including the cannabis establishment for which  
7 he or she is an agent.

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

10 (1) the name of the cardholder;

11 (2) the date of issuance and expiration date of the  
12 identification card;

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 holder;

16 (4) a photograph of the cardholder; and

17 (5) the legal name of the cannabis establishment  
18 employing the agent.

19 (d) An agent identification card shall be immediately  
20 returned to the cannabis establishment of the agent upon  
21 termination of his or her employment.

22 (e) Any agent identification card lost by a cultivation  
23 center agent shall be reported the Department of State Police  
24 and the Department of Agriculture immediately upon discovery of  
25 the loss.

26 (f) An applicant for an agent identification card shall be

1 denied if he or she has been convicted of or pled guilty to an  
2 excluded offense.

3 (g) The Department of Agriculture shall not issue an agent  
4 identification card if the applicant is delinquent in filing  
5 any required tax returns or paying any amounts owed to the  
6 State of Illinois.

7 Section 20-40. Cultivation center background checks.

8 (a) Through the Department of State Police, the licensing  
9 or issuing Department shall conduct a background check of the  
10 prospective principal officers, board members, and agents of a  
11 cultivation center applying for a license or identification  
12 card under this Act. The Department of State Police shall  
13 charge a fee set by rule for conducting the criminal history  
14 record check, which shall be deposited into the State Police  
15 Services Fund and shall not exceed the actual cost of the  
16 record check. In order to carry out this provision, each  
17 cannabis establishment prospective principal officer, board  
18 member, or agent shall submit a full set of fingerprints to the  
19 Department of State Police for the purpose of obtaining a State  
20 and federal criminal records check. These fingerprints shall be  
21 checked against the fingerprint records now and hereafter, to  
22 the extent allowed by law, filed in the Department of State  
23 Police and Federal Bureau of Investigation criminal history  
24 records databases. The Department of State Police shall  
25 furnish, following positive identification, all conviction

1 information to the Department of Agriculture.

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

6 Section 20-45. Renewal of cultivation center licenses and  
7 agent identification cards.

8 (a) Licenses and identification cards issued under this Act  
9 shall be renewed annually. A cultivation center shall receive  
10 written or electronic notice 90 days before the expiration of  
11 its current license that the license will expire. The  
12 Department of Agriculture shall grant a renewal within 45 days  
13 of submission of a renewal application if:

14 (1) the cultivation center submits a renewal  
15 application and the required nonrefundable renewal fee of  
16 \$100,000, or another amount as the Department of  
17 Agriculture may set by rule after January 1, 2021, to be  
18 deposited into the Cannabis Regulation Fund.

19 (2) the Department of Agriculture has not suspended the  
20 license of the cultivation center or suspended or revoked  
21 the license for violating this Act or rules adopted under  
22 this Act; and

23 (3) the cultivation center has continued to operate in  
24 accordance with all plans submitted as part of its  
25 application and approved by the Department of Agriculture

1 or any amendments thereto that have been approved by the  
2 Department of Agriculture.

3 (b) If a cultivation center fails to renew its license  
4 before expiration, it shall cease operations until its license  
5 is renewed.

6 (c) If a cultivation center agent fails to renew his or her  
7 identification card before its expiration, he or she shall  
8 cease to work as an agent of the cannabis business  
9 establishment until his or her identification card is renewed.

10 (d) Any cultivation center that continues to operate, or  
11 any cultivation center agent who continues to work as an agent,  
12 after the applicable license or identification card has expired  
13 without renewal is subject to the penalties provided under  
14 Section 45-5.

15 ARTICLE 30.

16 CRAFT GROWERS

17 Section 30-5. Issuance of licenses.

18 (a) The Department of Agriculture shall issue up to 40  
19 craft grower licenses by July 1, 2020.

20 (b) By December 21, 2021, the Department of Agriculture  
21 shall issue up to 60 additional craft grower licenses. Prior to  
22 issuing such licenses, the Department may adopt rules through  
23 emergency rulemaking in accordance with subsection (gg) of  
24 Section 5-45 of the Illinois Administrative Procedure Act, to

1 modify or raise the number of craft grower licenses assigned to  
2 each region and modify or change the licensing application  
3 process to reduce or eliminate barriers. The General Assembly  
4 finds that the adoption of rules to regulate cannabis use is  
5 deemed an emergency and necessary for the public interest,  
6 safety, and welfare. In determining whether to exercise either  
7 authority granted by this subsection, the Department of  
8 Agriculture must consider the following factors:

9 (1) The percentage of cannabis sales occurring in  
10 Illinois not in the regulated market using data from the  
11 Substance Abuse and Mental Health Services Administration,  
12 National Survey on Drug Use and Health, Illinois Behavioral  
13 Risk Factor Surveillance System, and tourism data from the  
14 Illinois Office of Tourism to ascertain total cannabis  
15 consumption in Illinois compared to the amount of sales in  
16 licensed dispensing organizations;

17 (2) Whether there is an adequate supply of cannabis and  
18 cannabis-infused products to serve registered medical  
19 cannabis patients;

20 (3) Whether there is an adequate supply of cannabis and  
21 cannabis-infused products to serve purchasers;

22 (4) Whether there is an oversupply of cannabis in  
23 Illinois leading to trafficking of cannabis to states where  
24 the sale of cannabis is not permitted by law;

25 (5) Population increases or shifts;

26 (6) The density of craft growers in any area of the

1 State;

2 (7) Perceived security risks of adding increasing the  
3 number or location of craft growers;

4 (8) The past safety record of craft growers;

5 (9) The Department of Agriculture's capacity to  
6 appropriately regulate additional licensees;

7 (10) The findings and recommendations from the  
8 disparity and availability study commissioned by the  
9 Illinois Cannabis Regulation Oversight Officer to reduce  
10 or eliminate any identified barriers to entry in the  
11 cannabis industry; and

12 (11) Any other criteria the Department of Agriculture  
13 deems relevant.

14 (c) After January 1, 2022, the Department of Financial and  
15 Professional Regulation may by rule modify or raise the number  
16 of craft grower licenses assigned to each region, and modify or  
17 change the licensing application process to reduce or eliminate  
18 barriers based on the criteria in subsection (b). At no time  
19 may the number of craft grower licenses exceed 150.

20 Section 30-10. Application.

21 (a) When applying for a license, the applicant shall  
22 electronically submit the following in such form as the  
23 Department of Agriculture may direct:

24 (1) the nonrefundable application fee of \$40,000 to be  
25 deposited into the Cannabis Regulation Fund, or another



1 amount as the Department of Agriculture may set by rule  
2 after January 1, 2021;

3 (2) the legal name of the craft grower;

4 (3) the proposed physical address of the craft grower;

5 (4) the name, address, social security number, and date  
6 of birth of each principal officer and board member of the  
7 craft grower; each principal officer and board member shall  
8 be at least 21 years of age;

9 (5) the details of any administrative or judicial  
10 proceeding in which any of the principal officers or board  
11 members of the craft grower (i) pled guilty, were  
12 convicted, fined, or had a registration or license  
13 suspended or revoked or (ii) managed or served on the board  
14 of a business or non-profit organization that pled guilty,  
15 was convicted, fined, or had a registration or license  
16 suspended or revoked;

17 (6) proposed operating bylaws that include procedures  
18 for the oversight of the craft grower, including the  
19 development and implementation of a plant monitoring  
20 system, accurate recordkeeping, staffing plan, and  
21 security plan approved by the Department of State Police  
22 that are in accordance with the rules issued by the  
23 Department of Agriculture under this Act. A physical  
24 inventory shall be performed of all plants and on a weekly  
25 basis by the craft grower;

26 (7) verification from the Department of State Police

1 that all background checks of the prospective principal  
2 officers, board members, and agents of the cannabis  
3 establishment have been conducted and those persons have  
4 not been convicted of an excluded offense;

5 (8) a copy of the current local zoning ordinance or  
6 permit and verification that the proposed craft grower is  
7 in compliance with the local zoning rules and distance  
8 limitations established by the local jurisdiction;

9 (9) proposed employment practices, in which the  
10 applicant must demonstrate a plan of action to inform,  
11 hire, and educate minorities, women, veterans, and persons  
12 with disabilities and engage in fair labor practices and  
13 provide worker protections;

14 (10) whether an applicant can demonstrate experience  
15 in or business practices that promote economic empowerment  
16 in Disproportionately Impacted Areas;

17 (11) experience with the cultivation of agricultural  
18 or horticultural products, operating an agriculturally  
19 related business, or operating a horticultural business;

20 (12) a description of the enclosed, locked facility  
21 where cannabis will be grown, harvested, manufactured,  
22 packaged, or otherwise prepared for distribution to a  
23 dispensing organization or other cannabis business  
24 establishment;

25 (13) a survey of the enclosed, locked facility,  
26 including the space used for cultivation;

1           (14) cultivation, processing, inventory, and packaging  
2 plans;

3           (15) a description of the applicant's experience with  
4 agricultural cultivation techniques and industry  
5 standards;

6           (16) a list of any academic degrees, certifications, or  
7 relevant experience of all prospective principal officers,  
8 board members, and agents with related businesses;

9           (17) the identity of every person having a financial or  
10 voting interest of 5% or greater in the cultivation center  
11 or craft grower operation with respect to which the license  
12 is sought, whether a trust, corporation, partnership,  
13 limited liability company, or sole proprietorship,  
14 including the name and address of each person;

15           (18) a plan describing how the craft grower will  
16 address each of the following:

17           (i) energy needs, including estimates of monthly  
18 electricity and gas usage, to what extent it will  
19 procure energy from a local utility or from on-site  
20 generation, and if it has or will adopt a sustainable  
21 energy use and energy conservation policy;

22           (ii) water needs, including estimated water draw  
23 and if it has or will adopt a sustainable water use and  
24 water conservation policy; and

25           (iii) waste management, including if it has or will  
26 adopt a waste reduction policy; and

1 (19) any other information required by rule.

2 (b) Applicants must submit all required information,  
3 including that required in Section 30-40, to the Department of  
4 Agriculture. Failure by an applicant to submit all required  
5 information may result in the application being disqualified.

6 (c) If the Department of Agriculture receives an  
7 application with missing information, the Department of  
8 Agriculture may issue a deficiency notice to the applicant. The  
9 applicant shall have 10 calendar days from the date of the  
10 deficiency notice to resubmit the incomplete information.  
11 Applications that are still incomplete after this opportunity  
12 to cure, will not be scored and will be disqualified.

13 (d) An applicant may submit for further consideration:

14 (1) A recycling plan.

15 (A) A commitment that any recyclable waste  
16 generated by the craft grower shall be recycled per  
17 applicable State and local laws, ordinances, and  
18 rules.

19 (B) A commitment that any cannabis waste, liquid  
20 waste, or hazardous waste shall be disposed of in  
21 accordance with 8 Ill. Adm. Code 1000.460, except, to  
22 the greatest extent feasible, all cannabis plant waste  
23 will be rendered unusable by grinding and  
24 incorporating the cannabis plant waste with  
25 compostable mixed waste to be disposed of in accordance  
26 with 8 Ill. Adm. Code 1000.460 (g) (1).

1           (2) A commitment to comply with local waste provisions.  
2           The craft grower will remain in compliance with applicable  
3           State and federal environmental requirements, including,  
4           but not limited to:

5                   (A) storing, securing, and managing all  
6                   recyclables and waste, including organic waste  
7                   composed of or containing finished cannabis and  
8                   cannabis products, in accordance with applicable State  
9                   and local laws, ordinances, and rules, and

10                   (B) disposing liquid waste containing cannabis or  
11                   byproducts of cannabis processing in compliance with  
12                   all applicable State and federal requirements,  
13                   including, but not limited to, the cannabis  
14                   cultivation facility's permits under Title X of the  
15                   Environmental Protection Act.

16           (3) A commitment to a technology standard for resource  
17           efficiency of the craft grower.

18                   (A) A craft grower commits to use resources  
19                   efficiently, including energy and water. For the  
20                   following, a craft grower commits to meet or exceed the  
21                   technology standard identified in paragraphs (ii),  
22                   (iii), and (iv), which may be modified by rule:

23                           (i) lighting systems, including light bulbs;

24                           (ii) HVAC system;

25                           (iii) water application system to the crop;

26                   and

1                   (iv)     filtration     system     for     removing  
2                   contaminants from wastewater.

3                   (B) Lighting. The Lighting Power Densities (LPD)  
4                   for cultivation space will to not exceed an average of  
5                   36 watts per gross square foot of active and growing  
6                   space canopy, or all installed lighting technology  
7                   shall meet a photosynthetic photon efficacy (PPE) of no  
8                   less than 2.2 micromoles per joule fixture and shall be  
9                   featured on the DesignLights Consortium (DLC)  
10                  Horticultural Specification Qualified Products List  
11                  (QPL). In the event that DLC requirement for minimum  
12                  efficacy exceeds 2.2 micromoles per joule fixture,  
13                  that PPE shall become the new standard.

14                  (C) HVAC.

15                  (i) For cannabis grow operations with less  
16                  than 6,000 square feet of canopy, the licensee  
17                  commits that all HVAC units will be  
18                  high-efficiency ductless split HVAC units, or  
19                  other more energy efficient equipment.

20                  (ii) For cannabis grow operations with 6,000  
21                  square feet of canopy or more, the licensee commits  
22                  that all HVAC units will be variable refrigerant  
23                  flow HVAC units, or other more energy efficient  
24                  equipment.

25                  (D) Water application.

26                  (i) The craft grower commits to use automated

1 watering systems, including, but not limited to,  
2 drip irrigation and flood tables, to irrigate  
3 cannabis crop.

4 (ii) The craft grower commits to measure  
5 runoff from watering events and report this volume  
6 in its water usage plan, and that on average,  
7 watering events shall have no more than 20% of  
8 runoff of water.

9 (E) Filtration. The craft grower commits that HVAC  
10 condensate, dehumidification water, excess runoff, and  
11 other wastewater produced by the cannabis cultivation  
12 facility shall be captured and filtered to the best of  
13 the facility's ability to achieve the quality needed to  
14 be reused in subsequent watering rounds.

15 (4) The existence of a labor peace agreement.

16 (A) The applicant may attest that the applicant has  
17 entered into a labor peace agreement and will abide by  
18 the terms of the agreement. The applicant shall submit  
19 a copy of the page of the labor peace agreement that  
20 contains the signatures of the union representative  
21 and the applicant. Maintaining a labor peace agreement  
22 shall be an ongoing material condition of a cannabis  
23 business license.

24 (B) Applicants that submit an attestation  
25 affirming that they will use best efforts to use union  
26 labor in the construction or retrofit of the facilities

1 associated with their cannabis business.

2 Section 30-15. Scoring applications.

3 (a) The Department of Agriculture shall by rule develop a  
4 system to score craft grower applications to administratively  
5 rank applications based on the clarity, organization, and  
6 quality of the applicant's responses to required information.  
7 Applicants shall be awarded points according based on the  
8 following categories:

9 (1) Suitability of the proposed facility;

10 (2) Proposed staffing and consent to enter a peace  
11 labor agreement with employees;

12 (3) Security plan;

13 (4) Cultivation plan;

14 (5) Product safety and labeling plan;

15 (6) Business plan;

16 (7) The applicant's status as a Social Equity  
17 Applicant, which shall constitute no less than 12.5% of  
18 total available points;

19 (8) Bonus points based on the applicant's: (i) plan to  
20 perform research; (ii) use environmentally friendly  
21 practices; (iii) engage in philanthropic efforts; (iv) the  
22 existence of a labor peace agreement; (v) the applicant is  
23 51% or more owned and controlled by an individual or  
24 individuals who have been an Illinois resident for the past  
25 5 years as proved by tax records; and



1           (9) Any other criteria the Department of Agriculture  
2           may set by rule for points or bonus points.

3           (b) Should the applicant be awarded a craft grower license,  
4           the information and plans that an applicant provided in its  
5           application, including any plans submitted for the acquiring of  
6           bonus points, shall be 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          (c) Should the applicant be awarded a craft grower license,  
11          it shall pay a fee of \$100,000 prior to receiving the license,  
12          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 30-20. Issuance of license to certain persons  
16          prohibited.

17          (a) No craft grower license issued by the Department of  
18          Agriculture shall be issued to a person who is licensed by any  
19          licensing authority as a cultivation center, or to any  
20          partnership, corporation, limited liability company, or trust  
21          or any subsidiary, affiliate, or any other form of business  
22          enterprise having more than 10% legal, equitable, or beneficial  
23          interest, directly or indirectly, in a person licensed in this  
24          State as a cultivation center, or to any principal officer,  
25          agent, employee, human being, with any form of ownership or

1 control over a cultivation center except for a person who owns  
2 no more than 5% of the outstanding shares of a cultivation  
3 center whose shares are publicly traded on an exchange within  
4 the meaning of the Securities Exchange Act of 1934.

5 (b) A person who is licensed in this State as a craft  
6 grower, or any partnership, corporation, limited liability  
7 company, or trust or any subsidiary, affiliate, or agent  
8 thereof, or any other form of business enterprise licensed in  
9 this State as a craft grower shall not have more than 10%  
10 legal, equitable, or beneficial interest, directly or  
11 indirectly, in a person licensed as a cultivation center, nor  
12 shall any partnership, corporation, limited liability company,  
13 or trust or any subsidiary, affiliate, or any other form of  
14 business enterprise having any legal, equitable, or beneficial  
15 interest, directly or indirectly, in a person licensed in this  
16 State as a craft grower or a craft grower agent be a principal  
17 officer, agent, employee, or human being, with any form of  
18 ownership or control over a cultivation center except for a  
19 person who owns no more than 5% of the outstanding shares of a  
20 cultivation center whose shares are publicly traded on an  
21 exchange within the meaning of the Securities Exchange Act of  
22 1934.

23 Section 30-25. Denial of application. An application for a  
24 craft grower license must be denied if any of the following  
25 conditions are met:

1           (1) the applicant failed to submit the materials  
2 required by this Article;

3           (2) the applicant would not be in compliance with local  
4 zoning rules;

5           (3) one or more of the prospective principal officers  
6 or board members has been convicted of an excluded offense;

7           (4) one or more of the prospective principal officers  
8 or board members causes a violation of Section 30-20 of  
9 this Article;

10           (5) one or more of the principal officers or board  
11 members is under 21 years of age;

12           (6) a principal officer or board member of the  
13 cultivation center has been convicted of a felony under the  
14 laws of this State, any other state, or the United States;

15           (7) a principal officer or board member of the  
16 cultivation center has been convicted of any violation of  
17 Article 28 of the Criminal Code of 2012, or substantially  
18 similar laws of any other jurisdiction;

19           (8) the person has submitted an application for a  
20 permit under this Act or this Article that contains false  
21 information; or

22           (9) if the licensee; principal officer, board member,  
23 or person having a financial or voting interest of 5% or  
24 greater in the licensee; or agent is delinquent in filing  
25 any required tax returns or paying any amounts owed to the  
26 State of Illinois.

1 Section 30-30. Craft grower requirements; prohibitions.

2 (a) The operating documents of a craft grower shall include  
3 procedures for the oversight of the craft grower, a cannabis  
4 plant monitoring system including a physical inventory  
5 recorded weekly, accurate recordkeeping, and a staffing plan.

6 (b) A craft grower shall implement a security plan reviewed  
7 by the Department of State Police that includes, but is not  
8 limited to: facility access controls, perimeter intrusion  
9 detection systems, personnel identification systems, 24-hour  
10 surveillance system to monitor the interior and exterior of the  
11 craft grower facility and accessible to authorized law  
12 enforcement and the Department of Agriculture in real time.

13 (c) All cultivation of cannabis by a craft grower must take  
14 place in an enclosed, locked facility at the physical address  
15 provided to the Department of Agriculture during the licensing  
16 process. The craft grower location shall only be accessed by  
17 the agents working for the craft grower, the Department of  
18 Agriculture staff performing inspections, the Department of  
19 Public Health staff performing inspections, State and local law  
20 enforcement or other emergency personnel, contractors working  
21 on jobs unrelated to cannabis, such as installing or  
22 maintaining security devices or performing electrical wiring,  
23 transporting organization agents as provided in this Act, or  
24 participants in the incubator program, individuals in a  
25 mentoring or educational program approved by the State, or

1 other individuals as provided by rule. However, if a craft  
2 grower shares a premises with a processor or dispensing  
3 organization, agents from those other licensees may access the  
4 craft grower portion of the premises if that is the location of  
5 common bathrooms, lunchrooms, locker rooms, or other areas of  
6 the building where work cultivation of cannabis is not  
7 performed. At no time may a processor or dispensing  
8 organization agent perform work at a craft grower without being  
9 a registered agent of the craft grower.

10 (d) A craft grower may not sell or distribute any cannabis  
11 to any person other than a cultivation center, a craft grower,  
12 a processing organization, a dispensing organization, or as  
13 otherwise authorized by rule.

14 (e) A craft grower may not be located in an area zoned for  
15 residential use.

16 (f) A craft grower may not either directly or indirectly  
17 discriminate in price between different cannabis business  
18 establishments that are purchasing a like grade, strain, brand,  
19 and quality of cannabis or cannabis-infused product. Nothing in  
20 this subsection (f) prevents a craft grower from pricing  
21 cannabis differently based on differences in the cost of  
22 manufacturing or processing, the quantities sold, such s volume  
23 discounts, or the way the products are delivered.

24 (g) All cannabis harvested by a craft grower and intended  
25 for distribution to a dispensing organization must be entered  
26 into a data collection system, packaged and labeled under

1 section (section on package and label section number), and, if  
2 distribution is to a dispensing organization that does not  
3 share a premises with the dispensing organization receiving the  
4 cannabis, placed into a cannabis container for transport. All  
5 cannabis harvested by a craft grower and intended for  
6 distribution to a cultivation center, or to a processing  
7 organization or craft grower with which it does not share a  
8 premises, must be packaged in a labeled cannabis container and  
9 entered into a data collection system before transport.

10 (h) No person who has been convicted of or pled guilty to  
11 an excluded offense may be a craft grower agent.

12 (i) Craft growers are subject to random inspections by the  
13 Department of Agriculture, local safety or health inspectors,  
14 and the Department of State Police.

15 (j) A craft grower 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 (k) A craft grower shall comply with all State and any  
21 applicable federal rules and regulations regarding the use of  
22 pesticides on cannabis plants.

23 (l) A craft grower or craft grower agent shall not  
24 transport cannabis or cannabis-infused products to any other  
25 cannabis business establishment without a transport  
26 organization license unless:

1           (i) If the craft grower is located in a county with a  
2           population of 3,000,000 or more, the cannabis business  
3           establishment receiving the cannabis is within 2,000 ft of  
4           the property line of the craft grower;

5           (ii) If the craft grower is located in a county with a  
6           population of more than 700,000 but fewer than 3,000,000,  
7           the cannabis business establishment receiving the cannabis  
8           is within 2 miles of the craft grower; or

9           (iii) If the craft grower is located in a county with a  
10          population of fewer the 700,000, the cannabis business  
11          establishment receiving the cannabis is within 15 miles of  
12          the craft grower.

13          (m) A craft grower may enter into a contract with a  
14          transporting organization to transport cannabis to a  
15          cultivation center, a craft grower, a processing organization,  
16          a dispensing organization, or a laboratory.

17          (n) No person or entity shall hold any legal, equitable,  
18          ownership, or beneficial interest, directly or indirectly, of  
19          more than one craft grower licensed under this Article.  
20          Further, no person or entity who is employed by, an agent of,  
21          has a contract to receive payment in any form from a craft  
22          grower, is a principal officer of a craft grower, or entity  
23          controlled by or affiliated with a principal officer of a craft  
24          grower shall hold any legal, equitable, ownership, or  
25          beneficial interest, directly or indirectly, in a craft grower  
26          that would result in the person or entity owning or controlling

1 in combination with any craft grower, principal officer of a  
2 craft grower, or entity controlled or affiliated with a  
3 principal officer of a craft grower by which he, she, or it is  
4 employed, is an agent of, or has a contract to receive payment  
5 from, more than one craft grower license.

6 (o) It is unlawful for any person having a craft grower  
7 license or any officer, associate, member, representative, or  
8 agent of the licensee to offer or deliver money, or anything  
9 else of value, directly or indirectly, to any person having an  
10 Early Applicant Adult Use Dispensing Organization License, 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 Act, or to  
14 any person connected with or in any way representing, or to any  
15 member of the family of, the person holding an Early Applicant  
16 Adult Use Dispensing Organization License, an Adult Use  
17 Dispensing Organization License, or a medical cannabis  
18 dispensing organization license issued under the Compassionate  
19 Use of Medical Cannabis Pilot Program Act, or to any  
20 stockholders in any corporation engaged the retail sales of  
21 cannabis, or to any officer, manager, agent, or representative  
22 of the Early Applicant Adult Use Dispensing Organization  
23 License, an Adult Use Dispensing Organization License, or a  
24 medical cannabis dispensing organization license issued under  
25 the Compassionate Use of Medical Cannabis Pilot Program Act to  
26 obtain preferential placement within the dispensing



1 organization, including, without limitation, on shelves and in  
2 display cases where purchasers can view products, or on the  
3 dispensing organization's website.

4 (p) Any other requirements or prohibitions set by  
5 Department of Agriculture rules.

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  
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 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. Each Department may by rule require prospective  
3 agents to file their applications by electronic means and  
4 to provide notices to the agents by electronic means.

5 (b) An agent must keep his or her identification card  
6 visible at all times when on the property of a cannabis  
7 establishment including the cannabis establishment for which  
8 he or she is an agent.

9 (c) The agent identification cards shall contain the  
10 following:

11 (1) the name of the cardholder;

12 (2) the date of issuance and expiration date of the  
13 identification card;

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

17 (4) a photograph of the cardholder; and

18 (5) the legal name of the cannabis establishment  
19 employing the agent.

20 (d) An agent identification card shall be immediately  
21 returned to the cannabis establishment of the agent upon  
22 termination of his or her employment.

23 (e) Any agent identification card lost by a craft grower  
24 agent shall be reported to the Department of State Police and  
25 the Department of Agriculture immediately upon discovery of the  
26 loss.

1           (f) An applicant for an agent identification card shall be  
2 denied if he or she has been convicted of or pled guilty to an  
3 excluded offense.

4           Section 30-40. Craft grower background checks.

5           (a) Through the Department of State Police, the licensing  
6 or issuing Department shall conduct a background check of the  
7 prospective principal officers, board members, and agents of a  
8 craft grower applying for a license or identification card  
9 under this Act. The Department of State Police shall charge a  
10 fee set by rule for conducting the criminal history record  
11 check, which shall be deposited into the State Police Services  
12 Fund and shall not exceed the actual cost of the record check.  
13 In order to carry out this provision, each cannabis  
14 establishment prospective principal officer, board member, or  
15 agent shall submit a full set of fingerprints to the Department  
16 of State Police for the purpose of obtaining a State and  
17 federal criminal records check. These fingerprints shall be  
18 checked against the fingerprint records now and hereafter, to  
19 the extent allowed by law, filed in the Department of State  
20 Police and Federal Bureau of Investigation criminal history  
21 records databases. The Department of State Police shall  
22 furnish, following positive identification, all conviction  
23 information to the Department of Agriculture.

24           (b) When applying for the initial license or identification  
25 card, the background checks for all prospective principal

1 officers, board members, and agents shall be completed before  
2 submitting the application to the licensing or issuing agency.

3 Section 30-45. Renewal of craft grower licenses and agent  
4 identification cards.

5 (a) Licenses and identification cards issued under this Act  
6 shall be renewed annually. A craft grower shall receive written  
7 or electronic notice 90 days before the expiration of its  
8 current license that the license will expire. The Department of  
9 Agriculture shall grant a renewal within 45 days of submission  
10 of a renewal application if:

11 (1) the craft grower submits a renewal application and  
12 the required nonrefundable renewal fee of \$40,000, or  
13 another amount as the Department of Agriculture may set by  
14 rule after January 1, 2021;

15 (2) the Department of Agriculture has not suspended the  
16 license of the craft grower or suspended or revoked the  
17 license for violating this Act or rules adopted under this  
18 Act; and

19 (3) the craft grower has continued to operate in  
20 accordance with all plans submitted as part of its  
21 application and approved by the Department of Agriculture  
22 or any amendments thereto that have been approved by the  
23 Department of Agriculture.

24 (b) If a craft grower fails to renew its license before  
25 expiration, it shall cease operations until its license is

1 renewed.

2 (c) If a craft grower agent fails to renew his or her  
3 identification card before its expiration, he or she shall  
4 cease to work as an agent of the cannabis business  
5 establishment until his or her identification card is renewed.

6 (d) Any craft grower that continues to operate, or any  
7 craft grower agent who continues to work as an agent, after the  
8 applicable license or identification card has expired without  
9 renewal is subject to the penalties provided under Section  
10 45-5.

11 (e) All fees or fines collected from the renewal of a craft  
12 grower license shall be deposited into the Cannabis Regulation  
13 Fund.

14 ARTICLE 35.

15 PROCESSING ORGANIZATIONS

16 Section 35-5. Issuance of licenses.

17 (a) The Department of Agriculture shall issue up to 40  
18 processor licenses through a process provided for in this  
19 Article no later than July 1, 2020.

20 (b) The Department of Agriculture shall make the  
21 application for processor licenses available on January 7,  
22 2020, or if that date falls on a weekend or holiday, the  
23 business day immediately succeeding the weekend or holiday and  
24 every January 7 or succeeding business day thereafter, and

1 shall receive such applications no later than March 15, 2020,  
2 or, if that falls on a weekend or holiday, every March 15 or  
3 succeeding business day thereafter.

4 (c) By December 21, 2021, the Department of Agriculture may  
5 issue up to 60 additional processor licenses. Prior to issuing  
6 such licenses, the Department may adopt rules through emergency  
7 rulemaking in accordance with subsection (gg) of Section 5-45  
8 of the Illinois Administrative Procedure Act, to modify or  
9 raise the number of processor licenses assigned to each region  
10 and modify or change the licensing application process to  
11 reduce or eliminate barriers. The General Assembly finds that  
12 the adoption of rules to regulate cannabis use is deemed an  
13 emergency and necessary for the public interest, safety, and  
14 welfare.

15 In determining whether to exercise either authority  
16 granted by this subsection, the Department of Agriculture must  
17 consider the following factors:

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

26 (2) whether there is an adequate supply of cannabis and

1 cannabis-infused products to serve registered medical  
2 cannabis patients;

3 (3) whether there is an adequate supply of cannabis and  
4 cannabis-infused products to serve purchasers;

5 (4) whether there is an oversupply of cannabis in  
6 Illinois leading to trafficking of cannabis to states where  
7 the sale of cannabis is not permitted by law;

8 (5) population increases or shifts;

9 (6) changes to federal law;

10 (7) perceived security risks of increasing the number  
11 or location of cultivation centers;

12 (8) the past security records of cultivation centers;

13 (9) the Department of Agriculture's capacity to  
14 appropriately regulate additional licenses;

15 (10) the findings and recommendations from the  
16 disparity and availability study commissioned by the  
17 Illinois Cannabis Regulation Oversight Officer to reduce  
18 or eliminate any identified barriers to entry in the  
19 cannabis industry; and

20 (11) any other criteria the Department of Agriculture  
21 deems relevant.

22 (d) After January 1, 2022, the Department of Financial and  
23 Professional Regulation may by rule modify or raise the number  
24 of processor licenses assigned to each region, and modify or  
25 change the licensing application process to reduce or eliminate  
26 barriers based on the criteria in subsection (b).

1 Section 35-10. Application.

2 (a) When applying for a license, the applicant shall  
3 electronically submit the following in such form as the  
4 Department of Agriculture may direct:

5 (1) the nonrefundable application fee of \$5,000 or,  
6 after January 1, 2021, another amount as set by rule by the  
7 Department of Agriculture, to be deposited into the  
8 Cannabis Regulation Fund;

9 (2) the legal name of the processor;

10 (3) the proposed physical address of the processor;

11 (4) the name, address, social security number, and date  
12 of birth of each principal officer and board member of the  
13 processor; each principal officer and board member shall be  
14 at least 21 years of age;

15 (5) the details of any administrative or judicial  
16 proceeding in which any of the principal officers or board  
17 members of the processor (i) pled guilty, were convicted,  
18 fined, or had a registration or license suspended or  
19 revoked, or (ii) managed or served on the board of a  
20 business or non-profit organization that pled guilty, was  
21 convicted, fined, or had a registration or license  
22 suspended or revoked;

23 (6) proposed operating bylaws that include procedures  
24 for the oversight of the processor, including the  
25 development and implementation of a plant monitoring



1 system, accurate recordkeeping, staffing plan, and  
2 security plan approved by the Department of State Police  
3 that are in accordance with the rules issued by the  
4 Department of Agriculture under this Act. A physical  
5 inventory shall be performed of all cannabis on a weekly  
6 basis by the processor;

7 (7) verification from the Department of State Police  
8 that all background checks of the prospective principal  
9 officers, board members, and agents of the cannabis  
10 business establishment have been conducted and those  
11 persons have not been convicted of an excluded offense;

12 (8) a copy of the current local zoning ordinance and  
13 verification that the proposed processor is in compliance  
14 with the local zoning rules and distance limitations  
15 established by the local jurisdiction;

16 (9) proposed employment practices, in which the  
17 applicant must demonstrate a plan of action to inform,  
18 hire, and educate minorities, women, veterans, and persons  
19 with disabilities and engage in fair labor practices and  
20 provide worker protections;

21 (10) whether an applicant can demonstrate experience  
22 in or business practices that promote economic empowerment  
23 in Disproportionately Impacted Areas;

24 (11) experience with the extraction, processing, or  
25 infusing of oils similar to those derived from cannabis, or  
26 other business practices to be performed by the processor;

1           (12) a description of the enclosed, locked facility  
2           where cannabis will be processed, packaged, or otherwise  
3           prepared for distribution to a dispensing organization or  
4           other processor;

5           (13) processing, inventory, and packaging plans;

6           (14) a description of the applicant's experience with  
7           manufacturing equipment and chemicals to be used in  
8           processing;

9           (15) a list of any academic degrees, certifications, or  
10          relevant experience of all prospective principal officers,  
11          board members, and agents with related businesses;

12          (16) the identity of every person having a financial or  
13          voting interest of 5% or greater in the processor operation  
14          with respect to which the license is sought, whether a  
15          trust, corporation, partnership, limited liability  
16          company, or sole proprietorship, including the name and  
17          address of each person;

18          (17) a plan describing how the processor will address  
19          each of the following:

20                 (i) energy needs, including estimates of monthly  
21                 electricity and gas usage, to what extent it will  
22                 procure energy from a local utility or from on-site  
23                 generation, and if it has or will adopt a sustainable  
24                 energy use and energy conservation policy;

25                 (ii) water needs, including estimated water draw  
26                 and if it has or will adopt a sustainable water use and

1 water conservation policy; and

2 (iii) waste management, including if it has or will  
3 adopt a waste reduction policy; and

4 (18) any other information required by rule.

5 (b) Applicants must submit all required information,  
6 including that required in Section 35-20, to the Department of  
7 Agriculture. Failure by an applicant to submit all required  
8 information may result in the application being disqualified.

9 (c) If the Department of Agriculture receives an  
10 application with missing information, the Department of  
11 Agriculture may issue a deficiency notice to the applicant. The  
12 applicant shall have 10 calendar days from the date of the  
13 deficiency notice to resubmit the incomplete information.  
14 Applications that are still incomplete after this opportunity  
15 to cure, will not be scored and will be disqualified.

16 (d) An applicant may submit for further consideration:

17 (1) The applicant may attest that the applicant has  
18 entered into a labor peace agreement and will abide by the  
19 terms of the agreement. The applicant shall submit a copy  
20 of the page of the labor peace agreement that contains the  
21 signatures of the union representative and the applicant.  
22 Maintaining a labor peace agreement shall be an ongoing  
23 material condition of a cannabis business license.

24 (2) The applicant may attest that they will use best  
25 efforts to use union labor in the construction or retrofit  
26 of the facilities associated with their cannabis business.

1 Section 35-15. Issuing licenses.

2 (a) The Department of Agriculture shall by rule develop a  
3 system to score processor 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 according based on the  
7 following categories:

8 (1) Suitability of the proposed facility;

9 (2) Proposed staffing;

10 (3) Security plan;

11 (4) Processing plan;

12 (5) Expertise in relevant scientific fields;

13 (6) Product safety and labeling plan;

14 (7) Business plan;

15 (8) The applicant's status as a Social Equity  
16 Applicant, which shall constitute no less than 12.5% of  
17 total available points;

18 (9) Bonus points based on the applicant's: (i) plan to  
19 perform research; (ii) use environmentally friendly  
20 practices; (iii) engage in philanthropic efforts; (iv) the  
21 existence of a labor peace agreement; (v) the applicant is  
22 51% or more owned and controlled by an individual or  
23 individuals who have been an Illinois resident for the past  
24 5 years as proved by tax records;

25 (10) Bonus points for a recycling and waste disposal

1 plan that includes:

2 (A) A commitment that any recyclable waste  
3 generated by the processor shall be recycled per  
4 applicable State and local laws, ordinances, and  
5 rules.

6 (B) A commitment that any cannabis waste, liquid  
7 waste, or hazardous waste shall be disposed of in  
8 accordance with 8 Ill. Adm. Code 1000.460, except, to  
9 the greatest extent feasible, all cannabis plant waste  
10 will be rendered unusable by grinding and  
11 incorporating the cannabis plant waste with  
12 compostable mixed waste to be disposed of in accordance  
13 with 8 Ill. Adm. Code 1000.460(g)(1).

14 (C) A commitment to comply with local waste  
15 provisions. A processor commits to remain in  
16 compliance with applicable State and federal  
17 environmental requirements, including, but not limited  
18 to:

19 (i) storing, securing, and managing all  
20 recyclables and waste, including organic waste  
21 composed of or containing finished cannabis and  
22 cannabis products, in accordance with applicable  
23 State and local laws, ordinances, and rules; and

24 (ii) Disposing liquid waste containing  
25 cannabis or byproducts of cannabis processing in  
26 compliance with all applicable State and federal

1 requirements, including, but not limited to, the  
2 cannabis cultivation facility's permits under  
3 Title X of the Environmental Protection Act; and

4 (11) any other criteria the Department of Agriculture  
5 may set by rule for points or bonus points.

6 (b) The Department of Agriculture shall make the  
7 application for processor licenses available on February 1,  
8 2020, or, if that date falls on a weekend or holiday, the  
9 business day immediately succeeding the weekend or holiday and  
10 every February 1 or succeeding business day thereafter, and  
11 shall receive such applications no later than March 31, 2020,  
12 or, if that falls on a weekend or holiday, every March 31 or  
13 succeeding business day thereafter.

14 (c) Applicants for processor licenses that score at least  
15 85% of available points according to the system developed by  
16 rule and who meet all other requirements for a processor  
17 license, shall be issued a license by the Department of  
18 Agriculture within 60 days of receiving the application.

19 (d) Should the applicant be awarded a processor license,  
20 the information and plans that an applicant provided in its  
21 application, including any plans submitted for the acquiring of  
22 bonus points, becomes a mandatory condition of the permit. Any  
23 variation from or failure to perform such plans may result in  
24 discipline, including the revocation or nonrenewal of a  
25 license.

26 (e) Should the applicant be awarded a processor

1 organization license, it shall pay a fee of \$20,000 prior to  
2 receiving the license, to be deposited into the Cannabis  
3 Regulation Fund. The Department of Agriculture may by rule  
4 adjust the fee in this Section after January 1, 2021.

5 Section 35-20. Denial of application. An application for a  
6 processor license must be denied if any of the following  
7 conditions are met:

8 (1) the applicant failed to submit the materials  
9 required by this Article;

10 (2) the applicant would not be in compliance with local  
11 zoning rules or permit requirements;

12 (3) one or more of the prospective principal officers  
13 or board members has been convicted of an excluded offense;

14 (4) one or more of the prospective principal officers  
15 or board members causes a violation of Section 35-25.

16 (5) one or more of the principal officers or board  
17 members is under 21 years of age;

18 (6) a principal officer or board member of the  
19 processor has been convicted of a felony under the laws of  
20 this State, any other state, or the United States;

21 (7) a principal officer or board member of the  
22 processor has been convicted of any violation of Article 28  
23 of the Criminal Code of 2012, or substantially similar laws  
24 of any other jurisdiction;

25 (8) the person has submitted an application for a

1 permit under this Act or this Article that contains false  
2 information; or

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

8 Section 35-25. Processing organization requirements;  
9 prohibitions.

10 (a) The operating documents of a processor shall include  
11 procedures for the oversight of the processor, an inventory  
12 monitoring system including a physical inventory recorded  
13 weekly, accurate recordkeeping, and a staffing plan.

14 (b) A processor shall implement a security plan reviewed by  
15 the Department of State Police that includes, but is not  
16 limited to: facility access controls, perimeter intrusion  
17 detection systems, personnel identification systems, 24-hour  
18 surveillance system to monitor the interior and exterior of the  
19 processor facility and accessible to authorized law  
20 enforcement, the Department of Public Health where processing  
21 takes place, and the Department of Agriculture in real time.

22 (c) All processing of cannabis by a processor must take  
23 place in an enclosed, locked facility at the physical address  
24 provided to the Department of Agriculture during the licensing  
25 process. The processor location shall only be accessed by the



1 agents working for the processor, the Department of Agriculture  
2 staff performing inspections, the Department of Public Health  
3 staff performing inspections, State and local law enforcement  
4 or other emergency personnel, contractors working on jobs  
5 unrelated to cannabis, such as installing or maintaining  
6 security devices or performing electrical wiring, transporting  
7 organization agents as provided in this Act, or participants in  
8 the incubator program, individuals in a mentoring or  
9 educational program approved by the State, local safety or  
10 health inspectors, or other individuals as provided by rule.  
11 However, if a processor shares a premises with a craft grower  
12 or dispensing organization, agents from these other licensees  
13 may access the processor portion of the premises if that is the  
14 location of common bathrooms, lunchrooms, locker rooms, or  
15 other areas of the building where processing of cannabis is not  
16 performed. At no time may a craft grower or dispensing  
17 organization agent perform work at a processor without a being  
18 a registered agent of the processor.

19 (d) A processor may not sell or distribute any cannabis to  
20 any person other than a cultivation center, a craft grower, a  
21 processing organization, a dispensing organization, or as  
22 otherwise authorized by rule.

23 (e) A processor 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 a processor 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 processed by a processor and intended for  
6 distribution to a dispensing organization must be entered into  
7 a data collection system, packaged and labeled under section  
8 (section on package and label section number), and, if  
9 distribution is to a dispensing organization that does not  
10 share a premises with the processor, placed into a cannabis  
11 container for transport. All cannabis produced by a processor  
12 and intended for distribution to a cultivation center,  
13 processing organization, or craft grower with which it does not  
14 share a premises, must be packaged in a labeled cannabis  
15 container and entered into a data collection system before  
16 transport.

17 (g) No person who has been convicted of or pled guilty to  
18 an excluded offense may be a processor agent.

19 (h) Processors are subject to random inspections by the  
20 Department of Agriculture, the Department of Public Health, and  
21 the Department of State Police.

22 (i) A processor agent shall notify local law enforcement,  
23 the Department of State Police, and the Department of  
24 Agriculture within 24 hours of the discovery of any loss or  
25 theft. Notification shall be made by phone or in person, or by  
26 written or electronic communication.

1 (j) A processor organization may not be located in an area  
2 zoned for residential use.

3 (k) A processor or processor agent shall not transport  
4 cannabis or cannabis-infused products to any other cannabis  
5 business establishment without a transport organization  
6 license unless:

7 (i) If the craft grower is located in a county with a  
8 population of 3,000,000 or more, the cannabis business  
9 establishment receiving the cannabis is within 2,000 ft of  
10 the property line of the processor;

11 (ii) If the craft grower is located in a county with a  
12 population of more than 700,000 but fewer than 3,000,000,  
13 the cannabis business establishment receiving the cannabis  
14 is within 2 miles of the processor; or

15 (iii) If the craft grower is located in a county with a  
16 population of fewer the 700,000, the cannabis business  
17 establishment receiving the cannabis is within 15 miles of  
18 the processor.

19 (l) A processor may enter into a contract with a  
20 transporting organization to transport cannabis to a  
21 cultivation center, a craft grower, a processing organization,  
22 a dispensing organization, or a laboratory.

23 (m) A processing organization may share premises with a  
24 craft grower or a dispensing organization, or both, provided  
25 each licensee stores currency and cannabis or cannabis-infused  
26 products in a separate secured vault to which the other

1 licensee does not have access or all licensees sharing a vault  
2 share more than 50% of the same ownership.

3 (n) It is unlawful for any person having a processing  
4 organization license or any officer, associate, member,  
5 representative or agent of such licensee to offer or deliver  
6 money, or anything else of value, directly or indirectly to any  
7 person having an Early Applicant Adult Use Dispensing  
8 Organization License, an Adult Use Dispensing Organization  
9 License, or a medical cannabis dispensing organization license  
10 issued under the Compassionate Use of Medical Cannabis Pilot  
11 Program Act, or to any person connected with or in any way  
12 representing, or to any member of the family of, such person  
13 holding an Early Applicant Adult Use Dispensing Organization  
14 License, an Adult Use Dispensing Organization License, or a  
15 medical cannabis dispensing organization license issued under  
16 the Compassionate Use of Medical Cannabis Pilot Program Act, or  
17 to any stockholders in any corporation engaged the retail sales  
18 of cannabis, or to any officer, manager, agent, or  
19 representative of the Early Applicant Adult Use Dispensing  
20 Organization License, an Adult Use Dispensing Organization  
21 License, or a medical cannabis dispensing organization license  
22 issued under the Compassionate Use of Medical Cannabis Pilot  
23 Program Act to obtain preferential placement within the  
24 dispensing organization, including, without limitation, on  
25 shelves and in display cases where purchasers can view  
26 products, or on the dispensing organization's website.

1 Section 35-30. Processor agent identification card.

2 (a) The Department of Agriculture shall:

3 (1) establish by rule the information required in an  
4 initial application or renewal application for an agent  
5 identification card submitted under this Act and the  
6 nonrefundable fee to accompany the initial application or  
7 renewal application;

8 (2) verify the information contained in an initial  
9 application or renewal application for an agent  
10 identification card submitted under this Act, and approve  
11 or deny an application within 30 days of receiving a  
12 completed initial application or renewal application and  
13 all supporting documentation required by rule;

14 (3) issue an agent identification card to a qualifying  
15 agent within 15 business days of approving the initial  
16 application or renewal application;

17 (4) enter the license number of the processor where the  
18 agent works; and

19 (5) allow for an electronic initial application and  
20 renewal application process, and provide a confirmation by  
21 electronic or other methods that an application has been  
22 submitted. Each Department may by rule require prospective  
23 agents to file their applications by electronic means and  
24 to provide notices to the agents by electronic means.

25 (b) An agent must keep his or her identification card

1 visible at all times when on the property of a cannabis  
2 establishment including the cannabis business establishment  
3 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 cannabis business  
14 establishment employing the agent.

15 (d) An agent identification card shall be immediately  
16 returned to the cannabis business establishment of the agent  
17 upon termination of his or her employment.

18 (e) Any agent identification card lost by a transporting  
19 agent shall be reported to the Department of State Police and  
20 the Department of Agriculture immediately upon discovery of the  
21 loss.

22 (f) An applicant for an agent identification card shall be  
23 denied if he or she has been convicted of or pled guilty to an  
24 excluded offense.

25 Section 35-35. Processing organization background checks.

1           (a) Through the Department of State Police, the licensing  
2 or issuing Department shall conduct a background check of the  
3 prospective principal officers, board members, and agents of a  
4 processor applying for a license or identification card under  
5 this Act. The Department of State Police shall charge a fee set  
6 by rule for conducting the criminal history record check, which  
7 shall be deposited into the State Police Services Fund and  
8 shall not exceed the actual cost of the record check. In order  
9 to carry out this provision, each cannabis establishment  
10 prospective principal officer, board member, or agent shall  
11 submit a full set of fingerprints to the Department of State  
12 Police for the purpose of obtaining a State and federal  
13 criminal records check. These fingerprints shall be checked  
14 against the fingerprint records now and hereafter, to the  
15 extent allowed by law, filed in the Department of State Police  
16 and Federal Bureau of Investigation criminal history records  
17 databases. The Department of State Police shall furnish,  
18 following positive identification, all conviction information  
19 to the Department of Agriculture.

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

24           Section 35-40. Renewal of processing organization licenses  
25 and agent identification cards.

1 (a) Licenses and identification cards issued under this Act  
2 shall be renewed annually. A processing organization shall  
3 receive written or electronic notice 90 days before the  
4 expiration of its current license that the license will expire.  
5 The Department of Agriculture shall grant a renewal within 45  
6 days of submission of a renewal application if:

7 (1) the processing organization submits a renewal  
8 application and the required nonrefundable renewal fee of  
9 \$20,000, or, after January 1, 2021, another amount set by  
10 rule by the Department of Agriculture, to be deposited into  
11 the Cannabis Regulation Fund;

12 (2) the Department of Agriculture has not suspended the  
13 license of the processing organization or suspended or  
14 revoked the license for violating this Act or rules adopted  
15 under this Act; and

16 (3) the processing organization has continued to  
17 operate in accordance with all plans submitted as part of  
18 its application and approved by the Department of  
19 Agriculture or any amendments thereto that have been  
20 approved by the Department of Agriculture.

21 (b) If a processing organization fails to renew its license  
22 before expiration, it shall cease operations until its license  
23 is renewed.

24 (c) If a processing organization agent fails to renew his  
25 or her identification card before its expiration, he or she  
26 shall cease to work as an agent of the cannabis business



1 establishment until his or her identification card is renewed.

2 (d) Any processing organization that continues to operate,  
3 or any processing organization agent who continues to work as  
4 an agent, after the applicable license or identification card  
5 has expired without renewal is subject to the penalties  
6 provided under Section 35-25.

7 (e) The Department shall not renew a license or an agent  
8 identification card if the applicant is delinquent in filing  
9 any required tax returns or paying any amounts owed to the  
10 State of Illinois.

11 ARTICLE 40.

12 TRANSPORTING ORGANIZATIONS

13 Section 40-5. Issuance of licenses.

14 (a) The Department of Agriculture shall issue transporting  
15 licenses through a process provided for in this Article no  
16 later than July 1, 2020.

17 (b) The Department of Agriculture shall make the  
18 application for transporting organization licenses available  
19 on January 7, 2020, and shall receive such applications no  
20 later than March 15, 2010. Thereafter, the Department of  
21 Agriculture shall make available such applications on every  
22 January 7 hereafter or if that date falls on a weekend or  
23 holiday, the business day immediately succeeding the weekend or  
24 holiday and shall receive such applications no later than March

1 31 or succeeding business day thereafter.

2 Section 40-10. Application.

3 (a) When applying for a transporting organization license,  
4 the applicant shall electronically submit the following in such  
5 form as the Department of Agriculture may direct:

6 (1) the nonrefundable application fee of \$5,000 or,  
7 after January 1, 2021, another amount as set by rule by the  
8 Department of Agriculture, to be deposited into the  
9 Cannabis Regulation Fund;

10 (2) the legal name of the transporting organization;

11 (3) the proposed physical address of the transporting  
12 organization, if one is proposed;

13 (4) the name, address, social security number, and date  
14 of birth of each principal officer and board member of the  
15 transporting organization; each principal officer and  
16 board member shall be at least 21 years of age;

17 (5) the details of any administrative or judicial  
18 proceeding in which any of the principal officers or board  
19 members of the transporting organization (i) pled guilty,  
20 were convicted, fined, or had a registration or license  
21 suspended or revoked, or (ii) managed or served on the  
22 board of a business or non-profit organization that pled  
23 guilty, was convicted, fined, or had a registration or  
24 license suspended or revoked;

25 (6) proposed operating bylaws that include procedures

1 for the oversight of the transporting organization,  
2 including the development and implementation of an  
3 accurate recordkeeping plan, staffing plan, and security  
4 plan approved by the Department of State Police that are in  
5 accordance with the rules issued by the Department of  
6 Agriculture under this Act. A physical inventory shall be  
7 performed of all cannabis on a weekly basis by the  
8 transporting organization;

9 (7) verification from the Department of State Police  
10 that all background checks of the prospective principal  
11 officers, board members, and agents of the transporting  
12 organization have been conducted and those persons have not  
13 been convicted of an excluded offense;

14 (8) a copy of the current local zoning ordinance or  
15 permit and verification that the proposed transporting  
16 organization is in compliance with the local zoning rules  
17 and distance limitations established by the local  
18 jurisdiction, if the transporting organization has a  
19 business address;

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 and 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) the number and type of equipment the transporting  
3 organization will use to transport cannabis and  
4 cannabis-infused products;

5 (12) loading, transporting, and unloading plans;

6 (13) a description of the applicant's experience in the  
7 distribution or security business;

8 (14) the identity of every person having a financial or  
9 voting interest of 5% or greater in the transporting  
10 organization with respect to which the license is sought,  
11 whether a trust, corporation, partnership, limited  
12 liability company, or sole proprietorship, including the  
13 name and address of each person; and

14 (15) any other information required by rule.

15 (b) The Department of Agriculture shall make the  
16 application for transporting organization licenses available  
17 on February 1, 2020, or, if that date falls on a weekend or  
18 holiday, the business day immediately succeeding the weekend or  
19 holiday and every February 1 or succeeding business day  
20 thereafter, and shall receive such applications no later than  
21 March 31, 2020, or, if that falls on a weekend or holiday,  
22 every March 31 or succeeding business day thereafter.

23 (c) Applicants must submit all required information,  
24 including that required in Section 40-35 to the Department of  
25 Agriculture. Failure by an applicant to submit all required  
26 information may result in the application being disqualified.

1           (d) 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 40-15. Issuing licenses.

9           (a) The Department of Agriculture shall by rule develop a  
10 system to score processor applications to administratively  
11 rank applications based on the clarity, organization, and  
12 quality of the applicant's responses to required information.  
13 Applicants shall be awarded points according based on the  
14 following categories:

15                 (1) Suitability of the proposed facility;

16                 (2) Proposed staffing;

17                 (3) Security plan;

18                 (4) Training plan;

19                 (5) Business plan;

20                 (6) The applicant's status as a Social Equity  
21 Applicant, which shall constitute no less than 12.5% of  
22 total available points;

23                 (7) Bonus points based on the applicant's plan to (i)  
24 perform research, (ii) use environmentally friendly  
25 practices, and (iii) engage in philanthropic efforts; (iv)

1 the existence of a labor peace agreement; (v) the applicant  
2 is 51% or more owned and controlled by an individual or  
3 individuals who have been an Illinois resident for the past  
4 5 years as proved by tax records; and

5 (8) Any other criteria the Department of Agriculture  
6 may set by rule for points or bonus points.

7 (b) Applicants for transportation organization licenses  
8 that score at least 85% of available points according to the  
9 system developed by rule and who meet all other requirements  
10 for a processor license, shall be issued a license by the  
11 Department of Agriculture within 60 days of receiving the  
12 application.

13 (c) Should the applicant be awarded a transportation  
14 organization license, the information and plans that an  
15 applicant provided in its application, including any plans  
16 submitted for the acquiring of bonus points, shall be a  
17 mandatory condition of the permit. Any variation from or  
18 failure to perform such plans may result in discipline,  
19 including the revocation or nonrenewal of a license.

20 (d) Should the applicant be awarded a transporting  
21 organization license, it shall pay a fee of \$10,000 prior to  
22 receiving the license, to be deposited into the Cannabis  
23 Regulation Fund. The Department of Agriculture may by rule  
24 adjust the fee in this Section after January 1, 2021.

25 (e) An applicant may submit for further consideration:

26 (1) The applicant may attest that the applicant has

1 entered into a labor peace agreement and will abide by the  
2 terms of the agreement. The applicant shall submit a copy  
3 of the page of the labor peace agreement that contains the  
4 signatures of the union representative and the applicant.  
5 Maintaining a labor peace agreement shall be an ongoing  
6 material condition of a cannabis business license.

7 (2) The applicant may attest that the applicant will use  
8 best efforts to use union labor in the construction or  
9 retrofit of the facilities associated with their cannabis  
10 business.

11 Section 40-20. Denial of application. An application for a  
12 transportation organization license must be denied if any of  
13 the following conditions are met:

14 (1) the applicant failed to submit the materials  
15 required by this Article;

16 (2) the applicant would not be in compliance with local  
17 zoning rules or permit requirements;

18 (3) one or more of the prospective principal officers  
19 or board members has been convicted of an excluded offense;

20 (4) one or more of the prospective principal officers  
21 or board members causes a violation of Section 40-25;

22 (5) one or more of the principal officers or board  
23 members is under 21 years of age;

24 (6) a principal officer or board member of the  
25 transportation organization has been convicted of a felony

1 under the laws of this State, any other state, or the  
2 United States;

3 (7) a principal officer or board member of the  
4 processor has been convicted of any violation of Article 28  
5 of the Criminal Code of 2012, or substantially similar laws  
6 of any other jurisdiction;

7 (8) the person has submitted an application for a  
8 permit under this Act that contains false information; or

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

14 Section 40-25. Transporting organization requirements;  
15 prohibitions.

16 (a) The operating documents of a transporting organization  
17 shall include procedures for the oversight of the processor, an  
18 inventory monitoring system including a physical inventory  
19 recorded weekly, accurate recordkeeping, and a staffing plan.

20 (b) A transporting organization shall implement a security  
21 plan reviewed by the Department of State Police that includes,  
22 but is not limited to: route selection plan, stranded vehicle  
23 situations, vehicular hijacking, communication with the  
24 recipient of deliveries, hiring, and any other security  
25 concerns.



1 (c) A transporting organization may not transport cannabis  
2 to any person other than a cultivation center, a craft grower,  
3 a processing organization, a dispensing organization, a  
4 testing facility, or as otherwise authorized by rule.

5 (d) All cannabis transported by a transporting  
6 organization must be entered into a data collection system and  
7 placed into a cannabis container for transport.

8 (e) No person who has been convicted of or pled guilty to  
9 an excluded offense may be a processor agent.

10 (f) Processors are subject to random inspections by the  
11 Department of Agriculture, the Department of Public Health, and  
12 the Department of State Police.

13 (g) A transporting organization agent shall notify local  
14 law enforcement, the Department of State Police, and the  
15 Department of Agriculture within 24 hours of the discovery of  
16 any loss or theft. Notification shall be made by phone or in  
17 person, or by written or electronic communication.

18 (h) No person under the age of 21 years old shall be in a  
19 commercial vehicle or trailer transporting cannabis goods.

20 (i) No person or individual who is not a transporting  
21 organization agent shall be in a vehicle while transporting  
22 cannabis goods.

23 (j) Transporters may not use commercial motor vehicles with  
24 a weight rating of over 10,000 pounds.

25 (k) It is unlawful for any person to offer or deliver  
26 money, or anything else of value, directly or indirectly, to

1 any of the following persons to obtain preferential placement  
2 within the dispensing organization, including, without  
3 limitation, on shelves and in display cases where purchasers  
4 can view products, or on the dispensing organization's website:

5 (1) a person having a transporting organization  
6 license or any officer, associate, member, representative,  
7 or agent of the licensee;

8 (2) a person having an Early Applicant Adult Use  
9 Dispensing Organization License, an Adult Use Dispensing  
10 Organization License, or a medical cannabis dispensing  
11 organization license issued under the Compassionate Use of  
12 Medical Cannabis Pilot Program Act;

13 (3) a person connected with or in any way representing,  
14 or a member of the family of, a person holding an Early  
15 Applicant Adult Use Dispensing Organization License, an  
16 Adult Use Dispensing Organization License, or a medical  
17 cannabis dispensing organization license issued under the  
18 Compassionate Use of Medical Cannabis Pilot Program Act; or

19 (4) a stockholder, officer, manager, agent, or  
20 representative of a corporation engaged the retail sales of  
21 cannabis, an Early Applicant Adult Use Dispensing  
22 Organization License, an Adult Use Dispensing Organization  
23 License, or a medical cannabis dispensing organization  
24 license issued under the Compassionate Use of Medical  
25 Cannabis Pilot Program Act.

26 (1) A transportation organization agent must keep his or

1 her identification card visible at all times when on the  
2 property of a cannabis business establishment and during the  
3 transportation of cannabis when acting under his or her duties  
4 as a transportation organization agent. During these times, the  
5 cultivation center agent must also provide the identification  
6 card upon request of any law enforcement officer engaged in his  
7 or her official duties.

8 (k) A copy of the transporting organization's registration  
9 and a manifest for the delivery shall be present in any vehicle  
10 transporting cannabis.

11 (l) Cannabis shall be transported so it is not visible or  
12 recognizable from outside the vehicle.

13 (m) A vehicle transporting cannabis must not bear any  
14 markings to indicate the vehicle contains cannabis or bear the  
15 name or logo of the cannabis business establishment.

16 (n) Cannabis must be transported in an enclosed, locked  
17 storage compartment that is secured or affixed to the vehicle.

18 (o) The Department of Agriculture may, by rule, impose any  
19 other requirements or prohibitions on the transportation of  
20 cannabis.

21 Section 40-30. Transporting agent identification card.

22 (a) The Department of Agriculture shall:

23 (1) establish by rule the information required in an  
24 initial application or renewal application for an agent  
25 identification card submitted under this Act and the

1 nonrefundable fee to accompany the initial application or  
2 renewal application;

3 (2) verify the information contained in an initial  
4 application or renewal application for an agent  
5 identification card submitted under this Act, and approve  
6 or deny an application within 30 days of receiving a  
7 completed initial application or renewal application and  
8 all supporting documentation required by rule;

9 (3) issue an agent identification card to a qualifying  
10 agent within 15 business days of approving the initial  
11 application or renewal application;

12 (4) enter the license number of the transporting  
13 organization where the agent works; and

14 (5) allow for an electronic initial application and  
15 renewal application process, and provide a confirmation by  
16 electronic or other methods that an application has been  
17 submitted. Each Department may by rule require prospective  
18 agents to file their applications by electronic means and  
19 to provide notices to the agents by electronic means.

20 (b) An agent must keep his or her identification card  
21 visible at all times when on the property of a cannabis  
22 business establishment including the cannabis business  
23 establishment for which he or she is an agent.

24 (c) The agent identification cards shall contain the  
25 following:

26 (1) the name of the cardholder;

1           (2) the date of issuance and expiration date of the  
2           identification card;

3           (3) a random 10-digit alphanumeric identification  
4           number containing at least 4 numbers and at least 4 letters  
5           that is unique to the holder;

6           (4) a photograph of the cardholder; and

7           (5) the legal name of the cannabis business  
8           establishment employing the agent.

9           (d) An agent identification card shall be immediately  
10          returned to the cannabis business establishment of the agent  
11          upon termination of his or her employment.

12          (e) Any agent identification card lost by a processor agent  
13          shall be reported to the Department of State Police and the  
14          Department of Agriculture immediately upon discovery of the  
15          loss.

16          (f) An applicant for an agent identification card shall be  
17          denied if he or she has been convicted of or pled guilty to an  
18          excluded offense.

19          (g) An application for an agent identification card shall  
20          be denied if the applicant is delinquent in filing any required  
21          tax returns or paying any amounts owed to the State of  
22          Illinois.

23          Section 40-35. Transporting organization background  
24          checks.

25          (a) Through the Department of State Police, the licensing

1 or issuing Department shall conduct a background check of the  
2 prospective principal officers, board members, and agents of a  
3 processor applying for a license or identification card under  
4 this Act. The Department of State Police shall charge a fee set  
5 by rule for conducting the criminal history record check, which  
6 shall be deposited into the State Police Services Fund and  
7 shall not exceed the actual cost of the record check. In order  
8 to carry out this provision, each cannabis establishment  
9 prospective principal officer, board member, or agent shall  
10 submit a full set of fingerprints to the Department of State  
11 Police for the purpose of obtaining a State and federal  
12 criminal records check. These fingerprints shall be checked  
13 against the fingerprint records now and hereafter, to the  
14 extent allowed by law, filed in the Department of State Police  
15 and Federal Bureau of Investigation criminal history records  
16 databases. The Department of State Police shall furnish,  
17 following positive identification, all conviction information  
18 to the Department of Agriculture.

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

23 Section 40-40. Renewal of transporting organization  
24 licenses and agent identification cards.

25 (a) Licenses and identification cards issued under this Act

1 shall be renewed annually. A transporting organization shall  
2 receive written or electronic notice 90 days before the  
3 expiration of its current license that the license will expire.  
4 The Department of Agriculture shall grant a renewal within 45  
5 days of submission of a renewal application if:

6 (1) the transporting organization submits a renewal  
7 application and the required nonrefundable renewal fee of  
8 \$10,000, or after January 1, 2021, another amount set by  
9 rule by the Department of Agriculture, to be deposited into  
10 the Cannabis Regulation Fund;

11 (2) the Department of Agriculture has not suspended the  
12 license of the transporting organization or suspended or  
13 revoked the license for violating this Act or rules adopted  
14 under this Act; and

15 (3) the transporting organization has continued to  
16 operate in accordance with all plans submitted as part of  
17 its application and approved by the Department of  
18 Agriculture or any amendments thereto that have been  
19 approved by the Department of Agriculture.

20 (b) If a transporting organization fails to renew its  
21 license before expiration, it shall cease operations until its  
22 license is renewed.

23 (c) If a transporting organization agent fails to renew his  
24 or her identification card before its expiration, he or she  
25 shall cease to work as an agent of the cannabis business  
26 establishment until his or her identification card is renewed.

1 (d) Any transporting organization that continues to  
2 operate, or any transporting organization agent who continues  
3 to work as an agent, after the applicable license or  
4 identification card has expired without renewal is subject to  
5 the penalties provided under Section 45-5.

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 45.

11 ENFORCEMENT AND IMMUNITIES

12 Section 45-5. License suspension; revocation; other  
13 penalties.

14 (a) Notwithstanding any other criminal penalties related  
15 to the unlawful possession of cannabis, the Department of  
16 Financial and Professional Regulation and the Department of  
17 Agriculture may revoke, suspend, place on probation,  
18 reprimand, issue cease and desist orders, refuse to issue or  
19 renew a license, or take any other disciplinary or  
20 nondisciplinary action as each department may deem proper with  
21 regard to a cannabis business establishment or cannabis  
22 business establishment agents, including fines not to exceed:

23 (1) \$50,000 for each violation of this Act or rules  
24 adopted under this Act by a cultivation center or



1 cultivation center agent;

2 (2) \$10,000 for each violation of this Act or rules  
3 adopted under this Act by a dispensing organization or  
4 dispensing organization agent;

5 (3) \$15,000 for each violation of this Act or rules  
6 adopted under this Act by a craft grower or craft grower  
7 agent;

8 (4) \$10,000 for each violation of this Act or rules  
9 adopted under this Act by a processing organization or  
10 processing organization agent; and

11 (5) \$10,000 for each violation of this Act or rules  
12 adopted under this Act by a transporting organization or  
13 transporting organization agent.

14 (b) The Department of Financial and Professional  
15 Regulation and the Department of Agriculture, as the case may  
16 be, shall consider licensee cooperation in any agency or other  
17 investigation in its determination of penalties imposed under  
18 this Section.

19 (c) The procedures for disciplining a cannabis business  
20 establishment or cannabis business establishment agent and for  
21 administrative hearings shall be determined by rule, and shall  
22 provide for the review of final decisions under the  
23 Administrative Review Law.

24 Section 45-10. Immunities and presumptions related to the  
25 handling of cannabis by cannabis business establishments and

1 their agents.

2 (a) A cultivation center, craft grower, processing  
3 organization, or transporting organization is not subject to:  
4 (i) prosecution; (ii) search or inspection, except by the  
5 Department of Agriculture, the Department of Public Health, or  
6 State or local law enforcement under this Act; (iii) seizure;  
7 (iv) penalty in any manner, including, but not limited to,  
8 civil penalty; (v) denial of any right or privilege; or (vi)  
9 disciplinary action by a business licensing board or entity,  
10 for acting under this Act and rules adopted under this Act to  
11 acquire, possess, cultivate, manufacture, process, deliver,  
12 transfer, transport, supply, or sell cannabis or cannabis  
13 paraphernalia under this Act.

14 (b) A licensed cultivation center agent, licensed craft  
15 grower agent, licensed processing organization agent, or  
16 licensed transporting organization agent is not subject to: (i)  
17 prosecution; (ii) search; (iii) penalty in any manner,  
18 including, but not limited to, civil penalty; (iv) denial of  
19 any right or privilege; or (v) disciplinary action by a  
20 business licensing board or entity, for engaging in  
21 cannabis-related activity authorized under this Act and rules  
22 adopted under this Act.

23 (c) A dispensing organization is not subject to: (i)  
24 prosecution; (ii) search or inspection, except by the  
25 Department of Financial and Professional Regulation, or State  
26 or local law enforcement under this Act; (iii) seizure; (iv)

1 penalty in any manner, including, but not limited to, civil  
2 penalty; (v) denial of any right or privilege; or (vi)  
3 disciplinary action by a business licensing board or entity,  
4 for acting under this Act and rules adopted under this Act to  
5 acquire, possess, or dispense cannabis, cannabis-infused  
6 products, cannabis paraphernalia, or related supplies, and  
7 educational materials under this Act.

8 (d) A licensed dispensing organization agent is not subject  
9 to: (i) prosecution; (ii) search; or (iii) penalty in any  
10 manner, or be denied any right or privilege, including, but not  
11 limited to, civil penalty or disciplinary action by a business  
12 licensing board or entity, for working for a dispensing  
13 organization under this Act and rules adopted under this Act.

14 (e) Any cannabis, cannabis-infused products, cannabis  
15 paraphernalia, legal property, or interest in legal property  
16 that is possessed, owned, or used in connection with the use of  
17 cannabis as allowed under this Act, or acts incidental to that  
18 use, may not be seized or forfeited. This Act does not prevent  
19 the seizure or forfeiture of cannabis exceeding the amounts  
20 allowed under this Act, nor shall it prevent seizure or  
21 forfeiture if the basis for the action is unrelated to the  
22 cannabis that is possessed, manufactured, transferred, or used  
23 under this Act.

24 (f) Nothing in this Act shall preclude local or State law  
25 enforcement agencies from searching a cultivation center,  
26 craft grower, processing organization, transporting

1 organization, or dispensing organization if there is probable  
2 cause to believe that the criminal laws of this State have been  
3 violated and the search is conducted in conformity with the  
4 Illinois Constitution, the Constitution of the United States,  
5 and applicable law.

6 Section 45-15. State standards and requirements. Any  
7 standards, requirements, and rules regarding the health and  
8 safety, environmental protection, testing, security, food  
9 safety, and worker protections established by the State shall  
10 be the minimum standards for all licensees under this Act  
11 statewide, where applicable. Knowing violations of any State or  
12 local law, ordinance, or rule conferring worker protections or  
13 legal rights on the employees of a licensee may be grounds for  
14 disciplinary action under this Act, in addition to penalties  
15 established elsewhere.

16 Section 45-20. Violation of tax Acts; refusal, revocation,  
17 or suspension of license or agent identification card.

18 (a) In addition to other grounds specified in this Act, the  
19 Department of Agriculture and Department of Financial and  
20 Professional Regulation, upon notification by the Department  
21 of Revenue, shall refuse the issuance or renewal of a license  
22 or agent identification card, or suspend or revoke the license  
23 or agent identification card, of any person, for any of the  
24 following violations of any tax Act administered by the

1 Department of Revenue:

2 (1) Failure to make a tax return.

3 (2) The filing of a fraudulent return.

4 (3) Failure to pay all or part of any tax or penalty  
5 finally determined to be due.

6 (4) Failure to keep books and records.

7 (5) Failure to secure and display a certificate or  
8 sub-certificates of registration, if required.

9 (6) Willful violation of any rule or regulation of the  
10 Department relating to the administration and enforcement  
11 of tax liability.

12 (b) After all violations of any of items (1) through (6) of  
13 subsection (a) have been corrected or resolved, the Department  
14 shall, upon request of the applicant or, if not requested, may  
15 notify the entities listed in subsection (a) that the  
16 violations have been corrected or resolved. Upon receiving  
17 notice from the Department that a violation of any of items (1)  
18 through (6) of subsection (a) have been corrected or otherwise  
19 resolved to the Department of Revenue's satisfaction, the  
20 Department of Agriculture and the Department of Financial and  
21 Professional Regulation may issue or renew the license or agent  
22 identification card, or vacate an order of suspension or  
23 revocation.

24 ARTICLE 50.

25 LABORATORY TESTING

1 Section 50-5. Laboratory testing.

2 (a) Notwithstanding any other provision of law, the  
3 following acts, when performed by a cannabis testing facility  
4 with a current, valid registration, or a person 21 years of age  
5 or older who is acting in his or her capacity as an owner,  
6 employee, or agent of a cannabis testing facility, are not  
7 unlawful and shall not be an offense under Illinois law or be a  
8 basis for seizure or forfeiture of assets under State law:

9 (1) possessing, repackaging, transporting, storing, or  
10 displaying cannabis or cannabis products;

11 (2) receiving or transporting cannabis or cannabis  
12 products from a cannabis establishment or a person 21 years  
13 of age or older; and

14 (3) returning or transporting cannabis or cannabis  
15 products to a cannabis establishment, or a person 21 years  
16 of age or older.

17 (b) (1) No laboratory shall handle, test, or analyze  
18 cannabis unless approved by the Department of Agriculture in  
19 accordance with this Section.

20 (2) No laboratory shall be approved to handle, test, or  
21 analyze cannabis unless the laboratory:

22 (A) is accredited by a private laboratory accrediting  
23 organization;

24 (B) is independent from all other persons involved in  
25 the cannabis industry in Illinois and that no person with a

1 direct or indirect interest in the laboratory shall have a  
2 direct or indirect financial, management, or other  
3 interest in an Illinois cultivation center, craft grower,  
4 dispensary, processor, transporter, certifying physician,  
5 or any other entity in the State that may benefit from the  
6 production, and the manufacture, dispensing, sale,  
7 purchase, or use of cannabis; and

8 (C) has employed at least one person to oversee and be  
9 responsible for the laboratory testing who has earned, from  
10 a college or university accredited by a national or  
11 regional certifying authority, at least:

12 (i) a master's level degree in chemical or  
13 biological sciences and a minimum of 2 years  
14 post-degree laboratory experience; or

15 (ii) a bachelor's degree in chemical or biological  
16 sciences and a minimum of 4 years post-degree  
17 laboratory experience.

18 (3) Each independent testing laboratory that claims to be  
19 accredited must provide the Department of Agriculture with a  
20 copy of the most recent annual inspection report granting  
21 accreditation and every annual report thereafter.

22 (c) Immediately before manufacturing or natural processing  
23 of any cannabis or cannabis-infused product or packaging  
24 cannabis for sale to a dispensary, each batch shall be made  
25 available at the cultivation center for an employee annual  
26 report of an approved laboratory to select a random sample,

1 which shall be tested by the approved laboratory for:

- 2 (1) microbiological contaminants;  
3 (2) mycotoxins;  
4 (3) pesticide active ingredients;  
5 (4) residual solvent; and  
6 (5) purposes of conducting an active ingredient  
7 analysis.

8 (d) The Department of Agriculture may select a random  
9 sample that shall, for the purposes of conducting an active  
10 ingredient analysis, be tested by the Department of Agriculture  
11 for verification of label information.

12 (e) A laboratory shall immediately return or dispose of any  
13 cannabis upon the completion of any testing, use, or research.  
14 If cannabis is disposed of, it shall be done in compliance with  
15 Department of Agriculture rule.

16 (f) If a sample of cannabis does not pass the  
17 microbiological, mycotoxin, pesticide chemical residue, or  
18 solvent residue test, based on the standards established by the  
19 Department of Agriculture, the following shall apply:

20 (1) If the sample failed the pesticide chemical residue  
21 test, the entire batch from which the sample was taken  
22 shall, if applicable, be recalled as provided by rule.

23 (2) If the sample failed any other test, the batch may  
24 be used to make a CO<sub>2</sub> or solvent based extract. After  
25 processing, the CO<sub>2</sub> or solvent based extract must still  
26 pass all required tests.



1 (3) The Department of Agriculture may establish  
 2 standards for microbial, mycotoxin, pesticide residue,  
 3 solvent residue, or other standards for the presence of  
 4 possible contaminants, in addition to labeling  
 5 requirements for contents and potency.

6 (g) The laboratory shall file with the Department of  
 7 Agriculture an electronic copy of each laboratory test result  
 8 for any batch that does not pass the microbiological,  
 9 mycotoxin, or pesticide chemical residue test, at the same time  
 10 that it transmits those results to the cultivation center. In  
 11 addition, the laboratory shall maintain the laboratory test  
 12 results for at least 5 years and make them available at the  
 13 Department of Agriculture's request.

14 (h) A cultivation center, craft grower, and processor shall  
 15 provide to a dispensing organization the laboratory test  
 16 results for each batch of cannabis product purchased by the  
 17 dispensing organization, if sampled. Each dispensary  
 18 organization must have those laboratory results available upon  
 19 request to purchasers.

20 (i) The Department of Agriculture may adopt rules related  
 21 to testing in furtherance of this Act.

22 ARTICLE 55.

23 GENERAL PROVISIONS

24 Section 55-5. Preparation of cannabis-infused products.

1           (a) The Department of Agriculture may regulate the  
2 production of cannabis-infused products by a cultivation  
3 center, a craft grower, a processing organization, or a  
4 dispensing organization and establish rules related to  
5 refrigeration, hot-holding, and handling of cannabis-infused  
6 products. All cannabis-infused products shall meet the  
7 packaging and labeling requirements contained in Section  
8 55-21.

9           (b) Cannabis-infused products for sale or distribution at a  
10 dispensing organization must be prepared by an approved agent  
11 of a cultivation center or processing organization.

12           (e) A cultivation center or processing organization that  
13 prepares cannabis-infused products for sale or distribution by  
14 a dispensing organization shall be under the operational  
15 supervision of a Department of Public Health certified food  
16 service sanitation manager.

17           (e) Dispensing organizations may not manufacture, process,  
18 or produce cannabis-infused products.

19           (f) The Department of Public Health shall adopt and enforce  
20 rules for the manufacture and processing of cannabis-infused  
21 products, and for that purpose it may at all times enter every  
22 building, room, basement, enclosure, or premises occupied or  
23 used, or suspected of being occupied or used, for the  
24 production, preparation, manufacture for sale, storage, sale,  
25 processing, distribution, or transportation of  
26 cannabis-infused products, and to inspect the premises

1 together with all utensils, fixtures, furniture, and machinery  
2 used for the preparation of these products.

3 (g) The Department of Agriculture may by rule establish a  
4 maximum level of THC that may be contained in each serving of  
5 cannabis-infused product, and within the product package.

6 (h) If a local public health agency has a reasonable belief  
7 that a cannabis-infused product poses a public health hazard,  
8 it may refer the cultivation center, craft grower, or processor  
9 that manufactured or processed the cannabis-infused product to  
10 the Department of Public Health. If the Department of Public  
11 Health finds that a cannabis-infused product poses a health  
12 hazard, it may without administrative procedure to bond, bring  
13 an action for immediate injunctive relief to require that  
14 action be taken as the court may deem necessary to meet the  
15 hazard of the cultivation facility or seek other relief as  
16 provided by rule.

17 Section 55-10. Maintenance of inventory. All dispensing  
18 organizations authorized to serve both registered qualifying  
19 patients and caregivers and purchasers are required to report  
20 which cannabis and cannabis-infused products are purchased for  
21 sale under the Compassionate Use of Medical Cannabis Pilot  
22 Program Act, and which cannabis and cannabis-infused products  
23 are purchased under this Act. Nothing in this Section prohibits  
24 a registered qualifying patient under the Compassionate Use of  
25 Medical Cannabis Pilot Program Act from purchasing cannabis as

1 a purchaser under this Act.

2 Section 55-15. Destruction of cannabis.

3 (a) All cannabis byproduct, scrap, and harvested cannabis  
4 not intended for distribution to a dispensing organization must  
5 be destroyed and disposed of under rules adopted by the  
6 Department of Agriculture under this Act. Documentation of  
7 destruction and disposal shall be retained at the cultivation  
8 center, craft grower, processing organization, transporter, or  
9 testing facility as applicable for a period of not less than 5  
10 years.

11 (b) A cultivation center, craft grower, or processing  
12 organization, shall, before destruction, notify the Department  
13 of Agriculture and the Department of State Police. A dispensing  
14 organization shall, before, destruction, notify the Department  
15 of Financial and Professional Regulation and the Department of  
16 State Police. The Department of Agriculture may by rule require  
17 that an employee of the Department of Agriculture or the  
18 Department of Financial and Professional Regulation be present  
19 during the destruction of any cannabis byproduct, scrap, and  
20 harvested cannabis, as applicable.

21 (c) The cultivation center, craft grower, processing  
22 organization, or dispensing organization shall keep a record of  
23 the date of destruction and how much was destroyed.

24 (d) A dispensing organization shall destroy all cannabis,  
25 including cannabis-infused products, not sold to purchasers.

1 Documentation of destruction and disposal shall be retained at  
2 the dispensing organization for a period of not less than 5  
3 years.

4 Section 55-20. Advertising and promotions.

5 (a) No cannabis business establishment nor any other person  
6 or entity shall engage in advertising that contains any  
7 statement or illustration that:

8 (1) is false or misleading;

9 (2) promotes overconsumption of cannabis or cannabis  
10 products;

11 (3) depicts the actual consumption of cannabis or  
12 cannabis products;

13 (4) depicts a person under 21 years of age consuming  
14 cannabis;

15 (5) makes any health, medicinal, or therapeutic claims  
16 about cannabis or cannabis-infused products;

17 (6) includes the image of a cannabis leaf or bud; or

18 (7) includes any image designed or likely to appeal to  
19 minors, including cartoons, toys, animals, or children, or  
20 any other likeness to images, characters, or phrases which  
21 is designed in any manner to be appealing to or encourage  
22 consumption of persons less than 21 years of age.

23 (b) No cannabis business establishment nor any other person  
24 or entity shall place or maintain, or cause to be placed or  
25 maintained, an advertisement of cannabis or a cannabis-infused

1 product in any form or through any medium:

2 (1) within 1,000 feet of the perimeter of a school  
3 grounds, playground, recreation center or facility, child  
4 care center, public park or public library, or any game  
5 arcade to which admission is not restricted to persons age  
6 21 years or older;

7 (2) on or in a public transit vehicle or public transit  
8 shelter;

9 (3) on or in publicly owned or publicly operated  
10 property; or

11 (4) that contains information that:

12 (A) is false or misleading;

13 (B) promotes excessive consumption;

14 (C) depicts a person under 21 years of age  
15 consuming cannabis;

16 (D) includes the image of a cannabis leaf; or

17 (E) includes any image designed or likely to appeal  
18 to minors, including cartoons, toys, animals, or  
19 children, or any other likeness to images, characters,  
20 or phrases that are popularly used to advertise to  
21 children, or any imitation of candy packaging or  
22 labeling, or that promotes consumption of cannabis.

23 (c) Subsections (a) and (b) do not apply to an educational  
24 message.

25 (d) Sales promotions. A dispensing organization may not  
26 encourage the sale of cannabis or cannabis products by giving

1 away cannabis or cannabis products, by conducting games or  
2 competitions related to the consumption of cannabis or cannabis  
3 products, or by providing promotional materials or activities  
4 of a manner or type that would be appealing to children

5 Section 55-21. Cannabis product packaging and labeling.

6 (a) Each cannabis product produced for sale shall be  
7 registered with the Department of Agriculture on forms provided  
8 by the Department of Agriculture. Each product registration  
9 shall include a label and the required registration fee at the  
10 rate established by the Department of Agriculture for a  
11 comparable medical cannabis product, or as established by rule.  
12 The registration fee is for the name of the product offered for  
13 sale and one fee shall be sufficient for all package sizes.

14 (b) All harvested cannabis intended for distribution to a  
15 cannabis enterprise must be packaged in a sealed, labeled  
16 container.

17 (c) Packaging of any product containing cannabis shall be  
18 child-resistant and light-resistant consistent with current  
19 standards, including the Consumer Product Safety Commission  
20 standards referenced by the Poison Prevention Act.

21 (d) All cannabis-infused products shall be individually  
22 wrapped or packaged at the original point of preparation. The  
23 packaging of the cannabis-infused product shall conform to the  
24 labeling requirements of the Illinois Food, Drug and Cosmetic  
25 Act and, in addition to the other requirements set forth in

1 this Section.

2 (e) Each cannabis product shall be labeled before sale and  
3 each label shall be securely affixed to the package and shall  
4 state in legible English and any languages required by law:

5 (1) The name and post office box of the registered  
6 cultivation center or craft grower where the item was  
7 manufactured;

8 (2) The common or usual name of the item and the  
9 registered name of the cannabis product that was registered  
10 with the Department of Agriculture under subsection (a);

11 (3) A unique serial number that will match the product  
12 with a cultivation center or craft grower batch and lot  
13 number to facilitate any warnings or recalls the Department  
14 of Agriculture, cultivation center, or craft grower deems  
15 appropriate;

16 (4) The date of final testing and packaging, if  
17 sampled, and the identification of the independent testing  
18 laboratory;

19 (5) The date of harvest and "use by" date;

20 (6) The quantity (in ounces or grams) of cannabis  
21 contained in the product;

22 (7) A pass/fail rating based on the laboratory's  
23 microbiological, mycotoxins, and pesticide and solvent  
24 residue analyses, if sampled.

25 (8) Content List.

26 (A) A list of the following, including the minimum



1 and maximum percentage content by weight for  
2 subsections (d) (8) (A) (i) through (iv):

3 (i) delta-9-tetrahydrocannabinol (THC);

4 (ii) tetrahydrocannabinolic acid (THCA);

5 (iii) cannabidiol (CBD);

6 (iv) cannabidiolic acid (CBDA); and

7 (v) all other ingredients of the item,  
8 including any colors, artificial flavors, and  
9 preservatives, listed in descending order by  
10 predominance of weight shown with common or usual  
11 names.

12 (B) The acceptable tolerances for the minimum  
13 percentage printed on the label for any of subsections  
14 (d) (8) (A) (i) through (iv) shall not be below 85% or  
15 above 115% of the labeled amount;

16 (f) Packaging must not contain information that:

17 (1) is false or misleading;

18 (2) promotes excessive consumption;

19 (3) depicts a person under 21 years of age consuming  
20 cannabis;

21 (4) includes the image of a cannabis leaf;

22 (5) 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 are popularly used to advertise to children, or any  
26 packaging or labeling that bears reasonable resemblance to

1 any product available for consumption as a commercially  
2 available candy, or that promotes consumption of cannabis;

3 (6) contains any seal, flag, crest, coat of arms or  
4 other insignia likely to mislead the purchaser to believe  
5 that the product has been endorsed, made or used by the  
6 State of Illinois or any of its representatives except  
7 where authorized by this Act.

8 (g) Cannabis products produced by concentrating or  
9 extracting ingredients from the cannabis plant shall contain  
10 the following information, where applicable:

11 (1) If solvents were used to create the concentrate or  
12 extract, a statement that discloses the type of extraction  
13 method, including any solvents or gases used to create the  
14 concentrate or extract; and

15 (2) Any other chemicals or compounds used to produce or  
16 were added to the concentrate or extract.

17 (h) All cannabis products must contain warning statements  
18 established for purchasers, of a size that is legible and  
19 readily visible to a consumer inspecting a package, which may  
20 not be covered or obscured in any way. The Department of Public  
21 Health may define and update appropriate health warnings for  
22 packages including specific labeling or warning requirements  
23 for specific cannabis products.

24 (i) Unless modified by rule, the following warnings shall  
25 apply to all cannabis products unless modified by rule: "This  
26 product contains cannabis and is intended for use by adults 21

1 and over. Its use can impair cognition and may be habit  
2 forming. This product should not be used by pregnant or  
3 breastfeeding women. It is unlawful to sell or provide this  
4 item to any individual, and may not be transported outside the  
5 state of Illinois. It is illegal to operate a motor vehicle  
6 while under the influence of cannabis. Possession or use of  
7 this product may carry significant legal penalties in some  
8 jurisdictions and under federal law."

9 (j) Warnings for each of the following product types must  
10 be present on labels when offered for sale to a purchaser:

11 (1) Cannabis which may be smoked must contain a  
12 statement that "Smoking is hazardous to your health."

13 (2) Cannabis-infused products (other than those  
14 intended for topical application) must contain a statement  
15 "CAUTION: This product contains cannabis, and intoxication  
16 following use may be delayed 2 or more hours. This product  
17 was produced in a facility that cultivates cannabis, and  
18 which may also process common food allergens."

19 (3) Cannabis-infused products intended for topical  
20 application must contain a statement "DO NOT EAT" in bold,  
21 capital letters.

22 (k) Each cannabis-infused product intended for consumption  
23 must be individually packaged, include the total milligram  
24 content of THC and CBD, and may not include more than a total  
25 of 100 milligrams of THC per package. A package may contain  
26 multiple servings of 10 milligrams of THC, and indicated by

1 scoring, wrapping, or by other indicators designating  
2 individual serving sizes. The Department of Agriculture may  
3 change the total amount of THC allowed for each package, or the  
4 total amount of THC allowed for each serving size, by rule.

5 (l) No individual other than the purchaser may alter or  
6 destroy any labeling affixed to the primary packaging of  
7 cannabis or cannabis-infused products.

8 (m) For each commercial weighing and measuring equipment  
9 device used at a facility, the cultivation center or craft  
10 grower must:

11 (1) Ensure that the commercial device is licensed under  
12 the Weights and Measures Act and the associated  
13 administrative rules (8 Ill. Adm. Code 600);

14 (2) Maintain documentation of the licensure of the  
15 commercial device; and

16 (3) Provide a copy of the license of the commercial  
17 device to the Department of Agriculture for review upon  
18 request.

19 (n) It is the responsibility of the Department to ensure  
20 that packaging and labeling requirements, including product  
21 warnings, are enforced at all times for products provided to  
22 purchasers. Product registration requirements and container  
23 requirements may be modified by rule by the Department of  
24 Agriculture.

25 (o) Labeling including warning labels may be modified by  
26 rule by the Department of Agriculture.

1 Section 55-25. Local ordinances. Unless otherwise provided  
2 under this Act or in accordance with State law:

3 (1) A unit of local government, including a home rule  
4 unit or any non-home rule county within the unincorporated  
5 territory of the county, may enact reasonable zoning  
6 ordinances or resolutions, not in conflict with this Act or  
7 rules adopted pursuant to this Act regulating cannabis  
8 establishments. No unit of local government, including a  
9 home rule unit, or school district may unreasonably  
10 prohibit home cultivation and use of cannabis authorized by  
11 this Act.

12 (2) A unit of local government, including a home rule  
13 unit or any non-home rule county within the unincorporated  
14 territory of the county, may enact ordinances or rules not  
15 in conflict with this Act or with rules adopted pursuant to  
16 this this Act governing the time, place, manner, and number  
17 of cannabis establishment operations, including minimum  
18 distance limitations between cannabis establishments and  
19 locations it deems sensitive, including colleges and  
20 universities, through the use of conditional use permits. A  
21 unit of local government, including a home rule unit, may  
22 establish civil penalties for violation of an ordinance or  
23 rules governing the time, place, and manner of operation of  
24 a cannabis establishment or a conditional use permit in the  
25 jurisdiction of the unit of local government.

1           (3) A unit of local government, including a home rule  
2 unit, or any non-home rule county within the unincorporated  
3 territory of the county may regulate the consumption of  
4 cannabis within its jurisdiction in a manner consistent  
5 with this Act. A cannabis business establishment or other  
6 entity authorized or permitted by a unit of local  
7 government to allow on-site consumption shall not be deemed  
8 a public place within the meaning of the Smoke Free  
9 Illinois Act.

10           (4) 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 not regulate the activities  
13 described in paragraph (1), (2), or (3) in a manner more  
14 restrictive than the regulation of those activities by the  
15 State under this Act. This Section is a limitation under  
16 subsection (i) of Section 6 of Article VII of the Illinois  
17 Constitution on the concurrent exercise by home rule units  
18 of powers and functions exercised by the State.

19           (5) A unit of local government may regulate the ability  
20 of a cannabis business establishment to operate, provided  
21 that any measure prohibiting or significantly limiting a  
22 cannabis business establishment's location more than one  
23 year from the effective date of this Act must be submitted  
24 to the voters of such unit of local government at a  
25 referendum held in accordance with general election law and  
26 has been approved by a majority of such voters voting on

1 the question. The corporate authorities of any unit of  
2 local government may certify the question of whether to  
3 enact a zoning ordinance, special use permit, conditions or  
4 requirements that inhibits the location of cannabis  
5 business establishments. Referenda provided for in this  
6 Section may not be held more than once in any 23-month  
7 period.

8 Section 55-30. Confidentiality. Information provided by  
9 cannabis business establishment licensees or applicants to the  
10 Department of Agriculture, the Department of Public Health, the  
11 Department of Financial and Professional Regulation, or other  
12 agency shall be limited to information necessary for the  
13 purposes of administering this Act. The information is subject  
14 to the provisions and limitations contained in the Freedom of  
15 Information Act and may be disclosed in accordance with Section  
16 55-65.

17 Section 55-35. Administrative rulemaking.

18 (a) No later than 180 days after the effective date of this  
19 Act, the Department of Agriculture, the Department of State  
20 Police, the Department of Financial and Professional  
21 Regulation, the Department of Revenue, the Department of  
22 Commerce and Economic Opportunity, and the Treasurer's Office  
23 shall adopt permanent rules in accordance with their  
24 responsibilities under this Act. The Department of

1 Agriculture, the Department of State Police, the Department of  
2 Financial and Professional Regulation, the Department of  
3 Revenue, and the Department of Commerce and Economic  
4 Opportunity may adopt rules necessary to regulate personal  
5 cannabis use through the use of emergency rulemaking in  
6 accordance with subsection (gg) of Section 5-45 of the Illinois  
7 Administrative Procedure Act. The General Assembly finds that  
8 the adoption of rules to regulate cannabis use is deemed an  
9 emergency and necessary for the public interest, safety, and  
10 welfare.

11 (b) The Department of Agriculture rules may address, but  
12 are not limited to, the following matters related to  
13 cultivation centers, craft growers, processing organizations,  
14 and transporting organizations with the goal of protecting  
15 against diversion and theft, without imposing an undue burden  
16 on the cultivation centers, craft growers, processing  
17 organizations, or transporting organizations:

18 (1) oversight requirements for cultivation centers,  
19 craft growers, processing organizations, and transporting  
20 organizations;

21 (2) recordkeeping requirements for cultivation  
22 centers, craft growers, processing organizations, and  
23 transporting organizations;

24 (3) security requirements for cultivation centers,  
25 craft growers, processing organizations, and transporting  
26 organizations, which shall include that each cultivation



1 center, craft grower, processing organization, and  
2 transporting organization location must be protected by a  
3 fully operational security alarm system;

4 (4) standards for enclosed, locked facilities under  
5 this Act;

6 (5) procedures for suspending or revoking the  
7 identification cards of agents of cultivation centers,  
8 craft growers, processing organizations, and transporting  
9 organizations that commit violations of this Act or the  
10 rules adopted under this Section;

11 (6) rules concerning the intrastate transportation of  
12 cannabis from a cultivation center, craft grower,  
13 processing organization, and transporting organization to  
14 a dispensing organization;

15 (7) standards concerning the testing, quality,  
16 cultivation, and processing of cannabis; and

17 (8) any other matters under oversight by the Department  
18 of Agriculture as are necessary for the fair, impartial,  
19 stringent, and comprehensive administration of this Act.

20 (c) The Department of Financial and Professional  
21 Regulation rules may address, but are not limited to, the  
22 following matters related to dispensing organizations, with  
23 the goal of protecting against diversion and theft, without  
24 imposing an undue burden on the dispensing organizations:

25 (1) oversight requirements for dispensing  
26 organizations;

1           (2) recordkeeping requirements for dispensing  
2 organizations;

3           (3) security requirements for dispensing  
4 organizations, which shall include that each dispensing  
5 organization location must be protected by a fully  
6 operational security alarm system;

7           (4) procedures for suspending or revoking the licenses  
8 of dispensing organization agents that commit violations  
9 of this Act or the rules adopted under this Act;

10           (5) any other matters under oversight by the Department  
11 of Financial and Professional Regulation that are  
12 necessary for the fair, impartial, stringent, and  
13 comprehensive administration of this Act.

14           (d) The Department of Revenue rules may address, but are  
15 not limited to, the following matters related to the payment of  
16 taxes by cannabis business establishments;

17                 (1) recording of sales;

18                 (2) documentation of taxable income and expenses;

19                 (3) transfer of funds for the payment of taxes; or

20                 (4) any other matter under the oversight of the  
21 Department of Revenue.

22           (e) The Department of Commerce and Economic Opportunity  
23 rules may address, but are not limited to, a loan program or  
24 grant program to assist Social Equity Applicants access the  
25 capital needed to start a cannabis business establishment.

26           (f) The Department of State Police rules may address any

1 matters necessary in the enforcement of this Act.

2 (g) The Department of Public Health shall develop and  
3 disseminate:

4 (1) educational information about the health risks  
5 associated with the use of cannabis; and

6 (2) one or more public education campaigns in  
7 coordination with local health departments and community  
8 organizations, including one or more prevention campaigns  
9 directed at children, adolescents, parents, and  
10 pregnant/breastfeeding women, to inform them of the  
11 potential health risks associated with intentional or  
12 unintentional cannabis use.

13 Section 55-40. Enforcement.

14 (a) If the Department of Agriculture, Department of State  
15 Police, Department of Financial and Professional Regulation,  
16 Department of Commerce and Economic Opportunity, or Department  
17 of Revenue fails to adopt rules to implement this Act within  
18 the times provided in this Act, any citizen may commence a  
19 mandamus action in the circuit court to compel the agencies to  
20 perform the actions mandated under Section 60-5.

21 (b) If the Department of Agriculture or the Department of  
22 Financial and Professional Regulation fails to issue a valid  
23 agent identification card in response to a valid initial  
24 application or renewal application submitted under this Act or  
25 fails to issue a verbal or written notice of denial of the

1 application within 30 days of its submission, the agent  
2 identification card is deemed granted and a copy of the agent  
3 identification initial application or renewal application  
4 shall be deemed a valid agent identification card.

5 (c) Authorized employees of State or local law enforcement  
6 agencies shall immediately notify the Department of  
7 Agriculture and the Department of Financial and Professional  
8 Regulation when any person in possession of an agent  
9 identification card has been convicted of or pled guilty to  
10 violating this Act.

11 Section 55-45. Administrative hearings.

12 (a) Administrative hearings related to the duties and  
13 responsibilities assigned to the Department of Public Health  
14 shall be conducted under the Department of Public Health's  
15 rules governing administrative hearings.

16 (b) Administrative hearings related to the duties and  
17 responsibilities assigned to the Department of Financial and  
18 Professional Regulation and dispensing organization agents  
19 shall be conducted under the Department of Financial and  
20 Professional Regulation's rules governing administrative  
21 hearings.

22 (c) Administrative hearings related to the duties and  
23 responsibilities assigned to the Department of Agriculture,  
24 cultivation centers, or cultivation center agents shall be  
25 conducted under the Department of Agriculture's rules

1 governing administrative hearings.

2 Section 55-50. Petition for rehearing. Within 20 days after  
3 the service of any order or decision of the Department of  
4 Public Health, the Department of Agriculture, the Department of  
5 Financial and Professional Regulation, or the Department of  
6 State Police upon any party to the proceeding, the party may  
7 apply for a rehearing in respect to any matters determined by  
8 them under this Act, except for decisions made under the  
9 Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser  
10 Excise Tax Law, the County Cannabis Retailers' Occupation Tax,  
11 and the Municipal Cannabis Retailers' Occupation Tax Law, which  
12 shall be governed by the provisions of those Laws. If a  
13 rehearing is granted, an agency shall hold the rehearing and  
14 render a decision within 30 days from the filing of the  
15 application for rehearing with the agency. The time for holding  
16 such rehearing and rendering a decision may be extended for a  
17 period not to exceed 30 days, for good cause shown, and by  
18 notice in writing to all parties of interest. If an agency  
19 fails to act on the application for rehearing within 30 days,  
20 or the date the time for rendering a decision was extended for  
21 good cause shown, the order or decision of the agency is final.  
22 No action for the judicial review of any order or decision of  
23 an agency shall be allowed unless the party commencing such  
24 action has first filed an application for a rehearing and the  
25 agency has acted or failed to act upon the application. Only

1 one rehearing may be granted by an agency on application of any  
2 one party.

3 Section 55-55. Review of administrative decisions. All  
4 final administrative decisions of the Department of Public  
5 Health, the Department of Agriculture, the Department of  
6 Financial and Professional Regulation, and the Department of  
7 State Police are subject to direct judicial review under the  
8 Administrative Review Law and the rules adopted under that Law.  
9 The term "administrative decision" is defined as in Section  
10 3-101 of the Code of Civil Procedure.

11 Section 55-60. Suspension or revocation of a license.

12 (a) The Department of Financial and Professional  
13 Regulation or the Department of Agriculture, as each applies,  
14 may suspend or revoke a license for a violation of this Act or  
15 a rule adopted in accordance with this Act by the Department of  
16 Agriculture and the Department of Financial and Professional  
17 Regulation.

18 (b) The Department of Agriculture and the Department of  
19 Financial and Professional Regulation may suspend or revoke an  
20 agent identification card for a violation of this Act or a rule  
21 adopted in accordance with this Act.

22 Section 55-65. Financial institutions.

23 (a) A financial institution that provides financial

1 services customarily provided by financial institutions to a  
2 cannabis business establishment authorized under this Act or  
3 the Compassionate Use of Medical Cannabis Pilot Program Act, or  
4 to a person that is affiliated with such cannabis business  
5 establishment, is exempt from any criminal law of this State as  
6 it relates to cannabis-related conduct authorized under State  
7 law.

8 (b) Upon request of a financial institution, a cannabis  
9 business establishment or proposed cannabis business  
10 establishment may provide to the financial institution the  
11 following information:

12 (1) Whether a cannabis establishment with which the  
13 financial institution is doing or is considering doing  
14 business holds a license under this Act or the  
15 Compassionate Use of Medical Cannabis Pilot Program Act;

16 (2) The name of any other business or individual  
17 affiliate with the cannabis establishment;

18 (3) A copy of the application, and any supporting  
19 documentation submitted with the application, for a  
20 license or a permit submitted on behalf of the proposed  
21 cannabis establishment;

22 (4) If applicable, data relating to sales and the  
23 volume of product sold by the cannabis establishment;

24 (5) Any past or pending violation by the person of this  
25 Act, the Compassionate Use of Medical Cannabis Pilot  
26 Program Act, or the rules adopted under these Acts where

1 applicable; and

2 (6) Any penalty imposed upon the person for violating  
3 this Act, the Compassionate Use of Medical Cannabis Pilot  
4 Program Act, or the rules adopted under these Acts.

5 (c) Upon receiving a request under subsection (b) of this  
6 Section, the Department of Financial and Professional  
7 Regulation or the Department of Agriculture, as each applies,  
8 shall provide the requesting financial institution with the  
9 requested information.

10 (d) The Department of Financial and Professional  
11 Regulation or the Department of Agriculture, as each applies,  
12 may charge a financial institution a reasonable fee to cover  
13 the administrative costs of providing information under this  
14 Section.

15 (e) Information received by a financial institution under  
16 this Section is confidential. Except as otherwise required or  
17 permitted by this Act, State law or rule, or federal law or  
18 regulation, a financial institution may not make the  
19 information available to any person other than:

20 (1) the customer to whom the information applies;

21 (2) a trustee, conservator, guardian, personal  
22 representative, or agent of the customer to whom the  
23 information applies; a federal or State regulator when  
24 requested in connection with an examination of the  
25 financial institution or if otherwise necessary for  
26 complying with federal or State law;



1           (3) a federal or State regulator when requested in  
2           connection with an examination of the financial  
3           institution or if otherwise necessary for complying with  
4           federal or State law; and

5           (4) a third party performing services for the financial  
6           institution, provided the third party is performing such  
7           services under a written agreement that expressly or by  
8           operation of law prohibits the third party's sharing and  
9           use of such confidential information for any purpose other  
10          than as provided in its agreement to provide services to  
11          the financial institution.

12          (f) The Department of Financial and Professional  
13          Regulation shall evaluate and adopt rules that encourage  
14          financial institutions to provide financial services to  
15          cannabis business enterprises and encourage institutions to  
16          offer benefits within Disproportionately Impacted Areas.

17          Section 55-75. Contracts enforceable. It is the public  
18          policy of this State that contracts related to the operation of  
19          a lawful cannabis establishment under this Act are enforceable.  
20          It is the public policy of this State that no contract entered  
21          into by a lawful cannabis business establishment or its agents  
22          on behalf of a cannabis business establishment, or by those who  
23          allow property to be used by a cannabis business establishment,  
24          shall be unenforceable on the basis that cultivating,  
25          obtaining,          manufacturing,          processing,          distributing,

1 dispensing, transporting, selling, possessing, or using  
2 cannabis or hemp is prohibited by federal law.

3 Section 55-80. Annual reports.

4 (a) The Department of Financial and Professional  
5 Regulation shall submit to the General Assembly and Governor a  
6 report, by September 30 of each year, that does not disclose  
7 any information identifying information about cultivation  
8 centers, craft growers, processing organizations, transporting  
9 organizations, or dispensing organizations, but does contain  
10 at a minimum, all of the following information for the previous  
11 fiscal year:

12 (1) The number of licenses issued to dispensing  
13 organizations by county, or, in counties with greater than  
14 3,000,000 residents, by zip code;

15 (2) The total number of dispensing organization owners  
16 that are minority persons, women, or persons with  
17 disabilities as those terms are defined in the Business  
18 Enterprise for Minorities, Women, and Persons with  
19 Disabilities Act;

20 (3) The total number of revenues received from  
21 dispensing organizations, segregated from revenues  
22 received from dispensing organizations under the  
23 Compassionate Use if Medical Cannabis Pilot Program Act by  
24 county, separated by source of revenue;

25 (4) The total amount of revenue received from

1           dispensing organizations that share a premises or majority  
2           ownership with a craft grower;

3           (5) The total amount of revenue received from  
4           dispensing organizations that share a premises or majority  
5           ownership with a processor; and

6           (6) An analysis of revenue generate from taxation,  
7           licensing, and other fees for the State, including  
8           recommendations to change the tax rate applied.

9           (b) The Department of Agriculture shall submit to the  
10          General Assembly and Governor a report, by September 30 of each  
11          year, that does not disclose any information identifying  
12          information about cultivation centers, craft growers,  
13          processing organizations, transporting organizations, or  
14          dispensing organizations, but does contain at a minimum, all of  
15          the following information for the previous fiscal year:

16          (1) The number of licenses issued to cultivation  
17          centers, craft growers, processors, and transporters by  
18          license type, and, in counties with more than 3,000,000  
19          residents, by zip code;

20          (2) The total number of cultivation centers, craft  
21          growers, processors, and transporters by license type that  
22          are minority persons, women, or persons with disabilities  
23          as those terms are defined in the Business Enterprise for  
24          Minorities, Women, and Persons with Disabilities Act;

25          (3) The total amount of revenue received from  
26          cultivation centers, craft growers, processors, and

1 transporters, separated by license types and source of  
2 revenue;

3 (4) The total amount of revenue received from craft  
4 growers and processors that share a premises or majority  
5 ownership with a dispensing organization;

6 (5) The total amount of revenue received from craft  
7 growers that share a premises or majority ownership with a  
8 processor, but do not share a premises or ownership with a  
9 dispensary;

10 (6) The total amount of revenue received from  
11 processors that share a premises or majority ownership with  
12 a craft grower, but do not share a premises or ownership  
13 with a dispensary;

14 (7) The total amount of revenue received from craft  
15 growers that share a premises or majority ownership with a  
16 dispensing organization, but do not share a premises or  
17 ownership with a processor;

18 (8) The total amount of revenue received from  
19 processors that share a premises or majority ownership with  
20 a dispensing organization, but do not share a premises or  
21 ownership with a craft grower;

22 (9) The total amount of revenue received from  
23 transporters; and

24 (10) An analysis of revenue generated from taxation,  
25 licensing, and other fees for the State, including  
26 recommendations to change the tax rate applied.

1 (c) The Department of State Police shall submit to the  
2 General Assembly and Governor a report, by September 30 of each  
3 year that contains, at a minimum, all of the following  
4 information for the previous fiscal year:

5 (1) The effect of regulation and taxation of cannabis  
6 on law enforcement resources;

7 (2) The impact of regulation and taxation of cannabis  
8 on highway safety and rates of impaired driving, where  
9 impairment was determined based on failure of a field  
10 sobriety test;

11 (3) The available and emerging methods for detecting  
12 the metabolites for delta-9-tetrahydrocannabinol in bodily  
13 fluids, including, without limitation, blood and saliva;

14 (4) The effectiveness of current DUI laws and  
15 recommendations for improvements to policy to better  
16 ensure safe highways and fair laws.

17 (d) The Public Health Advisory Committee shall submit to  
18 the General Assembly and Governor a report, by September 30 of  
19 each year, that does not disclose any identifying information  
20 about any individuals, but does contain at a minimum:

21 (1) Self-reported youth cannabis use, as published in  
22 the most recent Illinois Youth Survey available;

23 (2) Self-reported adult cannabis use, as published in  
24 the most recent Behavioral Risk Factor Surveillance Survey  
25 available;

26 (3) Hospital room admissions and hospital utilization

1 rates caused by cannabis consumption, including the  
2 presence or detection of other drugs;

3 (4) Overdoses of cannabis and poison control data,  
4 including the presence of other drugs that may have  
5 contributed;

6 (5) Incidents of impaired driving caused by the  
7 consumption of cannabis or cannabis products, including  
8 the presence of other drugs or alcohol which may have  
9 contributed to the impaired driving;

10 (6) Prevalence of infants born testing positive for  
11 cannabis or delta-9-tetrahydrocannabinol, including  
12 demographic and racial information on which infants are  
13 tested;

14 (7) Public perceptions of use and risk of harm;

15 (8) Revenue collected from cannabis taxation and how  
16 that revenue was used;

17 (9) Cannabis retail licenses granted and locations;

18 (10) Cannabis-related arrests; and

19 (11) The number of individuals completing required bud  
20 tender training.

21 (e) Each agency or committee submitting reports under this  
22 Section may consult with one another in the preparation of each  
23 report.

24 Section 55-85. Medical cannabis.

25 (a) Nothing in this Act shall be construed to limit any

1 privileges or rights of a medical cannabis patient including  
2 minor patients, primary caregiver, medical cannabis  
3 cultivation center, or medical cannabis dispensing  
4 organization under the Compassionate Use of Medical Cannabis  
5 Pilot Program Act, and where there is conflict between this Act  
6 and the Compassionate Use of Medical Cannabis Pilot Program Act  
7 as they relate to medical cannabis patients, the Compassionate  
8 Use of Medical Cannabis Pilot Program Act shall prevail.

9 (b) Dispensary locations that obtain an Early Approval  
10 Adult Use Dispensary Organization License or an Adult Use  
11 Dispensary Organization License in accordance with this Act at  
12 the same location as a medical cannabis dispensing organization  
13 registered under the Compassionate Use of Medical Cannabis  
14 Pilot Program Act shall maintain an inventory of medical  
15 cannabis and medical cannabis products on a monthly basis that  
16 is substantially similar in variety and quantity to the  
17 products offered at the dispensary during the 6-month period  
18 immediately before the effective date of this Act.

19 (c) Beginning June 30, 2020, the Department of Agriculture  
20 shall make a quarterly determination whether inventory  
21 requirements established for dispensaries in subsection (b)  
22 should be adjusted due to changing patient need.

23 Section 55-90. Home rule preemption. Except as otherwise  
24 provided in this Act, the regulation and licensing of the  
25 activities described in this Act are exclusive powers and

1 functions of the State. Except as otherwise provided in this  
2 Act, a unit of local government, including a home rule unit,  
3 may not regulate or license the activities described in this  
4 Act. This Section is a denial and limitation of home rule  
5 powers and functions under subsection (h) of Section 6 of  
6 Article VII of the Illinois Constitution.

7 ARTICLE 60.

8 CANNABIS CULTIVATION PRIVILEGE TAX

9 Section 60-1. Short title. This Article may be referred to  
10 as the Cannabis Cultivation Privilege Tax Law.

11 Section 60-5. Definitions. In this Article:

12 "Cannabis" has the meaning given to that term in Article 1  
13 of this Act, except that it does not include cannabis that is  
14 subject to tax under the Compassionate Use of Medical Cannabis  
15 Pilot Program Act.

16 "Craft grower" has the meaning given to that term in  
17 Article 1 of this Act.

18 "Cultivation center" has the meaning given to that term in  
19 Article 1 of this Act.

20 "Cultivator" or "taxpayer" means a cultivation center or  
21 craft grower who is subject to tax under this Article.

22 "Department" means the Department of Revenue.

23 "Director" means the Director of Revenue.



1 "Dispensing organization" or "dispensary" has the meaning  
2 given to that term in Article 1 of this Act.

3 "Gross receipts" from the sales of cannabis by a cultivator  
4 means the total selling price or the amount of such sales, as  
5 defined in this Article. In the case of charges and time sales,  
6 the amount thereof shall be included only when payments are  
7 received by the cultivator.

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

13 "Processor" means "processing organization" or "processor"  
14 as defined in Article 1 of this Act.

15 "Selling price" or "amount of sale" means the consideration  
16 for a sale valued in money whether received in money or  
17 otherwise, including cash, credits, property, and services,  
18 and shall be determined without any deduction on account of the  
19 cost of the property sold, the cost of materials used, labor or  
20 service cost, or any other expense whatsoever, but does not  
21 include separately stated charges identified on the invoice by  
22 cultivators to reimburse themselves for their tax liability  
23 under this Article.

24 Section 60-10. Tax imposed.

25 (a) Beginning on September 1, 2019, a tax is imposed upon

1 the privilege of cultivating cannabis at the rate of 7% of the  
2 gross receipts from the first sale of cannabis by a cultivator.  
3 The sale of any product that contains any amount of cannabis or  
4 any derivative thereof is subject to the tax under this Section  
5 on the full selling price of the product. The Department may  
6 determine the selling price of the cannabis when the seller and  
7 purchaser are affiliated persons, when the sale and purchase of  
8 cannabis is not an arm's length transaction, or when cannabis  
9 is transferred by a craft grower to the craft grower's  
10 dispensing organization and a value is not established for the  
11 cannabis. The value determined by the Department shall be  
12 commensurate with the actual price received for products of  
13 like quality, character, and use in the area. If there are no  
14 sales of cannabis of like quality, character, and use in the  
15 same area, then the Department shall establish a reasonable  
16 value based on sales of products of like quality, character,  
17 and use in other areas of the State, taking into consideration  
18 any other relevant factors.

19 (b) The Cannabis Cultivation Privilege Tax imposed under  
20 this Article is solely the responsibility of the cultivator who  
21 makes the first sale and is not the responsibility of a  
22 subsequent purchaser, a dispensing organization, or a  
23 processor. Persons subject to the tax imposed under this  
24 Article may, however, reimburse themselves for their tax  
25 liability hereunder by separately stating reimbursement for  
26 their tax liability as an additional charge. (c) The tax

1 imposed under this Article shall be in addition to all other  
2 occupation, privilege, or excise taxes imposed by the State of  
3 Illinois or by any unit of local government.

4 Section 60-15. Registration of cultivators. Every  
5 cultivator and craft grower subject to the tax under this  
6 Article shall apply to the Department of Revenue for a  
7 certificate of registration under this Article. All  
8 applications for registration under this Article shall be made  
9 by electronic means in the form and manner required by the  
10 Department. For that purpose, the provisions of Section 2a of  
11 the Retailers' Occupation Tax Act are incorporated into this  
12 Article to the extent not inconsistent with this Article. In  
13 addition, no certificate of registration shall be issued under  
14 this Article unless the applicant is licensed under this Act.

15 Section 60-20. Return and payment of cannabis cultivation  
16 privilege tax. Each person who is required to pay the tax  
17 imposed by this Article shall make a return to the Department  
18 on or before the 20th day of each month for the preceding  
19 calendar month stating the following:

- 20 (1) the taxpayer's name;
- 21 (2) the address of the taxpayer's principal place of  
22 business and the address of the principal place of  
23 business(if that is a different address) from which the  
24 taxpayer is engaged in the business of cultivating cannabis

1 subject to tax under this Article;

2 (3) the total amount of receipts received by the  
3 taxpayer during the preceding calendar month from sales of  
4 cannabis subject to tax under this Article by the taxpayer  
5 during the preceding calendar month;

6 (4) the total amount received by the taxpayer during  
7 the preceding calendar month on charge and time sales of  
8 cannabis subject to tax imposed under this Article by the  
9 taxpayer before the month for which the return is filed;

10 (5) deductions allowed by law;

11 (6) gross receipts that were received by the taxpayer  
12 during the preceding calendar month and upon the basis of  
13 which the tax is imposed;

14 (7) the amount of tax due;

15 (8) the signature of the taxpayer; and

16 (9) any other information as the Department may  
17 reasonably require.

18 All returns required to be filed and payments required to  
19 be made under this Article shall be by electronic means.  
20 Taxpayers who demonstrate hardship in paying electronically  
21 may petition the Department to waive the electronic payment  
22 requirement. The Department may require a separate return for  
23 the tax under this Article or combine the return for the tax  
24 under this Article with the return for the tax under the  
25 Compassionate Use of Medical Cannabis Pilot Program Act. If the  
26 return for the tax under this Article is combined with the

1 return for tax under the Compassionate Use of Medical Cannabis  
2 Pilot Program Act, then the vendor's discount allowed under  
3 this Section and any cap on that discount shall apply to the  
4 combined return. The taxpayer making the return provided for in  
5 this Section shall also pay to the Department, in accordance  
6 with this Section, the amount of tax imposed by this Article,  
7 less a discount of 1.75%, but not to exceed \$1,000 per return  
8 period, which is allowed to reimburse the taxpayer for the  
9 expenses incurred in keeping records, collecting tax,  
10 preparing and filing returns, remitting the tax, and supplying  
11 data to the Department upon request. No discount may be claimed  
12 by a taxpayer on returns not timely filed and for taxes not  
13 timely remitted. No discount may be claimed by a taxpayer for  
14 any return that is not filed electronically. No discount may be  
15 claimed by a taxpayer for any payment that is not made  
16 electronically, unless a waiver has been granted under this  
17 Section. Any amount that is required to be shown or reported on  
18 any return or other document under this Article shall, if the  
19 amount is not a whole-dollar amount, be increased to the  
20 nearest whole-dollar amount if the fractional part of a dollar  
21 is \$0.50 or more and decreased to the nearest whole-dollar  
22 amount if the fractional part of a dollar is less than \$0.50.  
23 If a total amount of less than \$1 is payable, refundable, or  
24 creditable, the amount shall be disregarded if it is less than  
25 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.  
26 Notwithstanding any other provision in this Article concerning

1 the time within which a taxpayer may file a return, any such  
2 taxpayer who ceases to engage in the kind of business that  
3 makes the person responsible for filing returns under this  
4 Article shall file a final return under this Article with the  
5 Department within one month after discontinuing such business.

6 Each taxpayer under this Article shall make estimated  
7 payments to the Department on or before the 7th, 15th, 22nd,  
8 and last day of the month during which tax liability to the  
9 Department is incurred. The payments shall be in an amount not  
10 less than the lower of either 22.5% of the taxpayer's actual  
11 tax liability for the month or 25% of the taxpayer's actual tax  
12 liability for the same calendar month of the preceding year.  
13 The amount of the quarter-monthly payments shall be credited  
14 against the final tax liability of the taxpayer's return for  
15 that month. If any quarter-monthly payment is not paid at the  
16 time or in the amount required by this Section, then the  
17 taxpayer shall be liable for penalties and interest on the  
18 difference between the minimum amount due as a payment and the  
19 amount of the quarter-monthly payment actually and timely paid,  
20 except insofar as the taxpayer has previously made payments for  
21 that month to the Department in excess of the minimum payments  
22 previously due as provided in this Section.

23 If any payment provided for in this Section exceeds the  
24 taxpayer's liabilities under this Article, as shown on an  
25 original monthly return, the Department shall, if requested by  
26 the taxpayer, issue to the taxpayer a credit memorandum no

1 later than 30 days after the date of payment. The credit  
2 evidenced by the credit memorandum may be assigned by the  
3 taxpayer to a similar taxpayer under this Act, in accordance  
4 with reasonable rules to be prescribed by the Department. If no  
5 such request is made, the taxpayer may credit the excess  
6 payment against tax liability subsequently to be remitted to  
7 the Department under this Act, in accordance with reasonable  
8 rules prescribed by the Department. If the Department  
9 subsequently determines that all or any part of the credit  
10 taken was not actually due to the taxpayer, the taxpayer's  
11 discount shall be reduced, if necessary, to reflect the  
12 difference between the credit taken and that actually due, and  
13 that taxpayer shall be liable for penalties and interest on the  
14 difference.

15 If a taxpayer fails to sign a return within 30 days after  
16 the proper notice and demand for signature by the Department is  
17 received by the taxpayer, the return shall be considered valid  
18 and any amount shown to be due on the return shall be deemed  
19 assessed.

20 Section 60-25. Processor information returns. If it is  
21 deemed necessary for the administration of this Article, the  
22 Department may adopt rules that require processors to file  
23 information returns regarding the sale of cannabis by  
24 processors to dispensaries. The Department may require  
25 processors to file all information returns by electronic means.

1           Section 60-30. Deposit of proceeds. All moneys received by  
2 the Department under this Article shall be deposited into the  
3 Cannabis Regulation Fund.

4           Section 60-35. Department administration and enforcement.  
5 The Department shall have full power to administer and enforce  
6 this Article, to collect all taxes, penalties, and interest due  
7 hereunder, to dispose of taxes, penalties and interest so  
8 collected in the manner hereinafter provided, and to determine  
9 all rights to credit memoranda, arising on account of the  
10 erroneous payment of tax, penalty, or interest hereunder. In  
11 the administration of, and compliance with, this Article, the  
12 Department and persons who are subject to this Article shall  
13 have the same rights, remedies, privileges, immunities, powers  
14 and duties, and be subject to the same conditions,  
15 restrictions, limitations, penalties and definitions of terms,  
16 and employ the same modes of procedure, as are prescribed in  
17 Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g,  
18 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of  
19 the Retailers' Occupation Tax Act and all of the provisions of  
20 the Uniform Penalty and Interest Act, which are not  
21 inconsistent with this Article, as fully as if those provisions  
22 were set forth herein. For purposes of this Section, references  
23 in the Retailers' Occupation Tax Act to a "sale of tangible  
24 personal property at retail" shall mean the "sale of cannabis



1 by a cultivator".

2 Section 60-40. Invoices. Every sales invoice for cannabis  
3 issued by a cultivator to a cannabis establishment shall  
4 contain the cultivator's certificate of registration number  
5 assigned under this Article, date, invoice number, purchaser's  
6 name and address, selling price, amount of cannabis,  
7 concentrate, or cannabis-infused product, and any other  
8 reasonable information as the Department may provide by rule is  
9 necessary for the administration of this Article. Cultivators  
10 shall retain the invoices for inspection by the Department.

11 Section 60-45. Rules. The Department may adopt rules  
12 related to the enforcement of this Article.

13 ARTICLE 65.

14 CANNABIS PURCHASER EXCISE TAX

15 Section 65-1. Short title. This Article may be referred to  
16 as the Cannabis Purchaser Excise Tax Law.

17 Section 65-5. Definitions. In this Article:

18 "Adjusted delta-9-tetrahydrocannabinol level" means, for a  
19 delta-9-tetrahydrocannabinol dominant product, the sum of the  
20 percentage of delta-9-tetrahydrocannabinol plus .877  
21 multiplied by the percentage of tetrahydrocannabinolic acid.

1 "Cannabis" has the meaning given to that term in Article 1  
2 of this Act, except that it does not include cannabis that is  
3 subject to tax under the Compassionate Use of Medical Cannabis  
4 Pilot Program Act.

5 "Cannabis-infused product" means beverage food, oils,  
6 ointments, tincture, topical formulation, or another product  
7 containing cannabis that is not intended to be smoked.

8 "Cannabis retailer" means a dispensing organization that  
9 sells cannabis for use and not for resale.

10 "Craft grower" has the meaning given to that term in  
11 Article 1 of this Act.

12 "Department" means the Department of Revenue.

13 "Director" means the Director of Revenue.

14 "Dispensing organization" or "dispensary" has the meaning  
15 given to that term in Article 1 of this Act.

16 "Person" means a natural individual, firm, partnership,  
17 association, joint stock company, joint adventure, public or  
18 private corporation, limited liability company, or a receiver,  
19 executor, trustee, guardian, or other representative appointed  
20 by order of any court.

21 "Processor" means "processing organization" or "processor"  
22 as defined in Article 1 of this Act.

23 "Purchase price" means the consideration paid for a  
24 purchase of cannabis, valued in money, whether received in  
25 money or otherwise, including cash, gift cards, credits, and  
26 property and shall be determined without any deduction on

1 account of the cost of materials used, labor or service costs,  
2 or any other expense whatsoever. However, "purchase price" does  
3 not include consideration paid for:

4 (1) any charge for a payment that is not honored by a  
5 financial institution;

6 (2) any finance or credit charge, penalty or charge for  
7 delayed payment, or discount for prompt payment; and

8 (3) any amounts added to a purchaser's bill because of  
9 charges made under the tax imposed by this Article, the  
10 Municipal Cannabis Retailers' Occupation Tax Law, the  
11 County Cannabis Retailers' Occupation Tax Law, the  
12 Retailers' Occupation Tax Act, the Use Tax Act, the Service  
13 Occupation Tax Act, the Service Use Tax Act, or any locally  
14 imposed occupation or use tax.

15 "Purchaser" means a person who acquires cannabis for a  
16 valuable consideration.

17 "Taxpayer" means a cannabis retailer who is required to  
18 collect the tax imposed under this Article.

19 Section 65-10. Tax imposed.

20 (a) Beginning on January 1, 2020, a tax is imposed upon  
21 purchases for the privilege of using cannabis at the following  
22 rates:

23 (1) Any cannabis, other than a cannabis-infused  
24 product, with an adjusted delta-9-tetrahydrocannabinol  
25 level at or below 35% shall be taxed at a rate of 10% of the

1 purchase price;

2 (2) Any cannabis, other than a cannabis-infused  
3 product, with an adjusted delta-9-tetrahydrocannabinol  
4 level above 35% shall be taxed at a rate of 25% of the  
5 purchase price; and

6 (3) A cannabis-infused product, shall be taxed at a  
7 rate of 20%.

8 (b) The purchase of any product that contains any amount of  
9 cannabis or any derivative thereof is subject to the tax under  
10 subsection (a) of this Section.

11 (c) The tax imposed under this Section is not imposed on  
12 cannabis that is subject to tax under the Compassionate Use of  
13 Medical Cannabis Pilot Program Act. The tax imposed by this  
14 Section is not imposed with respect to any transaction in  
15 interstate commerce, to the extent the transaction may not,  
16 under the Constitution and statutes of the United States, be  
17 made the subject of taxation by this State.

18 (d) The tax imposed under this Article shall be in addition  
19 to all other occupation, privilege, or excise taxes imposed by  
20 the State of Illinois or by any municipal corporation or  
21 political subdivision thereof.

22 (e) The tax imposed under this Article shall not be imposed  
23 on any purchase by a purchaser if the cannabis retailer is  
24 prohibited by federal or State Constitution, treaty,  
25 convention, statute, or court decision from collecting the tax  
26 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

1 collecting Cannabis Purchaser Excise Tax measured by a purchase  
2 price that is subject to tax under this Act, collects more from  
3 the purchaser than the required amount of the Cannabis  
4 Purchaser Excise Tax on the transaction, the purchaser shall  
5 have a legal right to claim a refund of that amount from the  
6 cannabis retailer. If, however, that amount is not refunded to  
7 the purchaser for any reason, the cannabis retailer is liable  
8 to pay that amount to the Department.

9 (c) Any person purchasing cannabis subject to tax under  
10 this Article as to which there has been no charge made to him  
11 or her of the tax imposed by Section 65-10 shall make payment  
12 of the tax imposed by Section 65-10 in the form and manner  
13 provided by the Department not later than the 20th day of the  
14 month following the month of purchase of the cannabis.

15 Section 65-20. Registration of cannabis retailers. Every  
16 cannabis retailer required to collect the tax under this  
17 Article shall apply to the Department for a certificate of  
18 registration under this Article. All applications for  
19 registration under this Article shall be made by electronic  
20 means in the form and manner required by the Department. For  
21 that purpose, the provisions of Section 2a of the Retailers'  
22 Occupation Tax Act are incorporated into this Article to the  
23 extent not inconsistent with this Article. In addition, no  
24 certificate of registration shall be issued under this Article  
25 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;

1 (5) the signature of the cannabis retailer; and

2 (6) any other information as the Department may  
3 reasonably require.

4 All returns required to be filed and payments required to  
5 be made under this Article shall be by electronic means.  
6 Cannabis retailers who demonstrate hardship in paying  
7 electronically may petition the Department to waive the  
8 electronic payment requirement.

9 Any amount that is required to be shown or reported on any  
10 return or other document under this Article shall, if the  
11 amount is not a whole-dollar amount, be increased to the  
12 nearest whole-dollar amount if the fractional part of a dollar  
13 is \$0.50 or more and decreased to the nearest whole-dollar  
14 amount if the fractional part of a dollar is less than \$0.50.  
15 If a total amount of less than \$1 is payable, refundable, or  
16 creditable, the amount shall be disregarded if it is less than  
17 \$0.50 and shall be increased to \$1 if it is \$0.50 or more. The  
18 cannabis retailer making the return provided for in this  
19 Section shall also pay to the Department, in accordance with  
20 this Section, the amount of tax imposed by this Article, less a  
21 discount of 1.75%, but not to exceed \$1,000 per return period,  
22 which is allowed to reimburse the cannabis retailer for the  
23 expenses incurred in keeping records, collecting tax,  
24 preparing and filing returns, remitting the tax, and supplying  
25 data to the Department upon request. No discount may be claimed  
26 by a cannabis retailer on returns not timely filed and for



1 taxes not timely remitted. No discount may be claimed by a  
2 taxpayer or for any payment that is not made electronically,  
3 unless a waiver has been granted under this Section.

4 Notwithstanding any other provision in this Article  
5 concerning the time within which a cannabis retailer may file a  
6 return, any such cannabis retailer who ceases to engage in the  
7 kind of business that makes the person responsible for filing  
8 returns under this Article shall file a final return under this  
9 Article with the Department within one month after  
10 discontinuing the business.

11 Each cannabis retailer shall make estimated payments to the  
12 Department on or before the 7th, 15th, 22nd, and last day of  
13 the month during which tax liability to the Department is  
14 incurred. The payments shall be in an amount not less than the  
15 lower of either 22.5% of the cannabis retailer's actual tax  
16 liability for the month or 25% of the cannabis retailer's  
17 actual tax liability for the same calendar month of the  
18 preceding year. The amount of the quarter-monthly payments  
19 shall be credited against the final tax liability of the  
20 cannabis retailer's return for that month. If any such  
21 quarter-monthly payment is not paid at the time or in the  
22 amount required by this Section, then the cannabis retailer  
23 shall be liable for penalties and interest on the difference  
24 between the minimum amount due as a payment and the amount of  
25 the quarter-monthly payment actually and timely paid, except  
26 insofar as the cannabis retailer has previously made payments

1 for that month to the Department in excess of the minimum  
2 payments previously due as provided in this Section.

3 If any payment provided for in this Section exceeds the  
4 taxpayer's liabilities under this Article, as shown on an  
5 original monthly return, the Department shall, if requested by  
6 the taxpayer, issue to the taxpayer a credit memorandum no  
7 later than 30 days after the date of payment. The credit  
8 evidenced by the credit memorandum may be assigned by the  
9 taxpayer to a similar taxpayer under this Article, in  
10 accordance with reasonable rules to be prescribed by the  
11 Department. If no such request is made, the taxpayer may credit  
12 the excess payment against tax liability subsequently to be  
13 remitted to the Department under this Article, in accordance  
14 with reasonable rules prescribed by the Department. If the  
15 Department subsequently determines that all or any part of the  
16 credit taken was not actually due to the taxpayer, the  
17 taxpayer's discount shall be reduced, if necessary, to reflect  
18 the difference between the credit taken and that actually due,  
19 and that taxpayer shall be liable for penalties and interest on  
20 the difference. If a cannabis retailer fails to sign a return  
21 within 30 days after the proper notice and demand for signature  
22 by the Department is received by the cannabis retailer, the  
23 return shall be considered valid and any amount shown to be due  
24 on the return shall be deemed assessed.

25 Section 65-35. Deposit of proceeds. All moneys received by

1 the Department under this Article shall be paid into the  
2 Cannabis Regulation Fund.

3 Section 65-36. Recordkeeping; books and records.

4 (a) Every retailer of cannabis, whether or not the retailer  
5 has obtained a certificate of registration under Section 65-20,  
6 shall keep complete and accurate records of cannabis held,  
7 purchased, sold, or otherwise disposed of, and shall preserve  
8 and keep all invoices, bills of lading, sales records, and  
9 copies of bills of sale, returns and other pertinent papers and  
10 documents relating to the purchase, sale, or disposition of  
11 cannabis. Such records need not be maintained on the licensed  
12 premises but must be maintained in the State of Illinois.  
13 However, all original invoices or copies thereof covering  
14 purchases of cannabis must be retained on the licensed premises  
15 for a period of 90 days after such purchase, unless the  
16 Department has granted a waiver in response to a written  
17 request in cases where records are kept at a central business  
18 location within the State of Illinois. The Department shall  
19 adopt rules regarding the eligibility for a waiver, revocation  
20 of a waiver, and requirements and standards for maintenance and  
21 accessibility of records located at a central location under a  
22 waiver provided under this Section.

23 (b) Books, records, papers, and documents that are required  
24 by this Law to be kept shall, at all times during the usual  
25 business hours of the day, be subject to inspection by the

1 Department or its duly authorized agents and employees. The  
2 books, records, papers, and documents for any period with  
3 respect to which the Department is authorized to issue a notice  
4 of tax liability shall be preserved until the expiration of  
5 that period.

6 Section 65-38. Violations and penalties.

7 (a) When the amount due is under \$300, any retailer of  
8 cannabis who fails to file a return, willfully fails or refuses  
9 to make any payment to the Department of the tax imposed by  
10 this Law, or files a fraudulent return, or any officer or agent  
11 of a corporation engaged in the business of selling cannabis to  
12 purchasers located in this State who signs a fraudulent return  
13 filed on behalf of the corporation, or any accountant or other  
14 agent who knowingly enters false information on the return of  
15 any taxpayer under this Law is guilty of a Class 4 felony.

16 (b) When the amount due is \$300 or more, any retailer of  
17 cannabis who files, or causes to be filed, a fraudulent return,  
18 or any officer or agent of a corporation engaged in the  
19 business of selling cannabis to purchasers located in this  
20 State who files or causes to be filed or signs or causes to be  
21 signed a fraudulent return filed on behalf of the corporation,  
22 or any accountant or other agent who knowingly enters false  
23 information on the return of any taxpayer under this Law is  
24 guilty of a Class 3 felony.

25 (c) Any person who violates any provision of Section 65-20,

1 fails to keep books and records as required under this Law, or  
2 willfully violates a rule of the Department for the  
3 administration and enforcement of this Law is guilty of a Class  
4 4 felony. A person commits a separate offense on each day that  
5 he or she engages in business in violation of Section 65-20 or  
6 a rule of the Department for the administration and enforcement  
7 of this Law. If a person fails to produce the books and records  
8 for inspection by the Department upon request, a prima facie  
9 presumption shall arise that the person has failed to keep  
10 books and records as required under this Law. A person who is  
11 unable to rebut this presumption is in violation of this Law  
12 and is subject to the penalties provided in this Section.

13 (d) Any person who violates any provision of Sections  
14 65-20, fails to keep books and records as required under this  
15 Law, or willfully violates a rule of the Department for the  
16 administration and enforcement of this Law, is guilty of a  
17 business offense and may be fined up to \$5,000. If a person  
18 fails to produce books and records for inspection by the  
19 Department upon request, a prima facie presumption shall arise  
20 that the person has failed to keep books and records as  
21 required under this Law. A person who is unable to rebut this  
22 presumption is in violation of this Law and is subject to the  
23 penalties provided in this Section. A person commits a separate  
24 offense on each day that he or she engages in business in  
25 violation of Section 65-20.

26 (e) Any taxpayer or agent of a taxpayer who with the intent

1 to defraud purports to make a payment due to the Department by  
2 issuing or delivering a check or other order upon a real or  
3 fictitious depository for the payment of money, knowing that it  
4 will not be paid by the depository, is guilty of a deceptive  
5 practice in violation of Section 17-1 of the Criminal Code of  
6 2012.

7 (f) Any person who fails to keep books and records or fails  
8 to produce books and records for inspection, as required by  
9 Section 65-36, is liable to pay to the Department, for deposit  
10 in the Tax Compliance and Administration Fund, a penalty of  
11 \$1,000 for the first failure to keep books and records or  
12 failure to produce books and records for inspection, as  
13 required by Section 65-36, and \$3,000 for each subsequent  
14 failure to keep books and records or failure to produce books  
15 and records for inspection, as required by Section 65-36.

16 (g) Any person who knowingly acts as a retailer of cannabis  
17 in this State without first having obtained a certificate of  
18 registration to do so in compliance with Section 65-20 of this  
19 Law shall be guilty of a Class 4 felony.

20 (h) A person commits the offense of tax evasion under this  
21 Law when he or she knowingly attempts in any manner to evade or  
22 defeat the tax imposed on him or her or on any other person, or  
23 the payment thereof, and he or she commits an affirmative act  
24 in furtherance of the evasion. As used in this Section,  
25 "affirmative act in furtherance of the evasion" means an act  
26 designed in whole or in part to (i) conceal, misrepresent,

1 falsify, or manipulate any material fact or (ii) tamper with or  
2 destroy documents or materials related to a person's tax  
3 liability under this Law. Two or more acts of sales tax evasion  
4 may be charged as a single count in any indictment,  
5 information, or complaint and the amount of tax deficiency may  
6 be aggregated for purposes of determining the amount of tax  
7 that is attempted to be or is evaded and the period between the  
8 first and last acts may be alleged as the date of the offense.

9 (1) When the amount of tax, the assessment or payment  
10 of which is attempted to be or is evaded is less than \$500  
11 a person is guilty of a Class 4 felony.

12 (2) When the amount of tax, the assessment or payment  
13 of which is attempted to be or is evaded is \$500 or more  
14 but less than \$10,000, a person is guilty of a Class 3  
15 felony.

16 (3) When the amount of tax, the assessment or payment  
17 of which is attempted to be or is evaded is \$10,000 or more  
18 but less than \$100,000, a person is guilty of a Class 2  
19 felony.

20 (4) When the amount of tax, the assessment or payment  
21 of which is attempted to be or is evaded is \$100,000 or  
22 more, a person is guilty of a Class 1 felony.

23 Any person who knowingly sells, purchases, installs,  
24 transfers, possesses, uses, or accesses any automated sales  
25 suppression device, zapper, or phantom-ware in this State is  
26 guilty of a Class 3 felony.

1           As used in this Section:

2           "Automated sales suppression device" or "zapper" means a  
3 software program that falsifies the electronic records of an  
4 electronic cash register or other point-of-sale system,  
5 including, but not limited to, transaction data and transaction  
6 reports. The term includes the software program, any device  
7 that carries the software program, or an Internet link to the  
8 software program.

9           "Phantom-ware" means a hidden programming option embedded  
10 in the operating system of an electronic cash register or  
11 hardwired into an electronic cash register that can be used to  
12 create a second set of records or that can eliminate or  
13 manipulate transaction records in an electronic cash register.

14           "Electronic cash register" means a device that keeps a  
15 register or supporting documents through the use of an  
16 electronic device or computer system designed to record  
17 transaction data for the purpose of computing, compiling, or  
18 processing retail sales transaction data in any manner.

19           "Transaction data" includes: items purchased by a  
20 purchaser; the price of each item; a taxability determination  
21 for each item; a segregated tax amount for each taxed item; the  
22 amount of cash or credit tendered; the net amount returned to  
23 the customer in change; the date and time of the purchase; the  
24 name, address, and identification number of the vendor; and the  
25 receipt or invoice number of the transaction.

26           "Transaction report" means a report that documents,



1 without limitation, the sales, taxes, or fees collected, media  
2 totals, and discount voids at an electronic cash register and  
3 that is printed on a cash register tape at the end of a day or  
4 shift, or a report that documents every action at an electronic  
5 cash register and is stored electronically.

6 A prosecution for any act in violation of this Section may  
7 be commenced at any time within 5 years of the commission of  
8 that act.

9 (i) The Department may adopt rules to administer the  
10 penalties under this Section.

11 (j) Any person whose principal place of business is in this  
12 State and who is charged with a violation under this Section  
13 shall be tried in the county where his or her principal place  
14 of business is located unless he or she asserts a right to be  
15 tried in another venue.

16 (k) Except as otherwise provided in subsection (h), a  
17 prosecution for a violation described in this Section may be  
18 commenced within 3 years after the commission of the act  
19 constituting the violation.

20 Section 65-40. Department administration and enforcement.  
21 The Department shall have full power to administer and enforce  
22 this Article, to collect all taxes and penalties due hereunder,  
23 to dispose of taxes and penalties so collected in the manner  
24 hereinafter provided, and to determine all rights to credit  
25 memoranda, arising on account of the erroneous payment of tax

1 or penalty hereunder.

2 In the administration of, and compliance with, this  
3 Article, the Department and persons who are subject to this  
4 Article shall have the same rights, remedies, privileges,  
5 immunities, powers and duties, and be subject to the same  
6 conditions, restrictions, limitations, penalties, and  
7 definitions of terms, and employ the same modes of procedure,  
8 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,  
9 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and  
10 Sections 1, 2-12, 2b, 4 (except that the time limitation  
11 provisions shall run from the date when the tax is due rather  
12 than from the date when gross receipts are received), 5 (except  
13 that the time limitation provisions on the issuance of notices  
14 of tax liability shall run from the date when the tax is due  
15 rather than from the date when gross receipts are received and  
16 except that in the case of a failure to file a return required  
17 by this Act, no notice of tax liability shall be issued on and  
18 after each July 1 and January 1 covering tax due with that  
19 return during any month or period more than 6 years before that  
20 July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g,  
21 5h, 5j, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation  
22 Tax Act and all of the provisions of the Uniform Penalty and  
23 Interest Act, which are not inconsistent with this Article, as  
24 fully as if those provisions were set forth herein. References  
25 in the incorporated Sections of the Retailers' Occupation Tax  
26 Act and the Use Tax Act to retailers, to sellers, or to persons

1 engaged in the business of selling tangible personal property  
2 mean cannabis retailers when used in this Article. References  
3 in the incorporated Sections to sales of tangible personal  
4 property mean sales of cannabis subject to tax under this  
5 Article when used in this Article.

6 Section 65-41. Arrest; search and seizure without warrant.  
7 Any duly authorized employee of the Department (i) may arrest  
8 without warrant any person committing in his or her presence a  
9 violation of any of the provisions of this Law, (ii) may  
10 without a search warrant inspect all cannabis located in any  
11 place of business, (iii) may seize any cannabis in the  
12 possession of the retailer in violation of this Act, and (iv)  
13 may seize any cannabis on which the tax imposed by Article 60  
14 of this Act has not been paid. The cannabis so seized is  
15 subject to confiscation and forfeiture as provided in Sections  
16 65-42 and 65-43.

17 Section 65-42. Seizure and forfeiture. After seizing any  
18 cannabis as provided in Section 65-41, the Department must hold  
19 a hearing and determine whether the retailer was properly  
20 registered to sell the cannabis at the time of its seizure by  
21 the Department. The Department shall give not less than 20  
22 days' notice of the time and place of the hearing to the owner  
23 of the cannabis, if the owner is known, and also to the person  
24 in whose possession the cannabis was found, if that person is

1 known and if the person in possession is not the owner of the  
2 cannabis. If neither the owner nor the person in possession of  
3 the cannabis is known, the Department must cause publication of  
4 the time and place of the hearing to be made at least once in  
5 each week for 3 weeks successively in a newspaper of general  
6 circulation in the county where the hearing is to be held.

7 If, as the result of the hearing, the Department determines  
8 that the retailer was not properly registered at the time the  
9 cannabis was seized, the Department must enter an order  
10 declaring the cannabis confiscated and forfeited to the State,  
11 to be held by the Department for disposal by it as provided in  
12 Section 65-43. The Department must give notice of the order to  
13 the owner of the cannabis, if the owner is known, and also to  
14 the person in whose possession the cannabis was found, if that  
15 person is known and if the person in possession is not the  
16 owner of the cannabis. If neither the owner nor the person in  
17 possession of the cannabis is known, the Department must cause  
18 publication of the order to be made at least once in each week  
19 for 3 weeks successively in a newspaper of general circulation  
20 in the county where the hearing was held.

21 Section 65-43. Search warrant; issuance and return;  
22 process; confiscation of cannabis; forfeitures.

23 (a) If a peace officer of this State or any duly authorized  
24 officer or employee of the Department has reason to believe  
25 that any violation of this Law or a rule of the Department for

1 the administration and enforcement of this Law has occurred and  
2 that the person violating this Law or rule has in that person's  
3 possession any cannabis in violation of this Law or a rule of  
4 the Department for the administration and enforcement of this  
5 Law, that peace officer or officer or employee of the  
6 Department may file or cause to be filed his or her complaint  
7 in writing, verified by affidavit, with any court within whose  
8 jurisdiction the premises to be searched are situated, stating  
9 the facts upon which the belief is founded, the premises to be  
10 searched, and the property to be seized, and procure a search  
11 warrant and execute that warrant. Upon the execution of the  
12 search warrant, the peace officer, or officer or employee of  
13 the Department, executing the search warrant shall make due  
14 return of the warrant to the court issuing the warrant,  
15 together with an inventory of the property taken under the  
16 warrant. The court must then issue process against the owner of  
17 the property if the owner is known; otherwise, process must be  
18 issued against the person in whose possession the property is  
19 found, if that person is known. In case of inability to serve  
20 process upon the owner or the person in possession of the  
21 property at the time of its seizure, notice of the proceedings  
22 before the court must be given in the same manner as required  
23 by the law governing cases of attachment. Upon the return of  
24 the process duly served or upon the posting or publishing of  
25 notice made, as appropriate, the court or jury, if a jury is  
26 demanded, shall proceed to determine whether the property so

1 seized was held or possessed in violation of this Law or a rule  
2 of the Department for the administration and enforcement of  
3 this Law. If a violation is found, judgment shall be entered  
4 confiscating the property and forfeiting it to the State and  
5 ordering its delivery to the Department. In addition, the court  
6 may tax and assess the costs of the proceedings.

7 (b) When any cannabis has been declared forfeited to the  
8 State by the Department, as provided in Sections 65-42 and this  
9 Section, and when all proceedings for the judicial review of  
10 the Department's decision have terminated, the Department  
11 shall, to the extent that its decision is sustained on review,  
12 destroy or maintain and use such cannabis in an undercover  
13 capacity.

14 (c) The Department may, before any destruction of cannabis,  
15 permit the true holder of trademark rights in the cannabis to  
16 inspect such cannabis in order to assist the Department in any  
17 investigation regarding such cannabis.

18 Section 65-45. Cannabis retailers; purchase and possession  
19 of cannabis. Cannabis retailers shall purchase cannabis for  
20 resale only from cannabis establishments as authorized by this  
21 Act.

22 Section 65-50. Rulemaking. The Department may adopt rules  
23 in accordance with the Illinois Administrative Procedure Act  
24 and prescribe forms relating to the administration and

1 enforcement of this Article as it deems appropriate.

2 ARTICLE 900.

3 AMENDATORY PROVISIONS

4 Section 900-5. The Illinois Administrative Procedure Act  
5 is amended by changing Section 5-45 as follows:

6 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

7 Sec. 5-45. Emergency rulemaking.

8 (a) "Emergency" means the existence of any situation that  
9 any agency finds reasonably constitutes a threat to the public  
10 interest, safety, or welfare.

11 (b) If any agency finds that an emergency exists that  
12 requires adoption of a rule upon fewer days than is required by  
13 Section 5-40 and states in writing its reasons for that  
14 finding, the agency may adopt an emergency rule without prior  
15 notice or hearing upon filing a notice of emergency rulemaking  
16 with the Secretary of State under Section 5-70. The notice  
17 shall include the text of the emergency rule and shall be  
18 published in the Illinois Register. Consent orders or other  
19 court orders adopting settlements negotiated by an agency may  
20 be adopted under this Section. Subject to applicable  
21 constitutional or statutory provisions, an emergency rule  
22 becomes effective immediately upon filing under Section 5-65 or  
23 at a stated date less than 10 days thereafter. The agency's

1 finding and a statement of the specific reasons for the finding  
2 shall be filed with the rule. The agency shall take reasonable  
3 and appropriate measures to make emergency rules known to the  
4 persons who may be affected by them.

5 (c) An emergency rule may be effective for a period of not  
6 longer than 150 days, but the agency's authority to adopt an  
7 identical rule under Section 5-40 is not precluded. No  
8 emergency rule may be adopted more than once in any 24-month  
9 period, except that this limitation on the number of emergency  
10 rules that may be adopted in a 24-month period does not apply  
11 to (i) emergency rules that make additions to and deletions  
12 from the Drug Manual under Section 5-5.16 of the Illinois  
13 Public Aid Code or the generic drug formulary under Section  
14 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)  
15 emergency rules adopted by the Pollution Control Board before  
16 July 1, 1997 to implement portions of the Livestock Management  
17 Facilities Act, (iii) emergency rules adopted by the Illinois  
18 Department of Public Health under subsections (a) through (i)  
19 of Section 2 of the Department of Public Health Act when  
20 necessary to protect the public's health, (iv) emergency rules  
21 adopted pursuant to subsection (n) of this Section, (v)  
22 emergency rules adopted pursuant to subsection (o) of this  
23 Section, or (vi) emergency rules adopted pursuant to subsection  
24 (c-5) of this Section. Two or more emergency rules having  
25 substantially the same purpose and effect shall be deemed to be  
26 a single rule for purposes of this Section.



1 (c-5) To facilitate the maintenance of the program of group  
2 health benefits provided to annuitants, survivors, and retired  
3 employees under the State Employees Group Insurance Act of  
4 1971, rules to alter the contributions to be paid by the State,  
5 annuitants, survivors, retired employees, or any combination  
6 of those entities, for that program of group health benefits,  
7 shall be adopted as emergency rules. The adoption of those  
8 rules shall be considered an emergency and necessary for the  
9 public interest, safety, and welfare.

10 (d) In order to provide for the expeditious and timely  
11 implementation of the State's fiscal year 1999 budget,  
12 emergency rules to implement any provision of Public Act 90-587  
13 or 90-588 or any other budget initiative for fiscal year 1999  
14 may be adopted in accordance with this Section by the agency  
15 charged with administering that provision or initiative,  
16 except that the 24-month limitation on the adoption of  
17 emergency rules and the provisions of Sections 5-115 and 5-125  
18 do not apply to rules adopted under this subsection (d). The  
19 adoption of emergency rules authorized by this subsection (d)  
20 shall be deemed to be necessary for the public interest,  
21 safety, and welfare.

22 (e) In order to provide for the expeditious and timely  
23 implementation of the State's fiscal year 2000 budget,  
24 emergency rules to implement any provision of Public Act 91-24  
25 or any other budget initiative for fiscal year 2000 may be  
26 adopted in accordance with this Section by the agency charged

1 with administering that provision or initiative, except that  
2 the 24-month limitation on the adoption of emergency rules and  
3 the provisions of Sections 5-115 and 5-125 do not apply to  
4 rules adopted under this subsection (e). The adoption of  
5 emergency rules authorized by this subsection (e) shall be  
6 deemed to be necessary for the public interest, safety, and  
7 welfare.

8 (f) In order to provide for the expeditious and timely  
9 implementation of the State's fiscal year 2001 budget,  
10 emergency rules to implement any provision of Public Act 91-712  
11 or any other budget initiative for fiscal year 2001 may be  
12 adopted in accordance with this Section by the agency charged  
13 with administering that provision or initiative, except that  
14 the 24-month limitation on the adoption of emergency rules and  
15 the provisions of Sections 5-115 and 5-125 do not apply to  
16 rules adopted under this subsection (f). The adoption of  
17 emergency rules authorized by this subsection (f) shall be  
18 deemed to be necessary for the public interest, safety, and  
19 welfare.

20 (g) In order to provide for the expeditious and timely  
21 implementation of the State's fiscal year 2002 budget,  
22 emergency rules to implement any provision of Public Act 92-10  
23 or any other budget initiative for fiscal year 2002 may be  
24 adopted in accordance with this Section by the agency charged  
25 with administering that provision or initiative, except that  
26 the 24-month limitation on the adoption of emergency rules and

1 the provisions of Sections 5-115 and 5-125 do not apply to  
2 rules adopted under this subsection (g). The adoption of  
3 emergency rules authorized by this subsection (g) shall be  
4 deemed to be necessary for the public interest, safety, and  
5 welfare.

6 (h) In order to provide for the expeditious and timely  
7 implementation of the State's fiscal year 2003 budget,  
8 emergency rules to implement any provision of Public Act 92-597  
9 or any other budget initiative for fiscal year 2003 may be  
10 adopted in accordance with this Section by the agency charged  
11 with administering that provision or initiative, except that  
12 the 24-month limitation on the adoption of emergency rules and  
13 the provisions of Sections 5-115 and 5-125 do not apply to  
14 rules adopted under this subsection (h). The adoption of  
15 emergency rules authorized by this subsection (h) shall be  
16 deemed to be necessary for the public interest, safety, and  
17 welfare.

18 (i) In order to provide for the expeditious and timely  
19 implementation of the State's fiscal year 2004 budget,  
20 emergency rules to implement any provision of Public Act 93-20  
21 or any other budget initiative for fiscal year 2004 may be  
22 adopted in accordance with this Section by the agency charged  
23 with administering that provision or initiative, except that  
24 the 24-month limitation on the adoption of emergency rules and  
25 the provisions of Sections 5-115 and 5-125 do not apply to  
26 rules adopted under this subsection (i). The adoption of

1 emergency rules authorized by this subsection (i) shall be  
2 deemed to be necessary for the public interest, safety, and  
3 welfare.

4 (j) In order to provide for the expeditious and timely  
5 implementation of the provisions of the State's fiscal year  
6 2005 budget as provided under the Fiscal Year 2005 Budget  
7 Implementation (Human Services) Act, emergency rules to  
8 implement any provision of the Fiscal Year 2005 Budget  
9 Implementation (Human Services) Act may be adopted in  
10 accordance with this Section by the agency charged with  
11 administering that provision, except that the 24-month  
12 limitation on the adoption of emergency rules and the  
13 provisions of Sections 5-115 and 5-125 do not apply to rules  
14 adopted under this subsection (j). The Department of Public Aid  
15 may also adopt rules under this subsection (j) necessary to  
16 administer the Illinois Public Aid Code and the Children's  
17 Health Insurance Program Act. The adoption of emergency rules  
18 authorized by this subsection (j) shall be deemed to be  
19 necessary for the public interest, safety, and welfare.

20 (k) In order to provide for the expeditious and timely  
21 implementation of the provisions of the State's fiscal year  
22 2006 budget, emergency rules to implement any provision of  
23 Public Act 94-48 or any other budget initiative for fiscal year  
24 2006 may be adopted in accordance with this Section by the  
25 agency charged with administering that provision or  
26 initiative, except that the 24-month limitation on the adoption

1 of emergency rules and the provisions of Sections 5-115 and  
2 5-125 do not apply to rules adopted under this subsection (k).  
3 The Department of Healthcare and Family Services may also adopt  
4 rules under this subsection (k) necessary to administer the  
5 Illinois Public Aid Code, the Senior Citizens and Persons with  
6 Disabilities Property Tax Relief Act, the Senior Citizens and  
7 Disabled Persons Prescription Drug Discount Program Act (now  
8 the Illinois Prescription Drug Discount Program Act), and the  
9 Children's Health Insurance Program Act. The adoption of  
10 emergency rules authorized by this subsection (k) shall be  
11 deemed to be necessary for the public interest, safety, and  
12 welfare.

13 (l) In order to provide for the expeditious and timely  
14 implementation of the provisions of the State's fiscal year  
15 2007 budget, the Department of Healthcare and Family Services  
16 may adopt emergency rules during fiscal year 2007, including  
17 rules effective July 1, 2007, in accordance with this  
18 subsection to the extent necessary to administer the  
19 Department's responsibilities with respect to amendments to  
20 the State plans and Illinois waivers approved by the federal  
21 Centers for Medicare and Medicaid Services necessitated by the  
22 requirements of Title XIX and Title XXI of the federal Social  
23 Security Act. The adoption of emergency rules authorized by  
24 this subsection (l) shall be deemed to be necessary for the  
25 public interest, safety, and welfare.

26 (m) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year  
2 2008 budget, the Department of Healthcare and Family Services  
3 may adopt emergency rules during fiscal year 2008, including  
4 rules effective July 1, 2008, in accordance with this  
5 subsection to the extent necessary to administer the  
6 Department's responsibilities with respect to amendments to  
7 the State plans and Illinois waivers approved by the federal  
8 Centers for Medicare and Medicaid Services necessitated by the  
9 requirements of Title XIX and Title XXI of the federal Social  
10 Security Act. The adoption of emergency rules authorized by  
11 this subsection (m) shall be deemed to be necessary for the  
12 public interest, safety, and welfare.

13 (n) In order to provide for the expeditious and timely  
14 implementation of the provisions of the State's fiscal year  
15 2010 budget, emergency rules to implement any provision of  
16 Public Act 96-45 or any other budget initiative authorized by  
17 the 96th General Assembly for fiscal year 2010 may be adopted  
18 in accordance with this Section by the agency charged with  
19 administering that provision or initiative. The adoption of  
20 emergency rules authorized by this subsection (n) shall be  
21 deemed to be necessary for the public interest, safety, and  
22 welfare. The rulemaking authority granted in this subsection  
23 (n) shall apply only to rules promulgated during Fiscal Year  
24 2010.

25 (o) In order to provide for the expeditious and timely  
26 implementation of the provisions of the State's fiscal year

1 2011 budget, emergency rules to implement any provision of  
2 Public Act 96-958 or any other budget initiative authorized by  
3 the 96th General Assembly for fiscal year 2011 may be adopted  
4 in accordance with this Section by the agency charged with  
5 administering that provision or initiative. The adoption of  
6 emergency rules authorized by this subsection (o) is deemed to  
7 be necessary for the public interest, safety, and welfare. The  
8 rulemaking authority granted in this subsection (o) applies  
9 only to rules promulgated on or after July 1, 2010 (the  
10 effective date of Public Act 96-958) through June 30, 2011.

11 (p) In order to provide for the expeditious and timely  
12 implementation of the provisions of Public Act 97-689,  
13 emergency rules to implement any provision of Public Act 97-689  
14 may be adopted in accordance with this subsection (p) by the  
15 agency charged with administering that provision or  
16 initiative. The 150-day limitation of the effective period of  
17 emergency rules does not apply to rules adopted under this  
18 subsection (p), and the effective period may continue through  
19 June 30, 2013. The 24-month limitation on the adoption of  
20 emergency rules does not apply to rules adopted under this  
21 subsection (p). The adoption of emergency rules authorized by  
22 this subsection (p) is deemed to be necessary for the public  
23 interest, safety, and welfare.

24 (q) In order to provide for the expeditious and timely  
25 implementation of the provisions of Articles 7, 8, 9, 11, and  
26 12 of Public Act 98-104, emergency rules to implement any

1 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104  
2 may be adopted in accordance with this subsection (q) by the  
3 agency charged with administering that provision or  
4 initiative. The 24-month limitation on the adoption of  
5 emergency rules does not apply to rules adopted under this  
6 subsection (q). The adoption of emergency rules authorized by  
7 this subsection (q) is deemed to be necessary for the public  
8 interest, safety, and welfare.

9 (r) In order to provide for the expeditious and timely  
10 implementation of the provisions of Public Act 98-651,  
11 emergency rules to implement Public Act 98-651 may be adopted  
12 in accordance with this subsection (r) by the Department of  
13 Healthcare and Family Services. The 24-month limitation on the  
14 adoption of emergency rules does not apply to rules adopted  
15 under this subsection (r). The adoption of emergency rules  
16 authorized by this subsection (r) is deemed to be necessary for  
17 the public interest, safety, and welfare.

18 (s) In order to provide for the expeditious and timely  
19 implementation of the provisions of Sections 5-5b.1 and 5A-2 of  
20 the Illinois Public Aid Code, emergency rules to implement any  
21 provision of Section 5-5b.1 or Section 5A-2 of the Illinois  
22 Public Aid Code may be adopted in accordance with this  
23 subsection (s) by the Department of Healthcare and Family  
24 Services. The rulemaking authority granted in this subsection  
25 (s) shall apply only to those rules adopted prior to July 1,  
26 2015. Notwithstanding any other provision of this Section, any



1 emergency rule adopted under this subsection (s) shall only  
2 apply to payments made for State fiscal year 2015. The adoption  
3 of emergency rules authorized by this subsection (s) is deemed  
4 to be necessary for the public interest, safety, and welfare.

5 (t) In order to provide for the expeditious and timely  
6 implementation of the provisions of Article II of Public Act  
7 99-6, emergency rules to implement the changes made by Article  
8 II of Public Act 99-6 to the Emergency Telephone System Act may  
9 be adopted in accordance with this subsection (t) by the  
10 Department of State Police. The rulemaking authority granted in  
11 this subsection (t) shall apply only to those rules adopted  
12 prior to July 1, 2016. The 24-month limitation on the adoption  
13 of emergency rules does not apply to rules adopted under this  
14 subsection (t). The adoption of emergency rules authorized by  
15 this subsection (t) is deemed to be necessary for the public  
16 interest, safety, and welfare.

17 (u) In order to provide for the expeditious and timely  
18 implementation of the provisions of the Burn Victims Relief  
19 Act, emergency rules to implement any provision of the Act may  
20 be adopted in accordance with this subsection (u) by the  
21 Department of Insurance. The rulemaking authority granted in  
22 this subsection (u) shall apply only to those rules adopted  
23 prior to December 31, 2015. The adoption of emergency rules  
24 authorized by this subsection (u) is deemed to be necessary for  
25 the public interest, safety, and welfare.

26 (v) In order to provide for the expeditious and timely

1 implementation of the provisions of Public Act 99-516,  
2 emergency rules to implement Public Act 99-516 may be adopted  
3 in accordance with this subsection (v) by the Department of  
4 Healthcare and Family Services. The 24-month limitation on the  
5 adoption of emergency rules does not apply to rules adopted  
6 under this subsection (v). The adoption of emergency rules  
7 authorized by this subsection (v) is deemed to be necessary for  
8 the public interest, safety, and welfare.

9 (w) In order to provide for the expeditious and timely  
10 implementation of the provisions of Public Act 99-796,  
11 emergency rules to implement the changes made by Public Act  
12 99-796 may be adopted in accordance with this subsection (w) by  
13 the Adjutant General. The adoption of emergency rules  
14 authorized by this subsection (w) is deemed to be necessary for  
15 the public interest, safety, and welfare.

16 (x) In order to provide for the expeditious and timely  
17 implementation of the provisions of Public Act 99-906,  
18 emergency rules to implement subsection (i) of Section 16-115D,  
19 subsection (g) of Section 16-128A, and subsection (a) of  
20 Section 16-128B of the Public Utilities Act may be adopted in  
21 accordance with this subsection (x) by the Illinois Commerce  
22 Commission. The rulemaking authority granted in this  
23 subsection (x) shall apply only to those rules adopted within  
24 180 days after June 1, 2017 (the effective date of Public Act  
25 99-906). The adoption of emergency rules authorized by this  
26 subsection (x) is deemed to be necessary for the public

1 interest, safety, and welfare.

2 (y) In order to provide for the expeditious and timely  
3 implementation of the provisions of Public Act 100-23,  
4 emergency rules to implement the changes made by Public Act  
5 100-23 to Section 4.02 of the Illinois Act on the Aging,  
6 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
7 Section 55-30 of the Alcoholism and Other Drug Abuse and  
8 Dependency Act, and Sections 74 and 75 of the Mental Health and  
9 Developmental Disabilities Administrative Act may be adopted  
10 in accordance with this subsection (y) by the respective  
11 Department. The adoption of emergency rules authorized by this  
12 subsection (y) is deemed to be necessary for the public  
13 interest, safety, and welfare.

14 (z) In order to provide for the expeditious and timely  
15 implementation of the provisions of Public Act 100-554,  
16 emergency rules to implement the changes made by Public Act  
17 100-554 to Section 4.7 of the Lobbyist Registration Act may be  
18 adopted in accordance with this subsection (z) by the Secretary  
19 of State. The adoption of emergency rules authorized by this  
20 subsection (z) is deemed to be necessary for the public  
21 interest, safety, and welfare.

22 (aa) In order to provide for the expeditious and timely  
23 initial implementation of the changes made to Articles 5, 5A,  
24 12, and 14 of the Illinois Public Aid Code under the provisions  
25 of Public Act 100-581, the Department of Healthcare and Family  
26 Services may adopt emergency rules in accordance with this

1 subsection (aa). The 24-month limitation on the adoption of  
2 emergency rules does not apply to rules to initially implement  
3 the changes made to Articles 5, 5A, 12, and 14 of the Illinois  
4 Public Aid Code adopted under this subsection (aa). The  
5 adoption of emergency rules authorized by this subsection (aa)  
6 is deemed to be necessary for the public interest, safety, and  
7 welfare.

8 (bb) In order to provide for the expeditious and timely  
9 implementation of the provisions of Public Act 100-587,  
10 emergency rules to implement the changes made by Public Act  
11 100-587 to Section 4.02 of the Illinois Act on the Aging,  
12 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
13 subsection (b) of Section 55-30 of the Alcoholism and Other  
14 Drug Abuse and Dependency Act, Section 5-104 of the Specialized  
15 Mental Health Rehabilitation Act of 2013, and Section 75 and  
16 subsection (b) of Section 74 of the Mental Health and  
17 Developmental Disabilities Administrative Act may be adopted  
18 in accordance with this subsection (bb) by the respective  
19 Department. The adoption of emergency rules authorized by this  
20 subsection (bb) is deemed to be necessary for the public  
21 interest, safety, and welfare.

22 (cc) In order to provide for the expeditious and timely  
23 implementation of the provisions of Public Act 100-587,  
24 emergency rules may be adopted in accordance with this  
25 subsection (cc) to implement the changes made by Public Act  
26 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois

1 Pension Code by the Board created under Article 14 of the Code;  
2 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by  
3 the Board created under Article 15 of the Code; and Sections  
4 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board  
5 created under Article 16 of the Code. The adoption of emergency  
6 rules authorized by this subsection (cc) is deemed to be  
7 necessary for the public interest, safety, and welfare.

8 (dd) In order to provide for the expeditious and timely  
9 implementation of the provisions of Public Act 100-864,  
10 emergency rules to implement the changes made by Public Act  
11 100-864 to Section 3.35 of the Newborn Metabolic Screening Act  
12 may be adopted in accordance with this subsection (dd) by the  
13 Secretary of State. The adoption of emergency rules authorized  
14 by this subsection (dd) is deemed to be necessary for the  
15 public interest, safety, and welfare.

16 (ee) In order to provide for the expeditious and timely  
17 implementation of the provisions of this amendatory Act of the  
18 100th General Assembly, emergency rules implementing the  
19 Illinois Underground Natural Gas Storage Safety Act may be  
20 adopted in accordance with this subsection by the Department of  
21 Natural Resources. The adoption of emergency rules authorized  
22 by this subsection is deemed to be necessary for the public  
23 interest, safety, and welfare.

24 (ff) In order to provide for the expeditious and timely  
25 implementation of the provisions of this amendatory Act of the  
26 101st General Assembly, emergency rules may be adopted by the

1 Department of Labor in accordance with this subsection (ff) to  
2 implement the changes made by this amendatory Act of the 101st  
3 General Assembly to the Minimum Wage Law. The adoption of  
4 emergency rules authorized by this subsection (ff) is deemed to  
5 be necessary for the public interest, safety, and welfare.

6 (gg) In order to provide for the expeditious and timely  
7 implementation of the Cannabis Regulation and Tax Act and this  
8 amendatory Act of the 101st General Assembly, the Department of  
9 Revenue, the Department of Public Health, the Department of  
10 Agriculture, the Department of State Police, and the Department  
11 of Financial and Professional Regulation may adopt emergency  
12 rules in accordance with this subsection (gg). The rulemaking  
13 authority granted in this subsection (gg) shall apply only to  
14 rules adopted before December 31, 2021. Notwithstanding the  
15 provisions of subsection (c), emergency rules adopted under  
16 this subsection (gg) shall be effective for 180 days. The  
17 adoption of emergency rules authorized by this subsection (gg)  
18 is deemed to be necessary for the public interest, safety, and  
19 welfare.

20 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;  
21 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.  
22 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;  
23 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 101-1, eff.  
24 2-19-19.)

25 Section 900-10. The Department of Revenue Law of the Civil

1 Administrative Code of Illinois is amended by changing Section  
2 2505-210 as follows:

3 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

4 Sec. 2505-210. Electronic funds transfer.

5 (a) The Department may provide means by which persons  
6 having a tax liability under any Act administered by the  
7 Department may use electronic funds transfer to pay the tax  
8 liability.

9 (b) Mandatory payment by electronic funds transfer. Except  
10 as otherwise provided in a tax Act administered by the  
11 Department Beginning on October 1, 2002, and through September  
12 30, 2010, a taxpayer who has an annual tax liability of  
13 \$200,000 or more shall make all payments of that tax to the  
14 Department by electronic funds transfer. Beginning October 1,  
15 2010, a taxpayer (other than an individual taxpayer) who has an  
16 annual tax liability of \$20,000 or more and an individual  
17 taxpayer who has an annual tax liability of \$200,000 or more  
18 shall make all payments of that tax to the Department by  
19 electronic funds transfer. Before August 1 of each year,  
20 beginning in 2002, the Department shall notify all taxpayers  
21 required to make payments by electronic funds transfer. All  
22 taxpayers required to make payments by electronic funds  
23 transfer shall make those payments for a minimum of one year  
24 beginning on October 1. For purposes of this subsection (b),  
25 the term "annual tax liability" means, except as provided in

1 subsections (c) and (d) of this Section, the sum of the  
2 taxpayer's liabilities under a tax Act administered by the  
3 Department for the immediately preceding calendar year.

4 (c) For purposes of subsection (b), the term "annual tax  
5 liability" means, for a taxpayer that incurs a tax liability  
6 under the Retailers' Occupation Tax Act, Service Occupation Tax  
7 Act, Use Tax Act, Service Use Tax Act, or any other State or  
8 local occupation or use tax law that is administered by the  
9 Department, the sum of the taxpayer's liabilities under the  
10 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use  
11 Tax Act, Service Use Tax Act, and all other State and local  
12 occupation and use tax laws administered by the Department for  
13 the immediately preceding calendar year.

14 (d) For purposes of subsection (b), the term "annual tax  
15 liability" means, for a taxpayer that incurs an Illinois income  
16 tax liability, the greater of:

17 (1) the amount of the taxpayer's tax liability under  
18 Article 7 of the Illinois Income Tax Act for the  
19 immediately preceding calendar year; or

20 (2) the taxpayer's estimated tax payment obligation  
21 under Article 8 of the Illinois Income Tax Act for the  
22 immediately preceding calendar year.

23 (e) The Department shall adopt such rules as are necessary  
24 to effectuate a program of electronic funds transfer and the  
25 requirements of this Section.

26 (Source: P.A. 100-1171, eff. 1-4-19.)



1 Section 900-12. The Criminal Identification Act is amended  
2 by changing Section 5.2 as follows:

3 (20 ILCS 2630/5.2)

4 Sec. 5.2. Expungement, sealing, and immediate sealing.

5 (a) General Provisions.

6 (1) Definitions. In this Act, words and phrases have  
7 the meanings set forth in this subsection, except when a  
8 particular context clearly requires a different meaning.

9 (A) The following terms shall have the meanings  
10 ascribed to them in the Unified Code of Corrections,  
11 730 ILCS 5/5-1-2 through 5/5-1-22:

- 12 (i) Business Offense (730 ILCS 5/5-1-2),  
13 (ii) Charge (730 ILCS 5/5-1-3),  
14 (iii) Court (730 ILCS 5/5-1-6),  
15 (iv) Defendant (730 ILCS 5/5-1-7),  
16 (v) Felony (730 ILCS 5/5-1-9),  
17 (vi) Imprisonment (730 ILCS 5/5-1-10),  
18 (vii) Judgment (730 ILCS 5/5-1-12),  
19 (viii) Misdemeanor (730 ILCS 5/5-1-14),  
20 (ix) Offense (730 ILCS 5/5-1-15),  
21 (x) Parole (730 ILCS 5/5-1-16),  
22 (xi) Petty Offense (730 ILCS 5/5-1-17),  
23 (xii) Probation (730 ILCS 5/5-1-18),  
24 (xiii) Sentence (730 ILCS 5/5-1-19),

1 (xiv) Supervision (730 ILCS 5/5-1-21), and

2 (xv) Victim (730 ILCS 5/5-1-22).

3 (B) As used in this Section, "charge not initiated  
4 by arrest" means a charge (as defined by 730 ILCS  
5 5/5-1-3) brought against a defendant where the  
6 defendant is not arrested prior to or as a direct  
7 result of the charge.

8 (C) "Conviction" means a judgment of conviction or  
9 sentence entered upon a plea of guilty or upon a  
10 verdict or finding of guilty of an offense, rendered by  
11 a legally constituted jury or by a court of competent  
12 jurisdiction authorized to try the case without a jury.  
13 An order of supervision successfully completed by the  
14 petitioner is not a conviction. An order of qualified  
15 probation (as defined in subsection (a)(1)(J))  
16 successfully completed by the petitioner is not a  
17 conviction. An order of supervision or an order of  
18 qualified probation that is terminated  
19 unsatisfactorily is a conviction, unless the  
20 unsatisfactory termination is reversed, vacated, or  
21 modified and the judgment of conviction, if any, is  
22 reversed or vacated.

23 (D) "Criminal offense" means a petty offense,  
24 business offense, misdemeanor, felony, or municipal  
25 ordinance violation (as defined in subsection  
26 (a)(1)(H)). As used in this Section, a minor traffic

1 offense (as defined in subsection (a) (1) (G)) shall not  
2 be considered a criminal offense.

3 (E) "Expunge" means to physically destroy the  
4 records or return them to the petitioner and to  
5 obliterate the petitioner's name from any official  
6 index or public record, or both. Nothing in this Act  
7 shall require the physical destruction of the circuit  
8 court file, but such records relating to arrests or  
9 charges, or both, ordered expunged shall be impounded  
10 as required by subsections (d) (9) (A) (ii) and  
11 (d) (9) (B) (ii).

12 (F) As used in this Section, "last sentence" means  
13 the sentence, order of supervision, or order of  
14 qualified probation (as defined by subsection  
15 (a) (1) (J)), for a criminal offense (as defined by  
16 subsection (a) (1) (D)) that terminates last in time in  
17 any jurisdiction, regardless of whether the petitioner  
18 has included the criminal offense for which the  
19 sentence or order of supervision or qualified  
20 probation was imposed in his or her petition. If  
21 multiple sentences, orders of supervision, or orders  
22 of qualified probation terminate on the same day and  
23 are last in time, they shall be collectively considered  
24 the "last sentence" regardless of whether they were  
25 ordered to run concurrently.

26 (G) "Minor traffic offense" means a petty offense,

1 business offense, or Class C misdemeanor under the  
2 Illinois Vehicle Code or a similar provision of a  
3 municipal or local ordinance.

4 (G-5) "Minor violation of the Cannabis Control  
5 Act" means one or more arrest, charge not initiated by  
6 arrest, conviction, order of supervision, or order of  
7 qualified probation (as defined in subsection  
8 (a)(1)(J)) for a Class 4 felony or misdemeanor  
9 violation of Section 4, 5, or 8 of the Cannabis Control  
10 Act, provided that (i) the individual did not receive a  
11 penalty enhancement under Section 7 of the Cannabis  
12 Control Act and (ii) the minor violation of the  
13 Cannabis Control Act was the only offense associated  
14 with the arrest, charge not initiated by arrest,  
15 conviction, order of supervision, or order of  
16 qualified probation to be expunged.

17 (H) "Municipal ordinance violation" means an  
18 offense defined by a municipal or local ordinance that  
19 is criminal in nature and with which the petitioner was  
20 charged or for which the petitioner was arrested and  
21 released without charging.

22 (I) "Petitioner" means an adult or a minor  
23 prosecuted as an adult who has applied for relief under  
24 this Section.

25 (J) "Qualified probation" means an order of  
26 probation under Section 10 of the Cannabis Control Act,

1 Section 410 of the Illinois Controlled Substances Act,  
2 Section 70 of the Methamphetamine Control and  
3 Community Protection Act, Section 5-6-3.3 or 5-6-3.4  
4 of the Unified Code of Corrections, Section  
5 12-4.3(b)(1) and (2) of the Criminal Code of 1961 (as  
6 those provisions existed before their deletion by  
7 Public Act 89-313), Section 10-102 of the Illinois  
8 Alcoholism and Other Drug Dependency Act, Section  
9 40-10 of the Substance Use Disorder Act, or Section 10  
10 of the Steroid Control Act. For the purpose of this  
11 Section, "successful completion" of an order of  
12 qualified probation under Section 10-102 of the  
13 Illinois Alcoholism and Other Drug Dependency Act and  
14 Section 40-10 of the Substance Use Disorder Act means  
15 that the probation was terminated satisfactorily and  
16 the judgment of conviction was vacated.

17 (K) "Seal" means to physically and electronically  
18 maintain the records, unless the records would  
19 otherwise be destroyed due to age, but to make the  
20 records unavailable without a court order, subject to  
21 the exceptions in Sections 12 and 13 of this Act. The  
22 petitioner's name shall also be obliterated from the  
23 official index required to be kept by the circuit court  
24 clerk under Section 16 of the Clerks of Courts Act, but  
25 any index issued by the circuit court clerk before the  
26 entry of the order to seal shall not be affected.

1 (L) "Sexual offense committed against a minor"  
2 includes but is not limited to the offenses of indecent  
3 solicitation of a child or criminal sexual abuse when  
4 the victim of such offense is under 18 years of age.

5 (M) "Terminate" as it relates to a sentence or  
6 order of supervision or qualified probation includes  
7 either satisfactory or unsatisfactory termination of  
8 the sentence, unless otherwise specified in this  
9 Section. A sentence is terminated notwithstanding any  
10 outstanding financial legal obligation.

11 (2) Minor Traffic Offenses. Orders of supervision or  
12 convictions for minor traffic offenses shall not affect a  
13 petitioner's eligibility to expunge or seal records  
14 pursuant to this Section.

15 (2.5) Commencing 180 days after July 29, 2016 (the  
16 effective date of Public Act 99-697), the law enforcement  
17 agency issuing the citation shall automatically expunge,  
18 on or before January 1 and July 1 of each year, the law  
19 enforcement records of a person found to have committed a  
20 civil law violation of subsection (a) of Section 4 of the  
21 Cannabis Control Act or subsection (c) of Section 3.5 of  
22 the Drug Paraphernalia Control Act in the law enforcement  
23 agency's possession or control and which contains the final  
24 satisfactory disposition which pertain to the person  
25 issued a citation for that offense. The law enforcement  
26 agency shall provide by rule the process for access,

1 review, and to confirm the automatic expungement by the law  
2 enforcement agency issuing the citation. Commencing 180  
3 days after July 29, 2016 (the effective date of Public Act  
4 99-697), the clerk of the circuit court shall expunge, upon  
5 order of the court, or in the absence of a court order on  
6 or before January 1 and July 1 of each year, the court  
7 records of a person found in the circuit court to have  
8 committed a civil law violation of subsection (a) of  
9 Section 4 of the Cannabis Control Act or subsection (c) of  
10 Section 3.5 of the Drug Paraphernalia Control Act in the  
11 clerk's possession or control and which contains the final  
12 satisfactory disposition which pertain to the person  
13 issued a citation for any of those offenses.

14 (3) Exclusions. Except as otherwise provided in  
15 subsections (b) (5), (b) (6), (b) (8), (e), (e-5), and (e-6)  
16 of this Section, the court shall not order:

17 (A) the sealing or expungement of the records of  
18 arrests or charges not initiated by arrest that result  
19 in an order of supervision for or conviction of: (i)  
20 any sexual offense committed against a minor; (ii)  
21 Section 11-501 of the Illinois Vehicle Code or a  
22 similar provision of a local ordinance; or (iii)  
23 Section 11-503 of the Illinois Vehicle Code or a  
24 similar provision of a local ordinance, unless the  
25 arrest or charge is for a misdemeanor violation of  
26 subsection (a) of Section 11-503 or a similar provision

1 of a local ordinance, that occurred prior to the  
2 offender reaching the age of 25 years and the offender  
3 has no other conviction for violating Section 11-501 or  
4 11-503 of the Illinois Vehicle Code or a similar  
5 provision of a local ordinance.

6 (B) the sealing or expungement of records of minor  
7 traffic offenses (as defined in subsection (a)(1)(G)),  
8 unless the petitioner was arrested and released  
9 without charging.

10 (C) the sealing of the records of arrests or  
11 charges not initiated by arrest which result in an  
12 order of supervision or a conviction for the following  
13 offenses:

14 (i) offenses included in Article 11 of the  
15 Criminal Code of 1961 or the Criminal Code of 2012  
16 or a similar provision of a local ordinance, except  
17 Section 11-14 and a misdemeanor violation of  
18 Section 11-30 of the Criminal Code of 1961 or the  
19 Criminal Code of 2012, or a similar provision of a  
20 local ordinance;

21 (ii) Section 11-1.50, 12-3.4, 12-15, 12-30,  
22 26-5, or 48-1 of the Criminal Code of 1961 or the  
23 Criminal Code of 2012, or a similar provision of a  
24 local ordinance;

25 (iii) Sections 12-3.1 or 12-3.2 of the  
26 Criminal Code of 1961 or the Criminal Code of 2012,



1 or Section 125 of the Stalking No Contact Order  
2 Act, or Section 219 of the Civil No Contact Order  
3 Act, or a similar provision of a local ordinance;

4 (iv) Class A misdemeanors or felony offenses  
5 under the Humane Care for Animals Act; or

6 (v) any offense or attempted offense that  
7 would subject a person to registration under the  
8 Sex Offender Registration Act.

9 (D) (blank).

10 (b) Expungement.

11 (1) A petitioner may petition the circuit court to  
12 expunge the records of his or her arrests and charges not  
13 initiated by arrest when each arrest or charge not  
14 initiated by arrest sought to be expunged resulted in: (i)  
15 acquittal, dismissal, or the petitioner's release without  
16 charging, unless excluded by subsection (a)(3)(B); (ii) a  
17 conviction which was vacated or reversed, unless excluded  
18 by subsection (a)(3)(B); (iii) an order of supervision and  
19 such supervision was successfully completed by the  
20 petitioner, unless excluded by subsection (a)(3)(A) or  
21 (a)(3)(B); or (iv) an order of qualified probation (as  
22 defined in subsection (a)(1)(J)) and such probation was  
23 successfully completed by the petitioner.

24 (1.5) When a petitioner seeks to have a record of  
25 arrest expunged under this Section, and the offender has  
26 been convicted of a criminal offense, the State's Attorney

1 may object to the expungement on the grounds that the  
2 records contain specific relevant information aside from  
3 the mere fact of the arrest.

4 (2) Time frame for filing a petition to expunge.

5 (A) When the arrest or charge not initiated by  
6 arrest sought to be expunged resulted in an acquittal,  
7 dismissal, the petitioner's release without charging,  
8 or the reversal or vacation of a conviction, there is  
9 no waiting period to petition for the expungement of  
10 such records.

11 (B) When the arrest or charge not initiated by  
12 arrest sought to be expunged resulted in an order of  
13 supervision, successfully completed by the petitioner,  
14 the following time frames will apply:

15 (i) Those arrests or charges that resulted in  
16 orders of supervision under Section 3-707, 3-708,  
17 3-710, or 5-401.3 of the Illinois Vehicle Code or a  
18 similar provision of a local ordinance, or under  
19 Section 11-1.50, 12-3.2, or 12-15 of the Criminal  
20 Code of 1961 or the Criminal Code of 2012, or a  
21 similar provision of a local ordinance, shall not  
22 be eligible for expungement until 5 years have  
23 passed following the satisfactory termination of  
24 the supervision.

25 (i-5) Those arrests or charges that resulted  
26 in orders of supervision for a misdemeanor

1 violation of subsection (a) of Section 11-503 of  
2 the Illinois Vehicle Code or a similar provision of  
3 a local ordinance, that occurred prior to the  
4 offender reaching the age of 25 years and the  
5 offender has no other conviction for violating  
6 Section 11-501 or 11-503 of the Illinois Vehicle  
7 Code or a similar provision of a local ordinance  
8 shall not be eligible for expungement until the  
9 petitioner has reached the age of 25 years.

10 (ii) Those arrests or charges that resulted in  
11 orders of supervision for any other offenses shall  
12 not be eligible for expungement until 2 years have  
13 passed following the satisfactory termination of  
14 the supervision.

15 (C) When the arrest or charge not initiated by  
16 arrest sought to be expunged resulted in an order of  
17 qualified probation, successfully completed by the  
18 petitioner, such records shall not be eligible for  
19 expungement until 5 years have passed following the  
20 satisfactory termination of the probation.

21 (3) Those records maintained by the Department for  
22 persons arrested prior to their 17th birthday shall be  
23 expunged as provided in Section 5-915 of the Juvenile Court  
24 Act of 1987.

25 (4) Whenever a person has been arrested for or  
26 convicted of any offense, in the name of a person whose

1 identity he or she has stolen or otherwise come into  
2 possession of, the aggrieved person from whom the identity  
3 was stolen or otherwise obtained without authorization,  
4 upon learning of the person having been arrested using his  
5 or her identity, may, upon verified petition to the chief  
6 judge of the circuit wherein the arrest was made, have a  
7 court order entered nunc pro tunc by the Chief Judge to  
8 correct the arrest record, conviction record, if any, and  
9 all official records of the arresting authority, the  
10 Department, other criminal justice agencies, the  
11 prosecutor, and the trial court concerning such arrest, if  
12 any, by removing his or her name from all such records in  
13 connection with the arrest and conviction, if any, and by  
14 inserting in the records the name of the offender, if known  
15 or ascertainable, in lieu of the aggrieved's name. The  
16 records of the circuit court clerk shall be sealed until  
17 further order of the court upon good cause shown and the  
18 name of the aggrieved person obliterated on the official  
19 index required to be kept by the circuit court clerk under  
20 Section 16 of the Clerks of Courts Act, but the order shall  
21 not affect any index issued by the circuit court clerk  
22 before the entry of the order. Nothing in this Section  
23 shall limit the Department of State Police or other  
24 criminal justice agencies or prosecutors from listing  
25 under an offender's name the false names he or she has  
26 used.

1           (5) Whenever a person has been convicted of criminal  
2 sexual assault, aggravated criminal sexual assault,  
3 predatory criminal sexual assault of a child, criminal  
4 sexual abuse, or aggravated criminal sexual abuse, the  
5 victim of that offense may request that the State's  
6 Attorney of the county in which the conviction occurred  
7 file a verified petition with the presiding trial judge at  
8 the petitioner's trial to have a court order entered to  
9 seal the records of the circuit court clerk in connection  
10 with the proceedings of the trial court concerning that  
11 offense. However, the records of the arresting authority  
12 and the Department of State Police concerning the offense  
13 shall not be sealed. The court, upon good cause shown,  
14 shall make the records of the circuit court clerk in  
15 connection with the proceedings of the trial court  
16 concerning the offense available for public inspection.

17           (6) If a conviction has been set aside on direct review  
18 or on collateral attack and the court determines by clear  
19 and convincing evidence that the petitioner was factually  
20 innocent of the charge, the court that finds the petitioner  
21 factually innocent of the charge shall enter an expungement  
22 order for the conviction for which the petitioner has been  
23 determined to be innocent as provided in subsection (b) of  
24 Section 5-5-4 of the Unified Code of Corrections.

25           (7) Nothing in this Section shall prevent the  
26 Department of State Police from maintaining all records of

1 any person who is admitted to probation upon terms and  
2 conditions and who fulfills those terms and conditions  
3 pursuant to Section 10 of the Cannabis Control Act, Section  
4 410 of the Illinois Controlled Substances Act, Section 70  
5 of the Methamphetamine Control and Community Protection  
6 Act, Section 5-6-3.3 or 5-6-3.4 of the Unified Code of  
7 Corrections, Section 12-4.3 or subdivision (b)(1) of  
8 Section 12-3.05 of the Criminal Code of 1961 or the  
9 Criminal Code of 2012, Section 10-102 of the Illinois  
10 Alcoholism and Other Drug Dependency Act, Section 40-10 of  
11 the Substance Use Disorder Act, or Section 10 of the  
12 Steroid Control Act.

13 (8) If the petitioner has been granted a certificate of  
14 innocence under Section 2-702 of the Code of Civil  
15 Procedure, the court that grants the certificate of  
16 innocence shall also enter an order expunging the  
17 conviction for which the petitioner has been determined to  
18 be innocent as provided in subsection (h) of Section 2-702  
19 of the Code of Civil Procedure.

20 (c) Sealing.

21 (1) Applicability. Notwithstanding any other provision  
22 of this Act to the contrary, and cumulative with any rights  
23 to expungement of criminal records, this subsection  
24 authorizes the sealing of criminal records of adults and of  
25 minors prosecuted as adults. Subsection (g) of this Section  
26 provides for immediate sealing of certain records.

1           (2) Eligible Records. The following records may be  
2 sealed:

3           (A) All arrests resulting in release without  
4 charging;

5           (B) Arrests or charges not initiated by arrest  
6 resulting in acquittal, dismissal, or conviction when  
7 the conviction was reversed or vacated, except as  
8 excluded by subsection (a) (3) (B);

9           (C) Arrests or charges not initiated by arrest  
10 resulting in orders of supervision, including orders  
11 of supervision for municipal ordinance violations,  
12 successfully completed by the petitioner, unless  
13 excluded by subsection (a) (3);

14           (D) Arrests or charges not initiated by arrest  
15 resulting in convictions, including convictions on  
16 municipal ordinance violations, unless excluded by  
17 subsection (a) (3);

18           (E) Arrests or charges not initiated by arrest  
19 resulting in orders of first offender probation under  
20 Section 10 of the Cannabis Control Act, Section 410 of  
21 the Illinois Controlled Substances Act, Section 70 of  
22 the Methamphetamine Control and Community Protection  
23 Act, or Section 5-6-3.3 of the Unified Code of  
24 Corrections; and

25           (F) Arrests or charges not initiated by arrest  
26 resulting in felony convictions unless otherwise

1 excluded by subsection (a) paragraph (3) of this  
2 Section.

3 (3) When Records Are Eligible to Be Sealed. Records  
4 identified as eligible under subsection (c)(2) may be  
5 sealed as follows:

6 (A) Records identified as eligible under  
7 subsection (c)(2)(A) and (c)(2)(B) may be sealed at any  
8 time.

9 (B) Except as otherwise provided in subparagraph  
10 (E) of this paragraph (3), records identified as  
11 eligible under subsection (c)(2)(C) may be sealed 2  
12 years after the termination of petitioner's last  
13 sentence (as defined in subsection (a)(1)(F)).

14 (C) Except as otherwise provided in subparagraph  
15 (E) of this paragraph (3), records identified as  
16 eligible under subsections (c)(2)(D), (c)(2)(E), and  
17 (c)(2)(F) may be sealed 3 years after the termination  
18 of the petitioner's last sentence (as defined in  
19 subsection (a)(1)(F)). Convictions requiring public  
20 registration under the Arsonist Registration Act, the  
21 Sex Offender Registration Act, or the Murderer and  
22 Violent Offender Against Youth Registration Act may  
23 not be sealed until the petitioner is no longer  
24 required to register under that relevant Act.

25 (D) Records identified in subsection  
26 (a)(3)(A)(iii) may be sealed after the petitioner has



1 reached the age of 25 years.

2 (E) Records identified as eligible under  
3 subsections (c) (2) (C), (c) (2) (D), (c) (2) (E), or  
4 (c) (2) (F) may be sealed upon termination of the  
5 petitioner's last sentence if the petitioner earned a  
6 high school diploma, associate's degree, career  
7 certificate, vocational technical certification, or  
8 bachelor's degree, or passed the high school level Test  
9 of General Educational Development, during the period  
10 of his or her sentence, aftercare release, or mandatory  
11 supervised release. This subparagraph shall apply only  
12 to a petitioner who has not completed the same  
13 educational goal prior to the period of his or her  
14 sentence, aftercare release, or mandatory supervised  
15 release. If a petition for sealing eligible records  
16 filed under this subparagraph is denied by the court,  
17 the time periods under subparagraph (B) or (C) shall  
18 apply to any subsequent petition for sealing filed by  
19 the petitioner.

20 (4) Subsequent felony convictions. A person may not  
21 have subsequent felony conviction records sealed as  
22 provided in this subsection (c) if he or she is convicted  
23 of any felony offense after the date of the sealing of  
24 prior felony convictions as provided in this subsection  
25 (c). The court may, upon conviction for a subsequent felony  
26 offense, order the unsealing of prior felony conviction

1 records previously ordered sealed by the court.

2 (5) Notice of eligibility for sealing. Upon entry of a  
3 disposition for an eligible record under this subsection  
4 (c), the petitioner shall be informed by the court of the  
5 right to have the records sealed and the procedures for the  
6 sealing of the records.

7 (d) Procedure. The following procedures apply to  
8 expungement under subsections (b), (e), and (e-6) and sealing  
9 under subsections (c) and (e-5):

10 (1) Filing the petition. Upon becoming eligible to  
11 petition for the expungement or sealing of records under  
12 this Section, the petitioner shall file a petition  
13 requesting the expungement or sealing of records with the  
14 clerk of the court where the arrests occurred or the  
15 charges were brought, or both. If arrests occurred or  
16 charges were brought in multiple jurisdictions, a petition  
17 must be filed in each such jurisdiction. The petitioner  
18 shall pay the applicable fee, except no fee shall be  
19 required if the petitioner has obtained a court order  
20 waiving fees under Supreme Court Rule 298 or it is  
21 otherwise waived.

22 (1.5) County fee waiver pilot program. In a county of  
23 3,000,000 or more inhabitants, no fee shall be required to  
24 be paid by a petitioner if the records sought to be  
25 expunged or sealed were arrests resulting in release  
26 without charging or arrests or charges not initiated by

1       arrest resulting in acquittal, dismissal, or conviction  
2       when the conviction was reversed or vacated, unless  
3       excluded by subsection (a)(3)(B). The provisions of this  
4       paragraph (1.5), other than this sentence, are inoperative  
5       on and after January 1, 2019.

6       (2) Contents of petition. The petition shall be  
7       verified and shall contain the petitioner's name, date of  
8       birth, current address and, for each arrest or charge not  
9       initiated by arrest sought to be sealed or expunged, the  
10      case number, the date of arrest (if any), the identity of  
11      the arresting authority, and such other information as the  
12      court may require. During the pendency of the proceeding,  
13      the petitioner shall promptly notify the circuit court  
14      clerk of any change of his or her address. If the  
15      petitioner has received a certificate of eligibility for  
16      sealing from the Prisoner Review Board under paragraph (10)  
17      of subsection (a) of Section 3-3-2 of the Unified Code of  
18      Corrections, the certificate shall be attached to the  
19      petition.

20      (3) Drug test. The petitioner must attach to the  
21      petition proof that the petitioner has passed a test taken  
22      within 30 days before the filing of the petition showing  
23      the absence within his or her body of all illegal  
24      substances as defined by the Illinois Controlled  
25      Substances Act, the Methamphetamine Control and Community  
26      Protection Act, and the Cannabis Control Act if he or she

1 is petitioning to:

2 (A) seal felony records under clause (c) (2) (E);

3 (B) seal felony records for a violation of the  
4 Illinois Controlled Substances Act, the  
5 Methamphetamine Control and Community Protection Act,  
6 or the Cannabis Control Act under clause (c) (2) (F);

7 (C) seal felony records under subsection (e-5); or

8 (D) expunge felony records of a qualified  
9 probation under clause (b) (1) (iv).

10 (4) Service of petition. The circuit court clerk shall  
11 promptly serve a copy of the petition and documentation to  
12 support the petition under subsection (e-5) or (e-6) on the  
13 State's Attorney or prosecutor charged with the duty of  
14 prosecuting the offense, the Department of State Police,  
15 the arresting agency and the chief legal officer of the  
16 unit of local government effecting the arrest.

17 (5) Objections.

18 (A) Any party entitled to notice of the petition  
19 may file an objection to the petition. All objections  
20 shall be in writing, shall be filed with the circuit  
21 court clerk, and shall state with specificity the basis  
22 of the objection. Whenever a person who has been  
23 convicted of an offense is granted a pardon by the  
24 Governor which specifically authorizes expungement, an  
25 objection to the petition may not be filed.

26 (B) Objections to a petition to expunge or seal

1 must be filed within 60 days of the date of service of  
2 the petition.

3 (6) Entry of order.

4 (A) The Chief Judge of the circuit wherein the  
5 charge was brought, any judge of that circuit  
6 designated by the Chief Judge, or in counties of less  
7 than 3,000,000 inhabitants, the presiding trial judge  
8 at the petitioner's trial, if any, shall rule on the  
9 petition to expunge or seal as set forth in this  
10 subsection (d) (6).

11 (B) Unless the State's Attorney or prosecutor, the  
12 Department of State Police, the arresting agency, or  
13 the chief legal officer files an objection to the  
14 petition to expunge or seal within 60 days from the  
15 date of service of the petition, the court shall enter  
16 an order granting or denying the petition.

17 (C) Notwithstanding any other provision of law,  
18 the court shall not deny a petition for sealing under  
19 this Section because the petitioner has not satisfied  
20 an outstanding legal financial obligation established,  
21 imposed, or originated by a court, law enforcement  
22 agency, or a municipal, State, county, or other unit of  
23 local government, including, but not limited to, any  
24 cost, assessment, fine, or fee. An outstanding legal  
25 financial obligation does not include any court  
26 ordered restitution to a victim under Section 5-5-6 of

1           the Unified Code of Corrections, unless the  
2           restitution has been converted to a civil judgment.  
3           Nothing in this subparagraph (C) waives, rescinds, or  
4           abrogates a legal financial obligation or otherwise  
5           eliminates or affects the right of the holder of any  
6           financial obligation to pursue collection under  
7           applicable federal, State, or local law.

8           (7) Hearings. If an objection is filed, the court shall  
9           set a date for a hearing and notify the petitioner and all  
10          parties entitled to notice of the petition of the hearing  
11          date at least 30 days prior to the hearing. Prior to the  
12          hearing, the State's Attorney shall consult with the  
13          Department as to the appropriateness of the relief sought  
14          in the petition to expunge or seal. At the hearing, the  
15          court shall hear evidence on whether the petition should or  
16          should not be granted, and shall grant or deny the petition  
17          to expunge or seal the records based on the evidence  
18          presented at the hearing. The court may consider the  
19          following:

20                 (A) the strength of the evidence supporting the  
21                 defendant's conviction;

22                 (B) the reasons for retention of the conviction  
23                 records by the State;

24                 (C) the petitioner's age, criminal record history,  
25                 and employment history;

26                 (D) the period of time between the petitioner's

1           arrest on the charge resulting in the conviction and  
2           the filing of the petition under this Section; and

3           (E) the specific adverse consequences the  
4           petitioner may be subject to if the petition is denied.

5           (8) Service of order. After entering an order to  
6           expunge or seal records, the court must provide copies of  
7           the order to the Department, in a form and manner  
8           prescribed by the Department, to the petitioner, to the  
9           State's Attorney or prosecutor charged with the duty of  
10          prosecuting the offense, to the arresting agency, to the  
11          chief legal officer of the unit of local government  
12          effecting the arrest, and to such other criminal justice  
13          agencies as may be ordered by the court.

14          (9) Implementation of order.

15          (A) Upon entry of an order to expunge records  
16          pursuant to (b) (2) (A) or (b) (2) (B) (ii), or both:

17                  (i) the records shall be expunged (as defined  
18                  in subsection (a) (1) (E)) by the arresting agency,  
19                  the Department, and any other agency as ordered by  
20                  the court, within 60 days of the date of service of  
21                  the order, unless a motion to vacate, modify, or  
22                  reconsider the order is filed pursuant to  
23                  paragraph (12) of subsection (d) of this Section;

24                  (ii) the records of the circuit court clerk  
25                  shall be impounded until further order of the court  
26                  upon good cause shown and the name of the

1 petitioner obliterated on the official index  
2 required to be kept by the circuit court clerk  
3 under Section 16 of the Clerks of Courts Act, but  
4 the order shall not affect any index issued by the  
5 circuit court clerk before the entry of the order;  
6 and

7 (iii) in response to an inquiry for expunged  
8 records, the court, the Department, or the agency  
9 receiving such inquiry, shall reply as it does in  
10 response to inquiries when no records ever  
11 existed.

12 (B) Upon entry of an order to expunge records  
13 pursuant to (b) (2) (B) (i) or (b) (2) (C), or both:

14 (i) the records shall be expunged (as defined  
15 in subsection (a) (1) (E)) by the arresting agency  
16 and any other agency as ordered by the court,  
17 within 60 days of the date of service of the order,  
18 unless a motion to vacate, modify, or reconsider  
19 the order is filed pursuant to paragraph (12) of  
20 subsection (d) of this Section;

21 (ii) the records of the circuit court clerk  
22 shall be impounded until further order of the court  
23 upon good cause shown and the name of the  
24 petitioner obliterated on the official index  
25 required to be kept by the circuit court clerk  
26 under Section 16 of the Clerks of Courts Act, but



1 the order shall not affect any index issued by the  
2 circuit court clerk before the entry of the order;

3 (iii) the records shall be impounded by the  
4 Department within 60 days of the date of service of  
5 the order as ordered by the court, unless a motion  
6 to vacate, modify, or reconsider the order is filed  
7 pursuant to paragraph (12) of subsection (d) of  
8 this Section;

9 (iv) records impounded by the Department may  
10 be disseminated by the Department only as required  
11 by law or to the arresting authority, the State's  
12 Attorney, and the court upon a later arrest for the  
13 same or a similar offense or for the purpose of  
14 sentencing for any subsequent felony, and to the  
15 Department of Corrections upon conviction for any  
16 offense; and

17 (v) in response to an inquiry for such records  
18 from anyone not authorized by law to access such  
19 records, the court, the Department, or the agency  
20 receiving such inquiry shall reply as it does in  
21 response to inquiries when no records ever  
22 existed.

23 (B-5) Upon entry of an order to expunge records  
24 under subsection (e-6):

25 (i) the records shall be expunged (as defined  
26 in subsection (a)(1)(E)) by the arresting agency

1           and any other agency as ordered by the court,  
2           within 60 days of the date of service of the order,  
3           unless a motion to vacate, modify, or reconsider  
4           the order is filed under paragraph (12) of  
5           subsection (d) of this Section;

6           (ii) the records of the circuit court clerk  
7           shall be impounded until further order of the court  
8           upon good cause shown and the name of the  
9           petitioner obliterated on the official index  
10          required to be kept by the circuit court clerk  
11          under Section 16 of the Clerks of Courts Act, but  
12          the order shall not affect any index issued by the  
13          circuit court clerk before the entry of the order;

14          (iii) the records shall be impounded by the  
15          Department within 60 days of the date of service of  
16          the order as ordered by the court, unless a motion  
17          to vacate, modify, or reconsider the order is filed  
18          under paragraph (12) of subsection (d) of this  
19          Section;

20          (iv) records impounded by the Department may  
21          be disseminated by the Department only as required  
22          by law or to the arresting authority, the State's  
23          Attorney, and the court upon a later arrest for the  
24          same or a similar offense or for the purpose of  
25          sentencing for any subsequent felony, and to the  
26          Department of Corrections upon conviction for any

1 offense; and

2 (v) in response to an inquiry for these records  
3 from anyone not authorized by law to access the  
4 records, the court, the Department, or the agency  
5 receiving the inquiry shall reply as it does in  
6 response to inquiries when no records ever  
7 existed.

8 (C) Upon entry of an order to seal records under  
9 subsection (c), the arresting agency, any other agency  
10 as ordered by the court, the Department, and the court  
11 shall seal the records (as defined in subsection  
12 (a) (1) (K)). In response to an inquiry for such records,  
13 from anyone not authorized by law to access such  
14 records, the court, the Department, or the agency  
15 receiving such inquiry shall reply as it does in  
16 response to inquiries when no records ever existed.

17 (D) The Department shall send written notice to the  
18 petitioner of its compliance with each order to expunge  
19 or seal records within 60 days of the date of service  
20 of that order or, if a motion to vacate, modify, or  
21 reconsider is filed, within 60 days of service of the  
22 order resolving the motion, if that order requires the  
23 Department to expunge or seal records. In the event of  
24 an appeal from the circuit court order, the Department  
25 shall send written notice to the petitioner of its  
26 compliance with an Appellate Court or Supreme Court

1 judgment to expunge or seal records within 60 days of  
2 the issuance of the court's mandate. The notice is not  
3 required while any motion to vacate, modify, or  
4 reconsider, or any appeal or petition for  
5 discretionary appellate review, is pending.

6 (E) Upon motion, the court may order that a sealed  
7 judgment or other court record necessary to  
8 demonstrate the amount of any legal financial  
9 obligation due and owing be made available for the  
10 limited purpose of collecting any legal financial  
11 obligations owed by the petitioner that were  
12 established, imposed, or originated in the criminal  
13 proceeding for which those records have been sealed.  
14 The records made available under this subparagraph (E)  
15 shall not be entered into the official index required  
16 to be kept by the circuit court clerk under Section 16  
17 of the Clerks of Courts Act and shall be immediately  
18 re-impounded upon the collection of the outstanding  
19 financial obligations.

20 (F) Notwithstanding any other provision of this  
21 Section, a circuit court clerk may access a sealed  
22 record for the limited purpose of collecting payment  
23 for any legal financial obligations that were  
24 established, imposed, or originated in the criminal  
25 proceedings for which those records have been sealed.

26 (10) Fees. The Department may charge the petitioner a

1 fee equivalent to the cost of processing any order to  
2 expunge or seal records. Notwithstanding any provision of  
3 the Clerks of Courts Act to the contrary, the circuit court  
4 clerk may charge a fee equivalent to the cost associated  
5 with the sealing or expungement of records by the circuit  
6 court clerk. From the total filing fee collected for the  
7 petition to seal or expunge, the circuit court clerk shall  
8 deposit \$10 into the Circuit Court Clerk Operation and  
9 Administrative Fund, to be used to offset the costs  
10 incurred by the circuit court clerk in performing the  
11 additional duties required to serve the petition to seal or  
12 expunge on all parties. The circuit court clerk shall  
13 collect and forward the Department of State Police portion  
14 of the fee to the Department and it shall be deposited in  
15 the State Police Services Fund. If the record brought under  
16 an expungement petition was previously sealed under this  
17 Section, the fee for the expungement petition for that same  
18 record shall be waived.

19 (11) Final Order. No court order issued under the  
20 expungement or sealing provisions of this Section shall  
21 become final for purposes of appeal until 30 days after  
22 service of the order on the petitioner and all parties  
23 entitled to notice of the petition.

24 (12) Motion to Vacate, Modify, or Reconsider. Under  
25 Section 2-1203 of the Code of Civil Procedure, the  
26 petitioner or any party entitled to notice may file a

1 motion to vacate, modify, or reconsider the order granting  
2 or denying the petition to expunge or seal within 60 days  
3 of service of the order. If filed more than 60 days after  
4 service of the order, a petition to vacate, modify, or  
5 reconsider shall comply with subsection (c) of Section  
6 2-1401 of the Code of Civil Procedure. Upon filing of a  
7 motion to vacate, modify, or reconsider, notice of the  
8 motion shall be served upon the petitioner and all parties  
9 entitled to notice of the petition.

10 (13) Effect of Order. An order granting a petition  
11 under the expungement or sealing provisions of this Section  
12 shall not be considered void because it fails to comply  
13 with the provisions of this Section or because of any error  
14 asserted in a motion to vacate, modify, or reconsider. The  
15 circuit court retains jurisdiction to determine whether  
16 the order is voidable and to vacate, modify, or reconsider  
17 its terms based on a motion filed under paragraph (12) of  
18 this subsection (d).

19 (14) Compliance with Order Granting Petition to Seal  
20 Records. Unless a court has entered a stay of an order  
21 granting a petition to seal, all parties entitled to notice  
22 of the petition must fully comply with the terms of the  
23 order within 60 days of service of the order even if a  
24 party is seeking relief from the order through a motion  
25 filed under paragraph (12) of this subsection (d) or is  
26 appealing the order.

1           (15) Compliance with Order Granting Petition to  
2 Expunge Records. While a party is seeking relief from the  
3 order granting the petition to expunge through a motion  
4 filed under paragraph (12) of this subsection (d) or is  
5 appealing the order, and unless a court has entered a stay  
6 of that order, the parties entitled to notice of the  
7 petition must seal, but need not expunge, the records until  
8 there is a final order on the motion for relief or, in the  
9 case of an appeal, the issuance of that court's mandate.

10           (16) The changes to this subsection (d) made by Public  
11 Act 98-163 apply to all petitions pending on August 5, 2013  
12 (the effective date of Public Act 98-163) and to all orders  
13 ruling on a petition to expunge or seal on or after August  
14 5, 2013 (the effective date of Public Act 98-163).

15           (e) Whenever a person who has been convicted of an offense  
16 is granted a pardon by the Governor which specifically  
17 authorizes expungement, he or she may, upon verified petition  
18 to the Chief Judge of the circuit where the person had been  
19 convicted, any judge of the circuit designated by the Chief  
20 Judge, or in counties of less than 3,000,000 inhabitants, the  
21 presiding trial judge at the defendant's trial, have a court  
22 order entered expunging the record of arrest from the official  
23 records of the arresting authority and order that the records  
24 of the circuit court clerk and the Department be sealed until  
25 further order of the court upon good cause shown or as  
26 otherwise provided herein, and the name of the defendant

1 obliterated from the official index requested to be kept by the  
2 circuit court clerk under Section 16 of the Clerks of Courts  
3 Act in connection with the arrest and conviction for the  
4 offense for which he or she had been pardoned but the order  
5 shall not affect any index issued by the circuit court clerk  
6 before the entry of the order. All records sealed by the  
7 Department may be disseminated by the Department only to the  
8 arresting authority, 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 sealed records of the Department pertaining  
13 to that individual. Upon entry of the order of expungement, the  
14 circuit court clerk shall promptly mail a copy of the order to  
15 the person who was pardoned.

16 (e-5) Whenever a person who has been convicted of an  
17 offense is granted a certificate of eligibility for sealing by  
18 the Prisoner Review Board which specifically authorizes  
19 sealing, he or she may, upon verified petition to the Chief  
20 Judge of the circuit where the person had been convicted, any  
21 judge of the circuit designated by the Chief Judge, or in  
22 counties of less than 3,000,000 inhabitants, the presiding  
23 trial judge at the petitioner's trial, have a court order  
24 entered sealing the record of arrest from the official records  
25 of the arresting authority and order that the records of the  
26 circuit court clerk and the Department be sealed until further



1 order of the court upon good cause shown or as otherwise  
2 provided herein, and the name of the petitioner obliterated  
3 from the official index requested to be kept by the circuit  
4 court clerk under Section 16 of the Clerks of Courts Act in  
5 connection with the arrest and conviction for the offense for  
6 which he or she had been granted the certificate but the order  
7 shall not affect any index issued by the circuit court clerk  
8 before the entry of the order. All records sealed by the  
9 Department may be disseminated by the Department only as  
10 required by this Act or to the arresting authority, a law  
11 enforcement agency, the State's Attorney, and the court upon a  
12 later arrest for the same or similar offense or for the purpose  
13 of sentencing for any subsequent felony. Upon conviction for  
14 any subsequent offense, the Department of Corrections shall  
15 have access to all sealed records of the Department pertaining  
16 to that individual. Upon entry of the order of sealing, the  
17 circuit court clerk shall promptly mail a copy of the order to  
18 the person who was granted the certificate of eligibility for  
19 sealing.

20 (e-6) Whenever a person who has been convicted of an  
21 offense is granted a certificate of eligibility for expungement  
22 by the Prisoner Review Board which specifically authorizes  
23 expungement, he or she may, upon verified petition to the Chief  
24 Judge of the circuit where the person had been convicted, any  
25 judge of the circuit designated by the Chief Judge, or in  
26 counties of less than 3,000,000 inhabitants, the presiding

1 trial judge at the petitioner's trial, have a court order  
2 entered expunging the record of arrest from the official  
3 records of the arresting authority and order that the records  
4 of the circuit court clerk and the Department be sealed until  
5 further order of the court upon good cause shown or as  
6 otherwise provided herein, and the name of the petitioner  
7 obliterated from the official index requested to be kept by the  
8 circuit court clerk under Section 16 of the Clerks of Courts  
9 Act in connection with the arrest and conviction for the  
10 offense for which he or she had been granted the certificate  
11 but the order shall not affect any index issued by the circuit  
12 court clerk before the entry of the order. All records sealed  
13 by the Department may be disseminated by the Department only as  
14 required by this Act or to the arresting authority, a law  
15 enforcement agency, the State's Attorney, and the court upon a  
16 later arrest for the same or similar offense or for the purpose  
17 of sentencing for any subsequent felony. Upon conviction for  
18 any subsequent offense, the Department of Corrections shall  
19 have access to all expunged records of the Department  
20 pertaining to that individual. Upon entry of the order of  
21 expungement, the circuit court clerk shall promptly mail a copy  
22 of the order to the person who was granted the certificate of  
23 eligibility for expungement.

24 (f) Subject to available funding, the Illinois Department  
25 of Corrections shall conduct a study of the impact of sealing,  
26 especially on employment and recidivism rates, utilizing a

1 random sample of those who apply for the sealing of their  
2 criminal records under Public Act 93-211. At the request of the  
3 Illinois Department of Corrections, records of the Illinois  
4 Department of Employment Security shall be utilized as  
5 appropriate to assist in the study. The study shall not  
6 disclose any data in a manner that would allow the  
7 identification of any particular individual or employing unit.  
8 The study shall be made available to the General Assembly no  
9 later than September 1, 2010.

10 (g) Immediate Sealing.

11 (1) Applicability. Notwithstanding any other provision  
12 of this Act to the contrary, and cumulative with any rights  
13 to expungement or sealing of criminal records, this  
14 subsection authorizes the immediate sealing of criminal  
15 records of adults and of minors prosecuted as adults.

16 (2) Eligible Records. Arrests or charges not initiated  
17 by arrest resulting in acquittal or dismissal with  
18 prejudice, except as excluded by subsection (a)(3)(B),  
19 that occur on or after January 1, 2018 (the effective date  
20 of Public Act 100-282), may be sealed immediately if the  
21 petition is filed with the circuit court clerk on the same  
22 day and during the same hearing in which the case is  
23 disposed.

24 (3) When Records are Eligible to be Immediately Sealed.  
25 Eligible records under paragraph (2) of this subsection (g)  
26 may be sealed immediately after entry of the final

1 disposition of a case, notwithstanding the disposition of  
2 other charges in the same case.

3 (4) Notice of Eligibility for Immediate Sealing. Upon  
4 entry of a disposition for an eligible record under this  
5 subsection (g), the defendant shall be informed by the  
6 court of his or her right to have eligible records  
7 immediately sealed and the procedure for the immediate  
8 sealing of these records.

9 (5) Procedure. The following procedures apply to  
10 immediate sealing under this subsection (g).

11 (A) Filing the Petition. Upon entry of the final  
12 disposition of the case, the defendant's attorney may  
13 immediately petition the court, on behalf of the  
14 defendant, for immediate sealing of eligible records  
15 under paragraph (2) of this subsection (g) that are  
16 entered on or after January 1, 2018 (the effective date  
17 of Public Act 100-282). The immediate sealing petition  
18 may be filed with the circuit court clerk during the  
19 hearing in which the final disposition of the case is  
20 entered. If the defendant's attorney does not file the  
21 petition for immediate sealing during the hearing, the  
22 defendant may file a petition for sealing at any time  
23 as authorized under subsection (c) (3) (A).

24 (B) Contents of Petition. The immediate sealing  
25 petition shall be verified and shall contain the  
26 petitioner's name, date of birth, current address, and

1 for each eligible record, the case number, the date of  
2 arrest if applicable, the identity of the arresting  
3 authority if applicable, and other information as the  
4 court may require.

5 (C) Drug Test. The petitioner shall not be required  
6 to attach proof that he or she has passed a drug test.

7 (D) Service of Petition. A copy of the petition  
8 shall be served on the State's Attorney in open court.  
9 The petitioner shall not be required to serve a copy of  
10 the petition on any other agency.

11 (E) Entry of Order. The presiding trial judge shall  
12 enter an order granting or denying the petition for  
13 immediate sealing during the hearing in which it is  
14 filed. Petitions for immediate sealing shall be ruled  
15 on in the same hearing in which the final disposition  
16 of the case is entered.

17 (F) Hearings. The court shall hear the petition for  
18 immediate sealing on the same day and during the same  
19 hearing in which the disposition is rendered.

20 (G) Service of Order. An order to immediately seal  
21 eligible records shall be served in conformance with  
22 subsection (d) (8).

23 (H) Implementation of Order. An order to  
24 immediately seal records shall be implemented in  
25 conformance with subsections (d) (9) (C) and (d) (9) (D).

26 (I) Fees. The fee imposed by the circuit court

1 clerk and the Department of State Police shall comply  
2 with paragraph (1) of subsection (d) of this Section.

3 (J) Final Order. No court order issued under this  
4 subsection (g) shall become final for purposes of  
5 appeal until 30 days after service of the order on the  
6 petitioner and all parties entitled to service of the  
7 order in conformance with subsection (d) (8).

8 (K) Motion to Vacate, Modify, or Reconsider. Under  
9 Section 2-1203 of the Code of Civil Procedure, the  
10 petitioner, State's Attorney, or the Department of  
11 State Police may file a motion to vacate, modify, or  
12 reconsider the order denying the petition to  
13 immediately seal within 60 days of service of the  
14 order. If filed more than 60 days after service of the  
15 order, a petition to vacate, modify, or reconsider  
16 shall comply with subsection (c) of Section 2-1401 of  
17 the Code of Civil Procedure.

18 (L) Effect of Order. An order granting an immediate  
19 sealing petition shall not be considered void because  
20 it fails to comply with the provisions of this Section  
21 or because of an error asserted in a motion to vacate,  
22 modify, or reconsider. The circuit court retains  
23 jurisdiction to determine whether the order is  
24 voidable, and to vacate, modify, or reconsider its  
25 terms based on a motion filed under subparagraph (L) of  
26 this subsection (g).

1 (M) Compliance with Order Granting Petition to  
2 Seal Records. Unless a court has entered a stay of an  
3 order granting a petition to immediately seal, all  
4 parties entitled to service of the order must fully  
5 comply with the terms of the order within 60 days of  
6 service of the order.

7 (h) Sealing; trafficking victims.

8 (1) A trafficking victim as defined by paragraph (10)  
9 of subsection (a) of Section 10-9 of the Criminal Code of  
10 2012 shall be eligible to petition for immediate sealing of  
11 his or her criminal record upon the completion of his or  
12 her last sentence if his or her participation in the  
13 underlying offense was a direct result of human trafficking  
14 under Section 10-9 of the Criminal Code of 2012 or a severe  
15 form of trafficking under the federal Trafficking Victims  
16 Protection Act.

17 (2) A petitioner under this subsection (h), in addition  
18 to the requirements provided under paragraph (4) of  
19 subsection (d) of this Section, shall include in his or her  
20 petition a clear and concise statement that: (A) he or she  
21 was a victim of human trafficking at the time of the  
22 offense; and (B) that his or her participation in the  
23 offense was a direct result of human trafficking under  
24 Section 10-9 of the Criminal Code of 2012 or a severe form  
25 of trafficking under the federal Trafficking Victims  
26 Protection Act.

1           (3) If an objection is filed alleging that the  
2 petitioner is not entitled to immediate sealing under this  
3 subsection (h), the court shall conduct a hearing under  
4 paragraph (7) of subsection (d) of this Section and the  
5 court shall determine whether the petitioner is entitled to  
6 immediate sealing under this subsection (h). A petitioner  
7 is eligible for immediate relief under this subsection (h)  
8 if he or she shows, by a preponderance of the evidence,  
9 that: (A) he or she was a victim of human trafficking at  
10 the time of the offense; and (B) that his or her  
11 participation in the offense was a direct result of human  
12 trafficking under Section 10-9 of the Criminal Code of 2012  
13 or a severe form of trafficking under the federal  
14 Trafficking Victims Protection Act.

15           (i) Expungement of Minor Violations of the Cannabis Control  
16 Act.

17           (1) Applicability. Notwithstanding any other provision  
18 of this Section to the contrary, and cumulative with any  
19 rights to expungement or sealing of criminal records, this  
20 subsection (i) authorizes the expungement of minor  
21 violations of the Cannabis Control Act that are deemed  
22 legally invalid under the Cannabis Regulation and Tax Act.

23           (2) Eligible Records. Any criminal history record of a  
24 minor violation of the Cannabis Control Act is eligible for  
25 expungement as of the effective date of this amendatory Act  
26 of the 101st General Assembly.



1           (3) Procedure.

2           (A) Department of State Police Review. The  
3 Department of State Police shall review all criminal  
4 history record information and identify all  
5 individuals with minor violations of the Cannabis  
6 Control Act that are eligible for automatic  
7 expungement under this subsection (i). After  
8 conducting that review, the Department of State Police  
9 shall automatically expunge records of minor  
10 violations of the Cannabis Control Act within 2 years  
11 after the effective date of this amendatory Act of the  
12 101st General Assembly, but no sooner than 180 days  
13 after providing notification to the State's Attorneys  
14 and law enforcement as provided in subparagraph (B).

15           (B) Department of State Police; Notification to  
16 State's Attorneys and Law Enforcement. No later than  
17 180 days after the effective date of this amendatory  
18 Act of the 101st General Assembly, the Department shall  
19 send a notice to the State's Attorneys or prosecutors  
20 charged with the duty of prosecuting the offenses; all  
21 local law enforcement agencies; and the Office of the  
22 Attorney General. The notice shall identify all  
23 individuals with minor violations of the Cannabis  
24 Control Act that are eligible for automatic  
25 expungement under this subsection (i) in each  
26 jurisdiction. Upon request of a State's Attorney or the

1 Attorney General, the Department shall provide the  
2 State's Attorney or the Attorney General with the  
3 record from the Law Enforcement Agencies Data System  
4 (LEADS) relating to the minor violation of the Cannabis  
5 Control Act.

6 (C) Proposed Order. No later than 180 days after  
7 receipt of notice from the Department of State Police,  
8 the State's Attorney of the county of arrest, charge or  
9 conviction in which the minor violations of the  
10 Cannabis Control Act occurred, shall file a proposed  
11 order or orders with each court identifying all minor  
12 violations in that jurisdiction eligible for  
13 expungement. Notwithstanding any other provision of  
14 law, for purposes of this subsection (i), the State's  
15 Attorney may elect to submit one proposed order on  
16 behalf of multiple or all minor violations eligible for  
17 expungement, as permitted by the court. The proposed  
18 order shall include the following information:

19 (i) name of the individual eligible for  
20 expungement;

21 (ii) date of birth;

22 (iii) current address, if available;

23 (iv) case number;

24 (v) identification of the minor violation of  
25 the Cannabis Control Act;

26 (vi) date of arrest, if applicable;

1                   (vii) arresting agency, if applicable; and  
2                   (viii) a statement that the minor violation of  
3                   the Cannabis Control Act has been identified by the  
4                   Department of State Police as eligible for  
5                   expungement because the conviction is now legally  
6                   invalid under the Cannabis Regulation and Tax Act.

7                   If a State's Attorney or the Attorney General has  
8                   not submitted a proposed order within 180 days after  
9                   receiving notice from the Department of State Police,  
10                   the Office of the Attorney General may file a proposed  
11                   order expunging all records of minor violations of the  
12                   Cannabis Control Act it received from the Department of  
13                   State Police for that jurisdiction. Notwithstanding  
14                   any other provision of law, for purposes of this  
15                   subsection (i), the Office of the Attorney General may  
16                   elect to submit one proposed order on behalf of  
17                   multiple or all minor violations of the Cannabis  
18                   Control Act eligible for expungement, as permitted by  
19                   the court.

20                   (D) Automatic Court Order for Expungement. Within  
21                   180 days after receiving a proposed order from a  
22                   State's Attorney or the Attorney General referenced in  
23                   subparagraph (C), a court shall review the proposed  
24                   order and order the expungement of the court and law  
25                   enforcement records unless the court determines that  
26                   the offense to be expunged does not meet the definition

1           of a minor violation of the Cannabis Control Act.  
2           Whenever a court is expunging a record of a minor  
3           violation of the Cannabis Control Act under this  
4           subsection (i), an objection to the proposed order may  
5           not be filed.

6           (E) Notification to Law Enforcement. Upon entry of  
7           the order to expunge or seal records, the court must  
8           provide copies of the order to the Department of State  
9           Police, in a form and manner prescribed by the  
10          Department, the arresting agency, and such other  
11          criminal justice agencies as determined by the court.

12          (F) Notification to Individuals. Upon entry of an  
13          order of expungement, the court shall attempt to  
14          provide a copy of the order to the individual whose  
15          record has been expunged to the last known address of  
16          that individual. The Department of State Police shall  
17          allow a person to use the access and review process,  
18          established in the Department of State Police, for  
19          verifying that his or her records relating to minor  
20          violations of the Cannabis Control Act eligible under  
21          this subsection (i) have been expunged.

22          (G) Expungement of Arresting Agency Records. Local  
23          law enforcement shall automatically expunge records  
24          pertaining to arrests not resulting in a charge for  
25          minor violations of the Cannabis Control Act  
26          identified by the Department of State Police within 365

1 days of notice from the Department of State Police. Any  
2 minor violations of the Cannabis Control Act not  
3 identified by the Department of State Police shall be  
4 identified by local law enforcement and automatically  
5 expunged as follows:

6 (i) records prior to January 1, 2016, but on or  
7 after January 1, 2013, shall be automatically  
8 expunged prior to January 1, 2023;

9 (ii) records prior to January 1, 2013, but on  
10 or after January 1, 2000, shall be automatically  
11 expunged prior to January 1, 2026;

12 (iii) records prior to January 1, 2000 shall be  
13 automatically expunged prior to January 1, 2030;

14 or

15 (iv) as required by court order.

16 (H) Petitions for Expungement of Minor Violations.

17 (i) An individual with an arrest, charge not  
18 initiated by arrest, conviction, order of  
19 supervision, or order of qualified probation for a  
20 minor violation of the Cannabis Control Act  
21 committed prior to the effective date of this  
22 amendatory Act of the 101st General Assembly may  
23 file a petition with the court in the jurisdiction  
24 of the arrest, charge or conviction seeking the  
25 entry of an order of expungement at any time after  
26 the effective date of this amendatory Act of the

1           101st General Assembly. The court shall order the  
2           expungement of the records of the court, the  
3           Department of State Police, and the arresting  
4           agency unless the court determines that the  
5           offense to be expunged does not meet the definition  
6           of a minor violation of the Cannabis Control Act.  
7           Whenever a court is expunging a record of a minor  
8           violation of the Cannabis Control Act, an  
9           objection to the proposed order may not be filed.

10           (ii) An individual with a conviction, order of  
11           supervision, or order of qualified probation for a  
12           Class 4 felony or misdemeanor violation of Section  
13           4, 5, or 8 of the Cannabis Control Act, that was  
14           accompanied by charges other than a minor  
15           violation of the Cannabis Control Act, may file a  
16           petition for expungement with the court in the  
17           jurisdiction of the conviction, order of  
18           supervision, or order of qualified probation  
19           provided that the individual did not receive a  
20           penalty enhancement pursuant to Section 7 of the  
21           Cannabis Control Act. The individual may file a  
22           petition following the procedures set forth for  
23           expungement of arrests that resulted in a  
24           conviction which was vacated or reversed as  
25           provided in subsection (b) (2) (A).

26           (4) Future Offenses. Commencing one year after the

1 effective date of this amendatory Act of the 101st General  
2 Assembly, the clerk of the circuit court, the arresting  
3 agency, and the Department of State Police shall expunge,  
4 upon order of the court, or in the absence of a court order  
5 on or before January 1 and July 1 of each year, the court  
6 and law enforcement records of a person found to have  
7 committed a minor violation of the Cannabis Control Act and  
8 that contains the final satisfactory disposition for those  
9 offenses.

10 (5) Effect of Expungement. A person's right to expunge  
11 an expungeable offense shall not be limited under this  
12 Section. The effect of an order of expungement shall be to  
13 restore the person to the status he or she occupied before  
14 the arrest, charge, or conviction. No person for whom an  
15 order of expungement has been entered under this subsection  
16 (i) shall be held thereafter under any provisions of any  
17 law to be guilty of perjury or otherwise giving a false  
18 statement by reason of failure to state or acknowledge the  
19 arrest, plea, trial, conviction, supervision,  
20 incarceration, or expungement in response to any inquiry  
21 made of him or her for any purpose whatsoever.

22 (6) Information. The Department of State Police shall  
23 post general information on its website about the  
24 expungement process described in this subsection (i).

25 (Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385,  
26 eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16;

1 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff.  
2 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692,  
3 eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18;  
4 100-863, eff. 8-14-18; revised 8-30-18.)

5 Section 900-15. The State Finance Act is amended by adding  
6 Sections 5.891, 5.892, and 6z-107 as follows:

7 (30 ILCS 105/5.891 new)

8 Sec. 5.891. The Cannabis Regulation Fund.

9 (30 ILCS 105/5.892 new)

10 Sec. 5.892. The Cannabis Business Development Fund.

11 (30 ILCS 105/6z-107 new)

12 Sec. 6z-107. The Cannabis Regulation Fund.

13 (a) The Cannabis Regulation Fund is created as a special  
14 fund in the State treasury. Unless otherwise provided, all  
15 moneys collected under the Cannabis Regulation and Tax Act  
16 shall be deposited into the Cannabis Regulation Fund,  
17 consisting of taxes, license fees, other fees, and any other  
18 amounts required to be deposited or transferred into the Fund.

19 (b) Whenever the Department determines that a refund should  
20 be made under the Cannabis Regulation and Tax Act to a  
21 claimant, the Department shall notify the State Comptroller,  
22 who shall cause the order to be drawn for the amount specified



1 and to the person named in the notification from the  
2 Department. This subsection (b) shall constitute an  
3 irrevocable and continuing appropriation of all amounts  
4 necessary for the payment of refunds out of the Fund as  
5 authorized under this subsection (b).

6 (c) On or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller and the  
8 Treasurer the stated sums of money from the Cannabis Regulation  
9 Fund to be transferred to other named funds in the State  
10 treasury. The Comptroller shall direct, and the Treasurer shall  
11 transfer, the stated sums of money in accordance with the  
12 directions contained in the certification. The amount subject  
13 to transfer shall be the amount of the taxes, license fees,  
14 other fees, and any other amounts paid into the Fund during the  
15 second preceding calendar month, minus the refunds made under  
16 subsection (b) of this Section during the second preceding  
17 calendar month by the Department. The transfers shall be  
18 certified as follows:

19 (1) First, to pay for the direct and indirect costs  
20 associated with the implementation, administration, and  
21 enforcement of the Cannabis Regulation and Tax Act by the  
22 Department of Revenue, the Department of State Police, the  
23 Department of Financial and Professional Regulation, the  
24 Department of Agriculture, the Department of Public  
25 Health, the Department of Commerce and Economic  
26 Opportunity, and the Illinois Criminal Justice Information

1        Authority;

2            (2) Second, after the transfers have been made as  
3            provided in paragraph (1) of this subsection (c), the  
4            Department may certify transfers for costs incurred by  
5            State courts, State's Attorneys, or law enforcement to  
6            carry out the expungement of minor violations pursuant to  
7            the Cannabis Regulation and Tax Act;

8            (3) Third, after the transfers have been made as  
9            provided in paragraphs (1) and (2) of this subsection (c),  
10           the Department shall certify the following transfers:

11            (A) 2% shall be transferred to the Drug Treatment  
12            Fund to be used, subject to appropriation, by the  
13            Department of Public Health for: (i) developing and  
14            administering a scientifically and medically accurate  
15            public education campaign educating youth and adults  
16            about the health and safety risks of alcohol, tobacco,  
17            illegal drug use (including prescription drugs), and  
18            cannabis including use by pregnant women; and (ii) data  
19            collection and analysis of the public health impacts of  
20            legalizing the recreational use of cannabis.

21            (B) 8% shall be transferred to the Illinois Law  
22            Enforcement Training Standards Board to be used,  
23            subject to appropriation, by the Illinois Law  
24            Enforcement Training Standards Board for the purpose  
25            of creating a law enforcement grant program available  
26            for jurisdictions to fund crime prevention programs,

1           training, and interdiction efforts, including  
2           detection, enforcement, and prevention efforts,  
3           relating to the illegal cannabis market and driving  
4           under the influence of cannabis.

5           (D) 25% shall be transferred to the Criminal  
6           Justice Information Projects Fund to be used, subject  
7           to appropriation, by the Restoring Our Communities  
8           Program Board to address the impact of economic  
9           disinvestment, concentrated poverty, violence, the  
10           historical overuse of criminal justice responses in  
11           certain communities. The Restoring Our Communities  
12           Program Board shall address these issues through  
13           targeted investments and intervention programs and  
14           promotion of an employment infrastructure and capacity  
15           building related to the social determinants of health  
16           in impacted community areas.

17           (E) 20% shall be appropriated to certified local  
18           health departments, as defined by 77 Illinois  
19           Administrative Code 600, to be used for the purpose of  
20           substance abuse and mental health prevention and  
21           treatment. The allocation methodology shall be based  
22           on the most recent census population data for the  
23           certified local health department jurisdiction. These  
24           funds may be redistributed to subcontractors within  
25           their certified local health department jurisdictions.

26           (F) 10% to the Budget Stabilization Fund.

1                   (G) 35%, or any remaining balance, shall be  
2                   transferred to the General Revenue Fund.

3           As soon as may be practical, but no later than 10 days  
4           after receipt by the Comptroller of the transfer certification  
5           provided for in this subsection (c) to be given to the  
6           Comptroller by the Department of Revenue, the Comptroller shall  
7           direct and the Treasurer shall transfer the respective amounts  
8           in accordance with the directions contained in the  
9           certification.

10           (d) Notwithstanding any other law to the contrary and  
11           except as otherwise provided in this Section, this Fund is not  
12           subject to sweeps, administrative charge-backs, or any other  
13           fiscal or budgetary maneuver that would in any way transfer any  
14           amounts from this Fund into any other fund of the State.

15           Section 900-16. The Use Tax Act is amended by changing  
16           Section 9 as follows:

17           (35 ILCS 105/9) (from Ch. 120, par. 439.9)

18           Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
19           and trailers that are required to be registered with an agency  
20           of this State, each retailer required or authorized to collect  
21           the tax imposed by this Act shall pay to the Department the  
22           amount of such tax (except as otherwise provided) at the time  
23           when he is required to file his return for the period during  
24           which such tax was collected, less a discount of 2.1% prior to

1 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
2 per calendar year, whichever is greater, which is allowed to  
3 reimburse the retailer for expenses incurred in collecting the  
4 tax, keeping records, preparing and filing returns, remitting  
5 the tax and supplying data to the Department on request. In the  
6 case of retailers who report and pay the tax on a transaction  
7 by transaction basis, as provided in this Section, such  
8 discount shall be taken with each such tax remittance instead  
9 of when such retailer files his periodic return. The discount  
10 allowed under this Section is allowed only for returns that are  
11 filed in the manner required by this Act. The Department may  
12 disallow the discount for retailers whose certificate of  
13 registration is revoked at the time the return is filed, but  
14 only if the Department's decision to revoke the certificate of  
15 registration has become final. A retailer need not remit that  
16 part of any tax collected by him to the extent that he is  
17 required to remit and does remit the tax imposed by the  
18 Retailers' Occupation Tax Act, with respect to the sale of the  
19 same property.

20 Where such tangible personal property is sold under a  
21 conditional sales contract, or under any other form of sale  
22 wherein the payment of the principal sum, or a part thereof, is  
23 extended beyond the close of the period for which the return is  
24 filed, the retailer, in collecting the tax (except as to motor  
25 vehicles, watercraft, aircraft, and trailers that are required  
26 to be registered with an agency of this State), may collect for

1 each tax return period, only the tax applicable to that part of  
2 the selling price actually received during such tax return  
3 period.

4 Except as provided in this Section, on or before the  
5 twentieth day of each calendar month, such retailer shall file  
6 a return for the preceding calendar month. Such return shall be  
7 filed on forms prescribed by the Department and shall furnish  
8 such information as the Department may reasonably require. On  
9 and after January 1, 2018, except for returns for motor  
10 vehicles, watercraft, aircraft, and trailers that are required  
11 to be registered with an agency of this State, with respect to  
12 retailers whose annual gross receipts average \$20,000 or more,  
13 all returns required to be filed pursuant to this Act shall be  
14 filed electronically. Retailers who demonstrate that they do  
15 not have access to the Internet or demonstrate hardship in  
16 filing electronically may petition the Department to waive the  
17 electronic filing requirement.

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;

11 5-5. The signature of the taxpayer; and

12 6. Such other reasonable information as the Department  
13 may require.

14 If a taxpayer fails to sign a return within 30 days after  
15 the proper notice and demand for signature by the Department,  
16 the return shall be considered valid and any amount shown to be  
17 due on the return shall be deemed assessed.

18 Notwithstanding any other provision of this Act to the  
19 contrary, retailers subject to tax on cannabis shall file all  
20 cannabis tax returns and shall make all cannabis tax payments  
21 by electronic means in the manner and form required by the  
22 Department.

23 Beginning October 1, 1993, a taxpayer who has an average  
24 monthly tax liability of \$150,000 or more shall make all  
25 payments required by rules of the Department by electronic  
26 funds transfer. Beginning October 1, 1994, a taxpayer who has

1 an average monthly tax liability of \$100,000 or more shall make  
2 all payments required by rules of the Department by electronic  
3 funds transfer. Beginning October 1, 1995, a taxpayer who has  
4 an average monthly tax liability of \$50,000 or more shall make  
5 all payments required by rules of the Department by electronic  
6 funds transfer. Beginning October 1, 2000, a taxpayer who has  
7 an annual tax liability of \$200,000 or more shall make all  
8 payments required by rules of the Department by electronic  
9 funds transfer. The term "annual tax liability" shall be the  
10 sum of the taxpayer's liabilities under this Act, and under all  
11 other State and local occupation and use tax laws administered  
12 by the Department, for the immediately preceding calendar year.  
13 The term "average monthly tax liability" means the sum of the  
14 taxpayer's liabilities under this Act, and under all other  
15 State and local occupation and use tax laws administered by the  
16 Department, for the immediately preceding calendar year  
17 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
18 a tax liability in the amount set forth in subsection (b) of  
19 Section 2505-210 of the Department of Revenue Law shall make  
20 all payments required by rules of the Department by electronic  
21 funds transfer.

22 Before August 1 of each year beginning in 1993, the  
23 Department shall notify all taxpayers required to make payments  
24 by electronic funds transfer. All taxpayers required to make  
25 payments by electronic funds transfer shall make those payments  
26 for a minimum of one year beginning on October 1.



1 Any taxpayer not required to make payments by electronic  
2 funds transfer may make payments by electronic funds transfer  
3 with the permission of the Department.

4 All taxpayers required to make payment by electronic funds  
5 transfer and any taxpayers authorized to voluntarily make  
6 payments by electronic funds transfer shall make those payments  
7 in the manner authorized by the Department.

8 The Department shall adopt such rules as are necessary to  
9 effectuate a program of electronic funds transfer and the  
10 requirements of this Section.

11 Before October 1, 2000, if the taxpayer's average monthly  
12 tax liability to the Department under this Act, the Retailers'  
13 Occupation Tax Act, the Service Occupation Tax Act, the Service  
14 Use Tax Act was \$10,000 or more during the preceding 4 complete  
15 calendar quarters, he shall file a return with the Department  
16 each month by the 20th day of the month next following the  
17 month during which such tax liability is incurred and shall  
18 make payments to the Department on or before the 7th, 15th,  
19 22nd and last day of the month during which such liability is  
20 incurred. On and after October 1, 2000, if the taxpayer's  
21 average monthly tax liability to the Department under this Act,  
22 the Retailers' Occupation Tax Act, the Service Occupation Tax  
23 Act, and the Service Use Tax Act was \$20,000 or more during the  
24 preceding 4 complete calendar quarters, he shall file a return  
25 with the Department each month by the 20th day of the month  
26 next following the month during which such tax liability is

1 incurred and shall make payment to the Department on or before  
2 the 7th, 15th, 22nd and last day of the month during which such  
3 liability is incurred. If the month during which such tax  
4 liability is incurred began prior to January 1, 1985, each  
5 payment shall be in an amount equal to 1/4 of the taxpayer's  
6 actual liability for the month or an amount set by the  
7 Department not to exceed 1/4 of the average monthly liability  
8 of the taxpayer to the Department for the preceding 4 complete  
9 calendar quarters (excluding the month of highest liability and  
10 the month of lowest liability in such 4 quarter period). If the  
11 month during which such tax liability is incurred begins on or  
12 after January 1, 1985, and prior to January 1, 1987, each  
13 payment shall be in an amount equal to 22.5% of the taxpayer's  
14 actual liability for the month or 27.5% of the taxpayer's  
15 liability for the same calendar month of the preceding year. If  
16 the month during which such tax liability is incurred begins on  
17 or after January 1, 1987, and prior to January 1, 1988, each  
18 payment shall be in an amount equal to 22.5% of the taxpayer's  
19 actual liability for the month or 26.25% of the taxpayer's  
20 liability for the same calendar month of the preceding year. If  
21 the month during which such tax liability is incurred begins on  
22 or after January 1, 1988, and prior to January 1, 1989, or  
23 begins on or after January 1, 1996, each payment shall be in an  
24 amount equal to 22.5% of the taxpayer's actual liability for  
25 the month or 25% of the taxpayer's liability for the same  
26 calendar month of the preceding year. If the month during which

1 such tax liability is incurred begins on or after January 1,  
2 1989, and prior to January 1, 1996, each payment shall be in an  
3 amount equal to 22.5% of the taxpayer's actual liability for  
4 the month or 25% of the taxpayer's liability for the same  
5 calendar month of the preceding year or 100% of the taxpayer's  
6 actual liability for the quarter monthly reporting period. The  
7 amount of such quarter monthly payments shall be credited  
8 against the final tax liability of the taxpayer's return for  
9 that month. Before October 1, 2000, once applicable, the  
10 requirement of the making of quarter monthly payments to the  
11 Department shall continue until such taxpayer's average  
12 monthly liability to the Department during the preceding 4  
13 complete calendar quarters (excluding the month of highest  
14 liability and the month of lowest liability) is less than  
15 \$9,000, or until such taxpayer's average monthly liability to  
16 the Department as computed for each calendar quarter of the 4  
17 preceding complete calendar quarter period is less than  
18 \$10,000. However, if a taxpayer can show the Department that a  
19 substantial change in the taxpayer's business has occurred  
20 which causes the taxpayer to anticipate that his average  
21 monthly tax liability for the reasonably foreseeable future  
22 will fall below the \$10,000 threshold stated above, then such  
23 taxpayer may petition the Department for change in such  
24 taxpayer's reporting status. On and after October 1, 2000, once  
25 applicable, the requirement of the making of quarter monthly  
26 payments to the Department shall continue until such taxpayer's

1 average monthly liability to the Department during the  
2 preceding 4 complete calendar quarters (excluding the month of  
3 highest liability and the month of lowest liability) is less  
4 than \$19,000 or until such taxpayer's average monthly liability  
5 to the Department as computed for each calendar quarter of the  
6 4 preceding complete calendar quarter period is less than  
7 \$20,000. However, if a taxpayer can show the Department that a  
8 substantial change in the taxpayer's business has occurred  
9 which causes the taxpayer to anticipate that his average  
10 monthly tax liability for the reasonably foreseeable future  
11 will fall below the \$20,000 threshold stated above, then such  
12 taxpayer may petition the Department for a change in such  
13 taxpayer's reporting status. The Department shall change such  
14 taxpayer's reporting status unless it finds that such change is  
15 seasonal in nature and not likely to be long term. If any such  
16 quarter monthly payment is not paid at the time or in the  
17 amount required by this Section, then the taxpayer shall be  
18 liable for penalties and interest on the difference between the  
19 minimum amount due and the amount of such quarter monthly  
20 payment actually and timely paid, except insofar as the  
21 taxpayer has previously made payments for that month to the  
22 Department in excess of the minimum payments previously due as  
23 provided in this Section. The Department shall make reasonable  
24 rules and regulations to govern the quarter monthly payment  
25 amount and quarter monthly payment dates for taxpayers who file  
26 on other than a calendar monthly basis.

1           If any such payment provided for in this Section exceeds  
2 the taxpayer's liabilities under this Act, the Retailers'  
3 Occupation Tax Act, the Service Occupation Tax Act and the  
4 Service Use Tax Act, as shown by an original monthly return,  
5 the Department shall issue to the taxpayer a credit memorandum  
6 no later than 30 days after the date of payment, which  
7 memorandum may be submitted by the taxpayer to the Department  
8 in payment of tax liability subsequently to be remitted by the  
9 taxpayer to the Department or be assigned by the taxpayer to a  
10 similar taxpayer under this Act, the Retailers' Occupation Tax  
11 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
12 in accordance with reasonable rules and regulations to be  
13 prescribed by the Department, except that if such excess  
14 payment is shown on an original monthly return and is made  
15 after December 31, 1986, no credit memorandum shall be issued,  
16 unless requested by the taxpayer. If no such request is made,  
17 the taxpayer may credit such excess payment against tax  
18 liability subsequently to be remitted by the taxpayer to the  
19 Department under this Act, the Retailers' Occupation Tax Act,  
20 the Service Occupation Tax Act or the Service Use Tax Act, in  
21 accordance with reasonable rules and regulations prescribed by  
22 the Department. If the Department subsequently determines that  
23 all or any part of the credit taken was not actually due to the  
24 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
25 be reduced by 2.1% or 1.75% of the difference between the  
26 credit taken and that actually due, and the taxpayer shall be

1 liable for penalties and interest on such difference.

2 If the retailer is otherwise required to file a monthly  
3 return and if the retailer's average monthly tax liability to  
4 the Department does not exceed \$200, the Department may  
5 authorize his returns to be filed on a quarter annual basis,  
6 with the return for January, February, and March of a given  
7 year being due by April 20 of such year; with the return for  
8 April, May and June of a given year being due by July 20 of such  
9 year; with the return for July, August and September of a given  
10 year being due by October 20 of such year, and with the return  
11 for October, November and December of a given year being due by  
12 January 20 of the following year.

13 If the retailer is otherwise required to file a monthly or  
14 quarterly return and if the retailer's average monthly tax  
15 liability to the Department does not exceed \$50, the Department  
16 may authorize his returns to be filed on an annual basis, with  
17 the return for a given year being due by January 20 of the  
18 following year.

19 Such quarter annual and annual returns, as to form and  
20 substance, shall be subject to the same requirements as monthly  
21 returns.

22 Notwithstanding any other provision in this Act concerning  
23 the time within which a retailer may file his return, in the  
24 case of any retailer who ceases to engage in a kind of business  
25 which makes him responsible for filing returns under this Act,  
26 such retailer shall file a final return under this Act with the

1 Department not more than one month after discontinuing such  
2 business.

3 In addition, with respect to motor vehicles, watercraft,  
4 aircraft, and trailers that are required to be registered with  
5 an agency of this State, except as otherwise provided in this  
6 Section, every retailer selling this kind of tangible personal  
7 property shall file, with the Department, upon a form to be  
8 prescribed and supplied by the Department, a separate return  
9 for each such item of tangible personal property which the  
10 retailer sells, except that if, in the same transaction, (i) a  
11 retailer of aircraft, watercraft, motor vehicles or trailers  
12 transfers more than one aircraft, watercraft, motor vehicle or  
13 trailer to another aircraft, watercraft, motor vehicle or  
14 trailer retailer for the purpose of resale or (ii) a retailer  
15 of aircraft, watercraft, motor vehicles, or trailers transfers  
16 more than one aircraft, watercraft, motor vehicle, or trailer  
17 to a purchaser for use as a qualifying rolling stock as  
18 provided in Section 3-55 of this Act, then that seller may  
19 report the transfer of all the aircraft, watercraft, motor  
20 vehicles or trailers involved in that transaction to the  
21 Department on the same uniform invoice-transaction reporting  
22 return form. For purposes of this Section, "watercraft" means a  
23 Class 2, Class 3, or Class 4 watercraft as defined in Section  
24 3-2 of the Boat Registration and Safety Act, a personal  
25 watercraft, or any boat equipped with an inboard motor.

26 In addition, with respect to motor vehicles, watercraft,

1 aircraft, and trailers that are required to be registered with  
2 an agency of this State, every person who is engaged in the  
3 business of leasing or renting such items and who, in  
4 connection with such business, sells any such item to a  
5 retailer for the purpose of resale is, notwithstanding any  
6 other provision of this Section to the contrary, authorized to  
7 meet the return-filing requirement of this Act by reporting the  
8 transfer of all the aircraft, watercraft, motor vehicles, or  
9 trailers transferred for resale during a month to the  
10 Department on the same uniform invoice-transaction reporting  
11 return form on or before the 20th of the month following the  
12 month in which the transfer takes place. Notwithstanding any  
13 other provision of this Act to the contrary, all returns filed  
14 under this paragraph must be filed by electronic means in the  
15 manner and form as required by the Department.

16 The transaction reporting return in the case of motor  
17 vehicles or trailers that are required to be registered with an  
18 agency of this State, shall be the same document as the Uniform  
19 Invoice referred to in Section 5-402 of the Illinois Vehicle  
20 Code and must show the name and address of the seller; the name  
21 and address of the purchaser; the amount of the selling price  
22 including the amount allowed by the retailer for traded-in  
23 property, if any; the amount allowed by the retailer for the  
24 traded-in tangible personal property, if any, to the extent to  
25 which Section 2 of this Act allows an exemption for the value  
26 of traded-in property; the balance payable after deducting such



1 trade-in allowance from the total selling price; the amount of  
2 tax due from the retailer with respect to such transaction; the  
3 amount of tax collected from the purchaser by the retailer on  
4 such transaction (or satisfactory evidence that such tax is not  
5 due in that particular instance, if that is claimed to be the  
6 fact); the place and date of the sale; a sufficient  
7 identification of the property sold; such other information as  
8 is required in Section 5-402 of the Illinois Vehicle Code, and  
9 such other information as the Department may reasonably  
10 require.

11 The transaction reporting return in the case of watercraft  
12 and aircraft must show the name and address of the seller; the  
13 name and address of the purchaser; the amount of the selling  
14 price including the amount allowed by the retailer for  
15 traded-in property, if any; the amount allowed by the retailer  
16 for the traded-in tangible personal property, if any, to the  
17 extent to which Section 2 of this Act allows an exemption for  
18 the value of traded-in property; the balance payable after  
19 deducting such trade-in allowance from the total selling price;  
20 the amount of tax due from the retailer with respect to such  
21 transaction; the amount of tax collected from the purchaser by  
22 the retailer on such transaction (or satisfactory evidence that  
23 such tax is not due in that particular instance, if that is  
24 claimed to be the fact); the place and date of the sale, a  
25 sufficient identification of the property sold, and such other  
26 information as the Department may reasonably require.

1           Such transaction reporting return shall be filed not later  
2 than 20 days after the date of delivery of the item that is  
3 being sold, but may be filed by the retailer at any time sooner  
4 than that if he chooses to do so. The transaction reporting  
5 return and tax remittance or proof of exemption from the tax  
6 that is imposed by this Act may be transmitted to the  
7 Department by way of the State agency with which, or State  
8 officer with whom, the tangible personal property must be  
9 titled or registered (if titling or registration is required)  
10 if the Department and such agency or State officer determine  
11 that this procedure will expedite the processing of  
12 applications for title or registration.

13           With each such transaction reporting return, the retailer  
14 shall remit the proper amount of tax due (or shall submit  
15 satisfactory evidence that the sale is not taxable if that is  
16 the case), to the Department or its agents, whereupon the  
17 Department shall issue, in the purchaser's name, a tax receipt  
18 (or a certificate of exemption if the Department is satisfied  
19 that the particular sale is tax exempt) which such purchaser  
20 may submit to the agency with which, or State officer with  
21 whom, he must title or register the tangible personal property  
22 that is involved (if titling or registration is required) in  
23 support of such purchaser's application for an Illinois  
24 certificate or other evidence of title or registration to such  
25 tangible personal property.

26           No retailer's failure or refusal to remit tax under this

1 Act precludes a user, who has paid the proper tax to the  
2 retailer, from obtaining his certificate of title or other  
3 evidence of title or registration (if titling or registration  
4 is required) upon satisfying the Department that such user has  
5 paid the proper tax (if tax is due) to the retailer. The  
6 Department shall adopt appropriate rules to carry out the  
7 mandate of this paragraph.

8 If the user who would otherwise pay tax to the retailer  
9 wants the transaction reporting return filed and the payment of  
10 tax or proof of exemption made to the Department before the  
11 retailer is willing to take these actions and such user has not  
12 paid the tax to the retailer, such user may certify to the fact  
13 of such delay by the retailer, and may (upon the Department  
14 being satisfied of the truth of such certification) transmit  
15 the information required by the transaction reporting return  
16 and the remittance for tax or proof of exemption directly to  
17 the Department and obtain his tax receipt or exemption  
18 determination, in which event the transaction reporting return  
19 and tax remittance (if a tax payment was required) shall be  
20 credited by the Department to the proper retailer's account  
21 with the Department, but without the 2.1% or 1.75% discount  
22 provided for in this Section being allowed. When the user pays  
23 the tax directly to the Department, he shall pay the tax in the  
24 same amount and in the same form in which it would be remitted  
25 if the tax had been remitted to the Department by the retailer.

26 Where a retailer collects the tax with respect to the

1 selling price of tangible personal property which he sells and  
2 the purchaser thereafter returns such tangible personal  
3 property and the retailer refunds the selling price thereof to  
4 the purchaser, such retailer shall also refund, to the  
5 purchaser, the tax so collected from the purchaser. When filing  
6 his return for the period in which he refunds such tax to the  
7 purchaser, the retailer may deduct the amount of the tax so  
8 refunded by him to the purchaser from any other use tax which  
9 such retailer may be required to pay or remit to the  
10 Department, as shown by such return, if the amount of the tax  
11 to be deducted was previously remitted to the Department by  
12 such retailer. If the retailer has not previously remitted the  
13 amount of such tax to the Department, he is entitled to no  
14 deduction under this Act upon refunding such tax to the  
15 purchaser.

16 Any retailer filing a return under this Section shall also  
17 include (for the purpose of paying tax thereon) the total tax  
18 covered by such return upon the selling price of tangible  
19 personal property purchased by him at retail from a retailer,  
20 but as to which the tax imposed by this Act was not collected  
21 from the retailer filing such return, and such retailer shall  
22 remit the amount of such tax to the Department when filing such  
23 return.

24 If experience indicates such action to be practicable, the  
25 Department may prescribe and furnish a combination or joint  
26 return which will enable retailers, who are required to file

1 returns hereunder and also under the Retailers' Occupation Tax  
2 Act, to furnish all the return information required by both  
3 Acts on the one form.

4 Where the retailer has more than one business registered  
5 with the Department under separate registration under this Act,  
6 such retailer may not file each return that is due as a single  
7 return covering all such registered businesses, but shall file  
8 separate returns for each such registered business.

9 Beginning January 1, 1990, each month the Department shall  
10 pay into the State and Local Sales Tax Reform Fund, a special  
11 fund in the State Treasury which is hereby created, the net  
12 revenue realized for the preceding month from the 1% tax  
13 imposed under this Act.

14 Beginning January 1, 1990, each month the Department shall  
15 pay into the County and Mass Transit District Fund 4% of the  
16 net revenue realized for the preceding month from the 6.25%  
17 general rate on the selling price of tangible personal property  
18 which is purchased outside Illinois at retail from a retailer  
19 and which is titled or registered by an agency of this State's  
20 government.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the State and Local Sales Tax Reform Fund, a special  
23 fund in the State Treasury, 20% of the net revenue realized for  
24 the preceding month from the 6.25% general rate on the selling  
25 price of tangible personal property, other than tangible  
26 personal property which is purchased outside Illinois at retail

1 from a retailer and which is titled or registered by an agency  
2 of this State's government.

3 Beginning August 1, 2000, each month the Department shall  
4 pay into the State and Local Sales Tax Reform Fund 100% of the  
5 net revenue realized for the preceding month from the 1.25%  
6 rate on the selling price of motor fuel and gasohol. Beginning  
7 September 1, 2010, each month the Department shall pay into the  
8 State and Local Sales Tax Reform Fund 100% of the net revenue  
9 realized for the preceding month from the 1.25% rate on the  
10 selling price of sales tax holiday items.

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the Local Government Tax Fund 16% of the net revenue  
13 realized for the preceding month from the 6.25% general rate on  
14 the selling price of tangible personal property which is  
15 purchased outside Illinois at retail from a retailer and which  
16 is titled or registered by an agency of this State's  
17 government.

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 Retailers' Occupation Tax Act shall not exceed \$2,000,000  
7 in any fiscal year.

8 Beginning July 1, 2013, each month the Department shall pay  
9 into the Underground Storage Tank Fund from the proceeds  
10 collected under this Act, the Service Use Tax Act, the Service  
11 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
12 amount equal to the average monthly deficit in the Underground  
13 Storage Tank Fund during the prior year, as certified annually  
14 by the Illinois Environmental Protection Agency, but the total  
15 payment into the Underground Storage Tank Fund under this Act,  
16 the Service Use Tax Act, the Service Occupation Tax Act, and  
17 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
18 in any State fiscal year. As used in this paragraph, the  
19 "average monthly deficit" shall be equal to the difference  
20 between the average monthly claims for payment by the fund and  
21 the average monthly revenues deposited into the fund, excluding  
22 payments made pursuant to this paragraph.

23 Beginning July 1, 2015, of the remainder of the moneys  
24 received by the Department under this Act, the Service Use Tax  
25 Act, the Service Occupation Tax Act, and the Retailers'  
26 Occupation Tax Act, each month the Department shall deposit

1 \$500,000 into the State Crime Laboratory Fund.

2 Of the remainder of the moneys received by the Department  
3 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
4 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
5 and after July 1, 1989, 3.8% thereof shall be paid into the  
6 Build Illinois Fund; provided, however, that if in any fiscal  
7 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
8 may be, of the moneys received by the Department and required  
9 to be paid into the Build Illinois Fund pursuant to Section 3  
10 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
11 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
12 Service Occupation Tax Act, such Acts being hereinafter called  
13 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
14 may be, of moneys being hereinafter called the "Tax Act  
15 Amount", and (2) the amount transferred to the Build Illinois  
16 Fund from the State and Local Sales Tax Reform Fund shall be  
17 less than the Annual Specified Amount (as defined in Section 3  
18 of the Retailers' Occupation Tax Act), an amount equal to the  
19 difference shall be immediately paid into the Build Illinois  
20 Fund from other moneys received by the Department pursuant to  
21 the Tax Acts; and further provided, that if on the last  
22 business day of any month the sum of (1) the Tax Act Amount  
23 required to be deposited into the Build Illinois Bond Account  
24 in the Build Illinois Fund during such month and (2) the amount  
25 transferred during such month to the Build Illinois Fund from  
26 the State and Local Sales Tax Reform Fund shall have been less



1 than 1/12 of the Annual Specified Amount, an amount equal to  
2 the difference shall be immediately paid into the Build  
3 Illinois Fund from other moneys received by the Department  
4 pursuant to the Tax Acts; and, further provided, that in no  
5 event shall the payments required under the preceding proviso  
6 result in aggregate payments into the Build Illinois Fund  
7 pursuant to this clause (b) for any fiscal year in excess of  
8 the greater of (i) the Tax Act Amount or (ii) the Annual  
9 Specified Amount for such fiscal year; and, further provided,  
10 that the amounts payable into the Build Illinois Fund under  
11 this clause (b) shall be payable only until such time as the  
12 aggregate amount on deposit under each trust indenture securing  
13 Bonds issued and outstanding pursuant to the Build Illinois  
14 Bond Act is sufficient, taking into account any future  
15 investment income, to fully provide, in accordance with such  
16 indenture, for the defeasance of or the payment of the  
17 principal of, premium, if any, and interest on the Bonds  
18 secured by such indenture and on any Bonds expected to be  
19 issued thereafter and all fees and costs payable with respect  
20 thereto, all as certified by the Director of the Bureau of the  
21 Budget (now Governor's Office of Management and Budget). If on  
22 the last business day of any month in which Bonds are  
23 outstanding pursuant to the Build Illinois Bond Act, the  
24 aggregate of the moneys deposited in the Build Illinois Bond  
25 Account in the Build Illinois Fund in such month shall be less  
26 than the amount required to be transferred in such month from

1 the Build Illinois Bond Account to the Build Illinois Bond  
2 Retirement and Interest Fund pursuant to Section 13 of the  
3 Build Illinois Bond Act, an amount equal to such deficiency  
4 shall be immediately paid from other moneys received by the  
5 Department pursuant to the Tax Acts to the Build Illinois Fund;  
6 provided, however, that any amounts paid to the Build Illinois  
7 Fund in any fiscal year pursuant to this sentence shall be  
8 deemed to constitute payments pursuant to clause (b) of the  
9 preceding sentence and shall reduce the amount otherwise  
10 payable for such fiscal year pursuant to clause (b) of the  
11 preceding sentence. The moneys received by the Department  
12 pursuant to this Act and required to be deposited into the  
13 Build Illinois Fund are subject to the pledge, claim and charge  
14 set forth in Section 12 of the Build Illinois Bond Act.

15 Subject to payment of amounts into the Build Illinois Fund  
16 as provided in the preceding paragraph or in any amendment  
17 thereto hereafter enacted, the following specified monthly  
18 installment of the amount requested in the certificate of the  
19 Chairman of the Metropolitan Pier and Exposition Authority  
20 provided under Section 8.25f of the State Finance Act, but not  
21 in excess of the sums designated as "Total Deposit", shall be  
22 deposited in the aggregate from collections under Section 9 of  
23 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
24 9 of the Service Occupation Tax Act, and Section 3 of the  
25 Retailers' Occupation Tax Act into the McCormick Place  
26 Expansion Project Fund in the specified fiscal years.

1	Fiscal Year	Total Deposit
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000
26	2017	199,000,000

1	2018	210,000,000
2	2019	221,000,000
3	2020	233,000,000
4	2021	246,000,000
5	2022	260,000,000
6	2023	275,000,000
7	2024	275,000,000
8	2025	275,000,000
9	2026	279,000,000
10	2027	292,000,000
11	2028	307,000,000
12	2029	322,000,000
13	2030	338,000,000
14	2031	350,000,000
15	2032	350,000,000

16                   and  
17                    each fiscal year  
18                   thereafter that bonds  
19                   are outstanding under  
20                   Section 13.2 of the  
21                   Metropolitan Pier and  
22                   Exposition Authority Act,  
23                   but not after fiscal year 2060.

24                   Beginning July 20, 1993 and in each month of each fiscal  
25                   year thereafter, one-eighth of the amount requested in the  
26                   certificate of the Chairman of the Metropolitan Pier and

1 Exposition Authority for that fiscal year, less the amount  
2 deposited into the McCormick Place Expansion Project Fund by  
3 the State Treasurer in the respective month under subsection  
4 (g) of Section 13 of the Metropolitan Pier and Exposition  
5 Authority Act, plus cumulative deficiencies in the deposits  
6 required under this Section for previous months and years,  
7 shall be deposited into the McCormick Place Expansion Project  
8 Fund, until the full amount requested for the fiscal year, but  
9 not in excess of the amount specified above as "Total Deposit",  
10 has been deposited.

11 Subject to payment of amounts into the Build Illinois Fund  
12 and the McCormick Place Expansion Project Fund pursuant to the  
13 preceding paragraphs or in any amendments thereto hereafter  
14 enacted, beginning July 1, 1993 and ending on September 30,  
15 2013, the Department shall each month pay into the Illinois Tax  
16 Increment Fund 0.27% of 80% of the net revenue realized for the  
17 preceding month from the 6.25% general rate on the selling  
18 price of tangible personal property.

19 Subject to payment of amounts into the Build Illinois Fund  
20 and the McCormick Place Expansion Project Fund pursuant to the  
21 preceding paragraphs or in any amendments thereto hereafter  
22 enacted, beginning with the receipt of the first report of  
23 taxes paid by an eligible business and continuing for a 25-year  
24 period, the Department shall each month pay into the Energy  
25 Infrastructure Fund 80% of the net revenue realized from the  
26 6.25% general rate on the selling price of Illinois-mined coal

1 that was sold to an eligible business. For purposes of this  
2 paragraph, the term "eligible business" means a new electric  
3 generating facility certified pursuant to Section 605-332 of  
4 the Department of Commerce and Economic Opportunity Law of the  
5 Civil Administrative Code of Illinois.

6 Subject to payment of amounts into the Build Illinois Fund,  
7 the McCormick Place Expansion Project Fund, the Illinois Tax  
8 Increment Fund, and the Energy Infrastructure Fund pursuant to  
9 the preceding paragraphs or in any amendments to this Section  
10 hereafter enacted, beginning on the first day of the first  
11 calendar month to occur on or after August 26, 2014 (the  
12 effective date of Public Act 98-1098), each month, from the  
13 collections made under Section 9 of the Use Tax Act, Section 9  
14 of the Service Use Tax Act, Section 9 of the Service Occupation  
15 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
16 the Department shall pay into the Tax Compliance and  
17 Administration Fund, to be used, subject to appropriation, to  
18 fund additional auditors and compliance personnel at the  
19 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
20 the cash receipts collected during the preceding fiscal year by  
21 the Audit Bureau of the Department under the Use Tax Act, the  
22 Service Use Tax Act, the Service Occupation Tax Act, the  
23 Retailers' Occupation Tax Act, and associated local occupation  
24 and use taxes administered by the Department.

25 Subject to payments of amounts into the Build Illinois  
26 Fund, the McCormick Place Expansion Project Fund, the Illinois

1 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
2 Compliance and Administration Fund as provided in this Section,  
3 beginning on July 1, 2018 the Department shall pay each month  
4 into the Downstate Public Transportation Fund the moneys  
5 required to be so paid under Section 2-3 of the Downstate  
6 Public Transportation Act.

7 Of the remainder of the moneys received by the Department  
8 pursuant to this Act, 75% thereof shall be paid into the State  
9 Treasury and 25% shall be reserved in a special account and  
10 used only for the transfer to the Common School Fund as part of  
11 the monthly transfer from the General Revenue Fund in  
12 accordance with Section 8a of the State Finance Act.

13 As soon as possible after the first day of each month, upon  
14 certification of the Department of Revenue, the Comptroller  
15 shall order transferred and the Treasurer shall transfer from  
16 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
17 equal to 1.7% of 80% of the net revenue realized under this Act  
18 for the second preceding month. Beginning April 1, 2000, this  
19 transfer is no longer required and shall not be made.

20 Net revenue realized for a month shall be the revenue  
21 collected by the State pursuant to this Act, less the amount  
22 paid out during that month as refunds to taxpayers for  
23 overpayment of liability.

24 For greater simplicity of administration, manufacturers,  
25 importers and wholesalers whose products are sold at retail in  
26 Illinois by numerous retailers, and who wish to do so, may

1 assume the responsibility for accounting and paying to the  
2 Department all tax accruing under this Act with respect to such  
3 sales, if the retailers who are affected do not make written  
4 objection to the Department to this arrangement.

5 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
6 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.  
7 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

8 Section 900-17. The Service Use Tax Act is amended by  
9 changing Section 9 as follows:

10 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

11 Sec. 9. Each serviceman required or authorized to collect  
12 the tax herein imposed shall pay to the Department the amount  
13 of such tax (except as otherwise provided) at the time when he  
14 is required to file his return for the period during which such  
15 tax was collected, less a discount of 2.1% prior to January 1,  
16 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
17 year, whichever is greater, which is allowed to reimburse the  
18 serviceman for expenses incurred in collecting the tax, keeping  
19 records, preparing and filing returns, remitting the tax and  
20 supplying data to the Department on request. The discount  
21 allowed under this Section is allowed only for returns that are  
22 filed in the manner required by this Act. The Department may  
23 disallow the discount for servicemen whose certificate of  
24 registration is revoked at the time the return is filed, but



1 only if the Department's decision to revoke the certificate of  
2 registration has become final. A serviceman need not remit that  
3 part of any tax collected by him to the extent that he is  
4 required to pay and does pay the tax imposed by the Service  
5 Occupation Tax Act with respect to his sale of service  
6 involving the incidental transfer by him of the same property.

7 Except as provided hereinafter in this Section, on or  
8 before the twentieth day of each calendar month, such  
9 serviceman shall file a return for the preceding calendar month  
10 in accordance with reasonable Rules and Regulations to be  
11 promulgated by the Department. Such return shall be filed on a  
12 form prescribed by the Department and shall contain such  
13 information as the Department may reasonably require. On and  
14 after January 1, 2018, with respect to servicemen whose annual  
15 gross receipts average \$20,000 or more, all returns required to  
16 be filed pursuant to this Act shall be filed electronically.  
17 Servicemen who demonstrate that they do not have access to the  
18 Internet or demonstrate hardship in filing electronically may  
19 petition the Department to waive the electronic filing  
20 requirement.

21 The Department may require returns to be filed on a  
22 quarterly basis. If so required, a return for each calendar  
23 quarter shall be filed on or before the twentieth day of the  
24 calendar month following the end of such calendar quarter. The  
25 taxpayer shall also file a return with the Department for each  
26 of the first two months of each calendar quarter, on or before

1 the twentieth day of the following calendar month, stating:

2 1. The name of the seller;

3 2. The address of the principal place of business from  
4 which he engages in business as a serviceman in this State;

5 3. The total amount of taxable receipts received by him  
6 during the preceding calendar month, including receipts  
7 from charge and time sales, but less all deductions allowed  
8 by law;

9 4. The amount of credit provided in Section 2d of this  
10 Act;

11 5. The amount of tax due;

12 5-5. The signature of the taxpayer; and

13 6. Such other reasonable information as the Department  
14 may require.

15 If a taxpayer fails to sign a return within 30 days after  
16 the proper notice and demand for signature by the Department,  
17 the return shall be considered valid and any amount shown to be  
18 due on the return shall be deemed assessed.

19 Notwithstanding any other provision of this Act to the  
20 contrary, servicemen subject to tax on cannabis shall file all  
21 cannabis tax returns and shall make all cannabis tax payments  
22 by electronic means in the manner and form required by the  
23 Department.

24 Beginning October 1, 1993, a taxpayer who has an average  
25 monthly tax liability of \$150,000 or more shall make all  
26 payments required by rules of the Department by electronic

1 funds transfer. Beginning October 1, 1994, a taxpayer who has  
2 an average monthly tax liability of \$100,000 or more shall make  
3 all payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1995, a taxpayer who has  
5 an average monthly tax liability of \$50,000 or more shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 2000, a taxpayer who has  
8 an annual tax liability of \$200,000 or more shall make all  
9 payments required by rules of the Department by electronic  
10 funds transfer. The term "annual tax liability" shall be the  
11 sum of the taxpayer's liabilities under this Act, and under all  
12 other State and local occupation and use tax laws administered  
13 by the Department, for the immediately preceding calendar year.  
14 The term "average monthly tax liability" means the sum of the  
15 taxpayer's liabilities under this Act, and under all other  
16 State and local occupation and use tax laws administered by the  
17 Department, for the immediately preceding calendar year  
18 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
19 a tax liability in the amount set forth in subsection (b) of  
20 Section 2505-210 of the Department of Revenue Law shall make  
21 all payments required by rules of the Department by electronic  
22 funds transfer.

23 Before August 1 of each year beginning in 1993, the  
24 Department shall notify all taxpayers required to make payments  
25 by electronic funds transfer. All taxpayers required to make  
26 payments by electronic funds transfer shall make those payments

1 for a minimum of one year beginning on October 1.

2 Any taxpayer not required to make payments by electronic  
3 funds transfer may make payments by electronic funds transfer  
4 with the permission of the Department.

5 All taxpayers required to make payment by electronic funds  
6 transfer and any taxpayers authorized to voluntarily make  
7 payments by electronic funds transfer shall make those payments  
8 in the manner authorized by the Department.

9 The Department shall adopt such rules as are necessary to  
10 effectuate a program of electronic funds transfer and the  
11 requirements of this Section.

12 If the serviceman is otherwise required to file a monthly  
13 return and if the serviceman'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 year  
17 being due by April 20 of such year; with the return for April,  
18 May and June of a given year being due by July 20 of such year;  
19 with the return for July, August and September of a given year  
20 being due by October 20 of such year, and with the return for  
21 October, November and December of a given year being due by  
22 January 20 of the following year.

23 If the serviceman is otherwise required to file a monthly  
24 or quarterly return and if the serviceman'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 serviceman may file his return, in the  
8 case of any serviceman who ceases to engage in a kind of  
9 business which makes him responsible for filing returns under  
10 this Act, such serviceman shall file a final return under this  
11 Act with the Department not more than 1 month after  
12 discontinuing such business.

13 Where a serviceman collects the tax with respect to the  
14 selling price of property which he sells and the purchaser  
15 thereafter returns such property and the serviceman refunds the  
16 selling price thereof to the purchaser, such serviceman shall  
17 also refund, to the purchaser, the tax so collected from the  
18 purchaser. When filing his return for the period in which he  
19 refunds such tax to the purchaser, the serviceman may deduct  
20 the amount of the tax so refunded by him to the purchaser from  
21 any other Service Use Tax, Service Occupation Tax, retailers'  
22 occupation tax or use tax which such serviceman may be required  
23 to pay or remit to the Department, as shown by such return,  
24 provided that the amount of the tax to be deducted shall  
25 previously have been remitted to the Department by such  
26 serviceman. If the serviceman shall not previously have

1 remitted the amount of such tax to the Department, he shall be  
2 entitled to no deduction hereunder upon refunding such tax to  
3 the purchaser.

4 Any serviceman filing a return hereunder shall also include  
5 the total tax upon the selling price of tangible personal  
6 property purchased for use by him as an incident to a sale of  
7 service, and such serviceman shall remit the amount of such tax  
8 to the Department when filing such return.

9 If experience indicates such action to be practicable, the  
10 Department may prescribe and furnish a combination or joint  
11 return which will enable servicemen, who are required to file  
12 returns hereunder and also under the Service Occupation Tax  
13 Act, to furnish all the return information required by both  
14 Acts on the one form.

15 Where the serviceman has more than one business registered  
16 with the Department under separate registration hereunder,  
17 such serviceman shall not file each return that is due as a  
18 single return covering all such registered businesses, but  
19 shall file separate returns for each such registered business.

20 Beginning January 1, 1990, each month the Department shall  
21 pay into the State and Local Tax Reform Fund, a special fund in  
22 the State Treasury, the net revenue realized for the preceding  
23 month from the 1% tax imposed under this Act.

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund 20% of the  
26 net revenue realized for the preceding month from the 6.25%

1 general rate on transfers of tangible personal property, other  
2 than tangible personal property which is purchased outside  
3 Illinois at retail from a retailer and which is titled or  
4 registered by an agency of this State's government.

5 Beginning August 1, 2000, each month the Department shall  
6 pay into the State and Local Sales Tax Reform Fund 100% 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 October 1, 2009, each month the Department shall  
10 pay into the Capital Projects Fund an amount that is equal to  
11 an amount estimated by the Department to represent 80% of the  
12 net revenue realized for the preceding month from the sale of  
13 candy, grooming and hygiene products, and soft drinks that had  
14 been taxed at a rate of 1% prior to September 1, 2009 but that  
15 are now taxed at 6.25%.

16 Beginning July 1, 2013, each month the Department shall pay  
17 into the Underground Storage Tank Fund from the proceeds  
18 collected under this Act, the Use Tax Act, the Service  
19 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
20 amount equal to the average monthly deficit in the Underground  
21 Storage Tank Fund during the prior year, as certified annually  
22 by the Illinois Environmental Protection Agency, but the total  
23 payment into the Underground Storage Tank Fund under this Act,  
24 the Use Tax Act, the Service Occupation Tax Act, and the  
25 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
26 any State fiscal year. As used in this paragraph, the "average

1 monthly deficit" shall be equal to the difference between the  
2 average monthly claims for payment by the fund and the average  
3 monthly revenues deposited into the fund, excluding payments  
4 made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys  
6 received by the Department under the Use Tax Act, this Act, the  
7 Service Occupation Tax Act, and the Retailers' Occupation Tax  
8 Act, each month the Department shall deposit \$500,000 into the  
9 State Crime Laboratory Fund.

10 Of the remainder of the moneys received by the Department  
11 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
12 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
13 and after July 1, 1989, 3.8% thereof shall be paid into the  
14 Build Illinois Fund; provided, however, that if in any fiscal  
15 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
16 may be, of the moneys received by the Department and required  
17 to be paid into the Build Illinois Fund pursuant to Section 3  
18 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
19 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
20 Service Occupation Tax Act, such Acts being hereinafter called  
21 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
22 may be, of moneys being hereinafter called the "Tax Act  
23 Amount", and (2) the amount transferred to the Build Illinois  
24 Fund from the State and Local Sales Tax Reform Fund shall be  
25 less than the Annual Specified Amount (as defined in Section 3  
26 of the Retailers' Occupation Tax Act), an amount equal to the



1 difference shall be immediately paid into the Build Illinois  
2 Fund from other moneys received by the Department pursuant to  
3 the Tax Acts; and further provided, that if on the last  
4 business day of any month the sum of (1) the Tax Act Amount  
5 required to be deposited into the Build Illinois Bond Account  
6 in the Build Illinois Fund during such month and (2) the amount  
7 transferred during such month to the Build Illinois Fund from  
8 the State and Local Sales Tax Reform Fund shall have been less  
9 than 1/12 of the Annual Specified Amount, an amount equal to  
10 the difference shall be immediately paid into the Build  
11 Illinois Fund from other moneys received by the Department  
12 pursuant to the Tax Acts; and, further provided, that in no  
13 event shall the payments required under the preceding proviso  
14 result in aggregate payments into the Build Illinois Fund  
15 pursuant to this clause (b) for any fiscal year in excess of  
16 the greater of (i) the Tax Act Amount or (ii) the Annual  
17 Specified Amount for such fiscal year; and, further provided,  
18 that the amounts payable into the Build Illinois Fund under  
19 this clause (b) shall be payable only until such time as the  
20 aggregate amount on deposit under each trust indenture securing  
21 Bonds issued and outstanding pursuant to the Build Illinois  
22 Bond Act is sufficient, taking into account any future  
23 investment income, to fully provide, in accordance with such  
24 indenture, for the defeasance of or the payment of the  
25 principal of, premium, if any, and interest on the Bonds  
26 secured by such indenture and on any Bonds expected to be

1 issued thereafter and all fees and costs payable with respect  
2 thereto, all as certified by the Director of the Bureau of the  
3 Budget (now Governor's Office of Management and Budget). If on  
4 the last business day of any month in which Bonds are  
5 outstanding pursuant to the Build Illinois Bond Act, the  
6 aggregate of the moneys deposited in the Build Illinois Bond  
7 Account in the Build Illinois Fund in such month shall be less  
8 than the amount required to be transferred in such month from  
9 the Build Illinois Bond Account to the Build Illinois Bond  
10 Retirement and Interest Fund pursuant to Section 13 of the  
11 Build Illinois Bond Act, an amount equal to such deficiency  
12 shall be immediately paid from other moneys received by the  
13 Department pursuant to the Tax Acts to the Build Illinois Fund;  
14 provided, however, that any amounts paid to the Build Illinois  
15 Fund in any fiscal year pursuant to this sentence shall be  
16 deemed to constitute payments pursuant to clause (b) of the  
17 preceding sentence and shall reduce the amount otherwise  
18 payable for such fiscal year pursuant to clause (b) of the  
19 preceding sentence. The moneys received by the Department  
20 pursuant to this Act and required to be deposited into the  
21 Build Illinois Fund are subject to the pledge, claim and charge  
22 set forth in Section 12 of the Build Illinois Bond Act.

23 Subject to payment of amounts into the Build Illinois Fund  
24 as provided in the preceding paragraph or in any amendment  
25 thereto hereafter enacted, the following specified monthly  
26 installment of the amount requested in the certificate of the

1 Chairman of the Metropolitan Pier and Exposition Authority  
2 provided under Section 8.25f of the State Finance Act, but not  
3 in excess of the sums designated as "Total Deposit", shall be  
4 deposited in the aggregate from collections under Section 9 of  
5 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
6 9 of the Service Occupation Tax Act, and Section 3 of the  
7 Retailers' Occupation Tax Act into the McCormick Place  
8 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023	275,000,000
16	2024	275,000,000
17	2025	275,000,000
18	2026	279,000,000
19	2027	292,000,000
20	2028	307,000,000
21	2029	322,000,000
22	2030	338,000,000
23	2031	350,000,000
24	2032	350,000,000
25	and	
26	each fiscal year	

1           thereafter that bonds  
2           are outstanding under  
3           Section 13.2 of the  
4           Metropolitan Pier and  
5           Exposition Authority Act,  
6       but not after fiscal year 2060.

7           Beginning July 20, 1993 and in each month of each fiscal  
8       year thereafter, one-eighth of the amount requested in the  
9       certificate of the Chairman of the Metropolitan Pier and  
10      Exposition Authority for that fiscal year, less the amount  
11      deposited into the McCormick Place Expansion Project Fund by  
12      the State Treasurer in the respective month under subsection  
13      (g) of Section 13 of the Metropolitan Pier and Exposition  
14      Authority Act, plus cumulative deficiencies in the deposits  
15      required under this Section for previous months and years,  
16      shall be deposited into the McCormick Place Expansion Project  
17      Fund, until the full amount requested for the fiscal year, but  
18      not in excess of the amount specified above as "Total Deposit",  
19      has been deposited.

20           Subject to payment of amounts into the Build Illinois Fund  
21      and the McCormick Place Expansion Project Fund pursuant to the  
22      preceding paragraphs or in any amendments thereto hereafter  
23      enacted, beginning July 1, 1993 and ending on September 30,  
24      2013, the Department shall each month pay into the Illinois Tax  
25      Increment Fund 0.27% of 80% of the net revenue realized for the  
26      preceding month from the 6.25% general rate on the selling

1 price of tangible personal property.

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 with the receipt of the first report of  
6 taxes paid by an eligible business and continuing for a 25-year  
7 period, the Department shall each month pay into the Energy  
8 Infrastructure Fund 80% of the net revenue realized from the  
9 6.25% general rate on the selling price of Illinois-mined coal  
10 that was sold to an eligible business. For purposes of this  
11 paragraph, the term "eligible business" means a new electric  
12 generating facility certified pursuant to Section 605-332 of  
13 the Department of Commerce and Economic Opportunity Law of the  
14 Civil Administrative Code of Illinois.

15 Subject to payment of amounts into the Build Illinois Fund,  
16 the McCormick Place Expansion Project Fund, the Illinois Tax  
17 Increment Fund, and the Energy Infrastructure Fund pursuant to  
18 the preceding paragraphs or in any amendments to this Section  
19 hereafter enacted, beginning on the first day of the first  
20 calendar month to occur on or after August 26, 2014 (the  
21 effective date of Public Act 98-1098), each month, from the  
22 collections made under Section 9 of the Use Tax Act, Section 9  
23 of the Service Use Tax Act, Section 9 of the Service Occupation  
24 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
25 the Department shall pay into the Tax Compliance and  
26 Administration Fund, to be used, subject to appropriation, to

1 fund additional auditors and compliance personnel at the  
2 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
3 the cash receipts collected during the preceding fiscal year by  
4 the Audit Bureau of the Department under the Use Tax Act, the  
5 Service Use Tax Act, the Service Occupation Tax Act, the  
6 Retailers' Occupation Tax Act, and associated local occupation  
7 and use taxes administered by the Department.

8 Subject to payments of amounts into the Build Illinois  
9 Fund, the McCormick Place Expansion Project Fund, the Illinois  
10 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
11 Compliance and Administration Fund as provided in this Section,  
12 beginning on July 1, 2018 the Department shall pay each month  
13 into the Downstate Public Transportation Fund the moneys  
14 required to be so paid under Section 2-3 of the Downstate  
15 Public Transportation Act.

16 Of the remainder of the moneys received by the Department  
17 pursuant to this Act, 75% thereof shall be paid into the  
18 General Revenue Fund of the State Treasury and 25% shall be  
19 reserved in a special account and used only for the transfer to  
20 the Common School Fund as part of the monthly transfer from the  
21 General Revenue Fund in accordance with Section 8a of the State  
22 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 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
9 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.  
10 8-14-18; 100-1171, eff. 1-4-19.)

11 Section 900-18. The Service Occupation Tax Act is amended  
12 by changing Section 9 as follows:

13 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

14 Sec. 9. Each serviceman required or authorized to collect  
15 the tax herein imposed shall pay to the Department the amount  
16 of such tax at the time when he is required to file his return  
17 for the period during which such tax was collectible, less a  
18 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
19 after January 1, 1990, or \$5 per calendar year, whichever is  
20 greater, which is allowed to reimburse the serviceman for  
21 expenses incurred in collecting the tax, keeping records,  
22 preparing and filing returns, remitting the tax and supplying  
23 data to the Department on request. The discount allowed under  
24 this Section is allowed only for returns that are filed in the



1 manner required by this Act. The Department may disallow the  
2 discount for servicemen whose certificate of registration is  
3 revoked at the time the return is filed, but only if the  
4 Department's decision to revoke the certificate of  
5 registration has become final.

6 Where such tangible personal property is sold under a  
7 conditional sales contract, or under any other form of sale  
8 wherein the payment of the principal sum, or a part thereof, is  
9 extended beyond the close of the period for which the return is  
10 filed, the serviceman, in collecting the tax may collect, for  
11 each tax return period, only the tax applicable to the part of  
12 the selling price actually received during such tax return  
13 period.

14 Except as provided hereinafter in this Section, on or  
15 before the twentieth day of each calendar month, such  
16 serviceman shall file a return for the preceding calendar month  
17 in accordance with reasonable rules and regulations to be  
18 promulgated by the Department of Revenue. Such return shall be  
19 filed on a form prescribed by the Department and shall contain  
20 such information as the Department may reasonably require. On  
21 and after January 1, 2018, with respect to servicemen whose  
22 annual gross receipts average \$20,000 or more, all returns  
23 required to be filed pursuant to this Act shall be filed  
24 electronically. Servicemen who demonstrate that they do not  
25 have access to the Internet or demonstrate hardship in filing  
26 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 business as a serviceman in this State;

12 3. The total amount of taxable receipts received by him  
13 during the preceding calendar month, including receipts  
14 from charge and time sales, but less all deductions allowed  
15 by law;

16 4. The amount of credit provided in Section 2d of this  
17 Act;

18 5. The amount of tax due;

19 5-5. The signature of the taxpayer; and

20 6. Such other reasonable information as the Department  
21 may require.

22 If a taxpayer fails to sign a return within 30 days after  
23 the proper notice and demand for signature by the Department,  
24 the return shall be considered valid and any amount shown to be  
25 due on the return shall be deemed assessed.

26 Notwithstanding any other provision of this Act to the

1 contrary, servicemen subject to tax on cannabis shall file all  
2 cannabis tax returns and shall make all cannabis tax payments  
3 by electronic means in the manner and form required by the  
4 Department.

5 Prior to October 1, 2003, and on and after September 1,  
6 2004 a serviceman may accept a Manufacturer's Purchase Credit  
7 certification from a purchaser in satisfaction of Service Use  
8 Tax as provided in Section 3-70 of the Service Use Tax Act if  
9 the purchaser provides the appropriate documentation as  
10 required by Section 3-70 of the Service Use Tax Act. A  
11 Manufacturer's Purchase Credit certification, accepted prior  
12 to October 1, 2003 or on or after September 1, 2004 by a  
13 serviceman as provided in Section 3-70 of the Service Use Tax  
14 Act, may be used by that serviceman to satisfy Service  
15 Occupation Tax liability in the amount claimed in the  
16 certification, not to exceed 6.25% of the receipts subject to  
17 tax from a qualifying purchase. A Manufacturer's Purchase  
18 Credit reported on any original or amended return filed under  
19 this Act after October 20, 2003 for reporting periods prior to  
20 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
21 Credit reported on annual returns due on or after January 1,  
22 2005 will be disallowed for periods prior to September 1, 2004.  
23 No Manufacturer's Purchase Credit may be used after September  
24 30, 2003 through August 31, 2004 to satisfy any tax liability  
25 imposed under this Act, including any audit liability.

26 If the serviceman's average monthly tax liability to the

1 Department does not exceed \$200, the Department may authorize  
2 his returns to be filed on a quarter annual basis, with the  
3 return for January, February and March of a given year being  
4 due by April 20 of such year; with the return for April, May  
5 and June of a given year being due by July 20 of such year; with  
6 the return for July, August and September of a given year being  
7 due by October 20 of such year, and with the return for  
8 October, November and December of a given year being due by  
9 January 20 of the following year.

10 If the serviceman's average monthly tax liability to the  
11 Department does not exceed \$50, the Department may authorize  
12 his returns to be filed on an annual basis, with the return for  
13 a given year being due by January 20 of the following year.

14 Such quarter annual and annual returns, as to form and  
15 substance, shall be subject to the same requirements as monthly  
16 returns.

17 Notwithstanding any other provision in this Act concerning  
18 the time within which a serviceman may file his return, in the  
19 case of any serviceman who ceases to engage in a kind of  
20 business which makes him responsible for filing returns under  
21 this Act, such serviceman shall file a final return under this  
22 Act with the Department not more than 1 month after  
23 discontinuing such business.

24 Beginning October 1, 1993, a taxpayer who has an average  
25 monthly tax liability of \$150,000 or more shall make all  
26 payments required by rules of the Department by electronic

1 funds transfer. Beginning October 1, 1994, a taxpayer who has  
2 an average monthly tax liability of \$100,000 or more shall make  
3 all payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1995, a taxpayer who has  
5 an average monthly tax liability of \$50,000 or more shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 2000, a taxpayer who has  
8 an annual tax liability of \$200,000 or more shall make all  
9 payments required by rules of the Department by electronic  
10 funds transfer. The term "annual tax liability" shall be the  
11 sum of the taxpayer's liabilities under this Act, and under all  
12 other State and local occupation and use tax laws administered  
13 by the Department, for the immediately preceding calendar year.  
14 The term "average monthly tax liability" means the sum of the  
15 taxpayer's liabilities under this Act, and under all other  
16 State and local occupation and use tax laws administered by the  
17 Department, for the immediately preceding calendar year  
18 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
19 a tax liability in the amount set forth in subsection (b) of  
20 Section 2505-210 of the Department of Revenue Law shall make  
21 all payments required by rules of the Department by electronic  
22 funds transfer.

23 Before August 1 of each year beginning in 1993, the  
24 Department shall notify all taxpayers required to make payments  
25 by electronic funds transfer. All taxpayers required to make  
26 payments by electronic funds transfer shall make those payments

1 for a minimum of one year beginning on October 1.

2 Any taxpayer not required to make payments by electronic  
3 funds transfer may make payments by electronic funds transfer  
4 with the permission of the Department.

5 All taxpayers required to make payment by electronic funds  
6 transfer and any taxpayers authorized to voluntarily make  
7 payments by electronic funds transfer shall make those payments  
8 in the manner authorized by the Department.

9 The Department shall adopt such rules as are necessary to  
10 effectuate a program of electronic funds transfer and the  
11 requirements of this Section.

12 Where a serviceman collects the tax with respect to the  
13 selling price of tangible personal property which he sells and  
14 the purchaser thereafter returns such tangible personal  
15 property and the serviceman refunds the selling price thereof  
16 to the purchaser, such serviceman shall also refund, to the  
17 purchaser, the tax so collected from the purchaser. When filing  
18 his return for the period in which he refunds such tax to the  
19 purchaser, the serviceman may deduct the amount of the tax so  
20 refunded by him to the purchaser from any other Service  
21 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
22 Use Tax which such serviceman may be required to pay or remit  
23 to the Department, as shown by such return, provided that the  
24 amount of the tax to be deducted shall previously have been  
25 remitted to the Department by such serviceman. If the  
26 serviceman shall not previously have remitted the amount of

1 such tax to the Department, he shall be entitled to no  
2 deduction hereunder upon refunding such tax to the purchaser.

3 If experience indicates such action to be practicable, the  
4 Department may prescribe and furnish a combination or joint  
5 return which will enable servicemen, who are required to file  
6 returns hereunder and also under the Retailers' Occupation Tax  
7 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
8 the return information required by all said Acts on the one  
9 form.

10 Where the serviceman has more than one business registered  
11 with the Department under separate registrations hereunder,  
12 such serviceman shall file separate returns for each registered  
13 business.

14 Beginning January 1, 1990, each month the Department shall  
15 pay into the Local Government Tax Fund the revenue realized for  
16 the preceding month from the 1% tax imposed under this Act.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the County and Mass Transit District Fund 4% of the  
19 revenue realized for the preceding month from the 6.25% general  
20 rate.

21 Beginning August 1, 2000, each month the Department shall  
22 pay into the County and Mass Transit District Fund 20% of the  
23 net revenue realized for the preceding month from the 1.25%  
24 rate on the selling price of motor fuel and gasohol.

25 Beginning January 1, 1990, each month the Department shall  
26 pay into the Local Government Tax Fund 16% of the revenue

1 realized for the preceding month from the 6.25% general rate on  
2 transfers of tangible personal property.

3 Beginning August 1, 2000, each month the Department shall  
4 pay into the Local Government Tax Fund 80% of the net revenue  
5 realized for the preceding month from the 1.25% rate on the  
6 selling price of motor fuel and gasohol.

7 Beginning October 1, 2009, each month the Department shall  
8 pay into the Capital Projects Fund an amount that is equal to  
9 an amount estimated by the Department to represent 80% of the  
10 net revenue realized for the preceding month from the sale of  
11 candy, grooming and hygiene products, and soft drinks that had  
12 been taxed at a rate of 1% prior to September 1, 2009 but that  
13 are now taxed at 6.25%.

14 Beginning July 1, 2013, each month the Department shall pay  
15 into the Underground Storage Tank Fund from the proceeds  
16 collected under this Act, the Use Tax Act, the Service Use Tax  
17 Act, and the Retailers' Occupation Tax Act an amount equal to  
18 the average monthly deficit in the Underground Storage Tank  
19 Fund during the prior year, as certified annually by the  
20 Illinois Environmental Protection Agency, but the total  
21 payment into the Underground Storage Tank Fund under this Act,  
22 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
23 Occupation Tax Act shall not exceed \$18,000,000 in any State  
24 fiscal year. As used in this paragraph, the "average monthly  
25 deficit" shall be equal to the difference between the average  
26 monthly claims for payment by the fund and the average monthly



1 revenues deposited into the fund, excluding payments made  
2 pursuant to this paragraph.

3 Beginning July 1, 2015, of the remainder of the moneys  
4 received by the Department under the Use Tax Act, the Service  
5 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
6 each month the Department shall deposit \$500,000 into the State  
7 Crime Laboratory Fund.

8 Of the remainder of the moneys received by the Department  
9 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
10 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
11 and after July 1, 1989, 3.8% thereof shall be paid into the  
12 Build Illinois Fund; provided, however, that if in any fiscal  
13 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
14 may be, of the moneys received by the Department and required  
15 to be paid into the Build Illinois Fund pursuant to Section 3  
16 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
17 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
18 Service Occupation Tax Act, such Acts being hereinafter called  
19 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
20 may be, of moneys being hereinafter called the "Tax Act  
21 Amount", and (2) the amount transferred to the Build Illinois  
22 Fund from the State and Local Sales Tax Reform Fund shall be  
23 less than the Annual Specified Amount (as defined in Section 3  
24 of the Retailers' Occupation Tax Act), an amount equal to the  
25 difference shall be immediately paid into the Build Illinois  
26 Fund from other moneys received by the Department pursuant to

1 the Tax Acts; and further provided, that if on the last  
2 business day of any month the sum of (1) the Tax Act Amount  
3 required to be deposited into the Build Illinois Account in the  
4 Build Illinois Fund during such month and (2) the amount  
5 transferred during such month to the Build Illinois Fund from  
6 the State and Local Sales Tax Reform Fund shall have been less  
7 than 1/12 of the Annual Specified Amount, an amount equal to  
8 the difference shall be immediately paid into the Build  
9 Illinois Fund from other moneys received by the Department  
10 pursuant to the Tax Acts; and, further provided, that in no  
11 event shall the payments required under the preceding proviso  
12 result in aggregate payments into the Build Illinois Fund  
13 pursuant to this clause (b) for any fiscal year in excess of  
14 the greater of (i) the Tax Act Amount or (ii) the Annual  
15 Specified Amount for such fiscal year; and, further provided,  
16 that the amounts payable into the Build Illinois Fund under  
17 this clause (b) shall be payable only until such time as the  
18 aggregate amount on deposit under each trust indenture securing  
19 Bonds issued and outstanding pursuant to the Build Illinois  
20 Bond Act is sufficient, taking into account any future  
21 investment income, to fully provide, in accordance with such  
22 indenture, for the defeasance of or the payment of the  
23 principal of, premium, if any, and interest on the Bonds  
24 secured by such indenture and on any Bonds expected to be  
25 issued thereafter and all fees and costs payable with respect  
26 thereto, all as certified by the Director of the Bureau of the

1 Budget (now Governor's Office of Management and Budget). If on  
2 the last business day of any month in which Bonds are  
3 outstanding pursuant to the Build Illinois Bond Act, the  
4 aggregate of the moneys deposited in the Build Illinois Bond  
5 Account in the Build Illinois Fund in such month shall be less  
6 than the amount required to be transferred in such month from  
7 the Build Illinois Bond Account to the Build Illinois Bond  
8 Retirement and Interest Fund pursuant to Section 13 of the  
9 Build Illinois Bond Act, an amount equal to such deficiency  
10 shall be immediately paid from other moneys received by the  
11 Department pursuant to the Tax Acts to the Build Illinois Fund;  
12 provided, however, that any amounts paid to the Build Illinois  
13 Fund in any fiscal year pursuant to this sentence shall be  
14 deemed to constitute payments pursuant to clause (b) of the  
15 preceding sentence and shall reduce the amount otherwise  
16 payable for such fiscal year pursuant to clause (b) of the  
17 preceding sentence. The moneys received by the Department  
18 pursuant to this Act and required to be deposited into the  
19 Build Illinois Fund are subject to the pledge, claim and charge  
20 set forth in Section 12 of the Build Illinois Bond Act.

21 Subject to payment of amounts into the Build Illinois Fund  
22 as provided in the preceding paragraph or in any amendment  
23 thereto hereafter enacted, the following specified monthly  
24 installment of the amount requested in the certificate of the  
25 Chairman of the Metropolitan Pier and Exposition Authority  
26 provided under Section 8.25f of the State Finance Act, but not

1 in excess of the sums designated as "Total Deposit", shall be  
2 deposited in the aggregate from collections under Section 9 of  
3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
4 9 of the Service Occupation Tax Act, and Section 3 of the  
5 Retailers' Occupation Tax Act into the McCormick Place  
6 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
7		
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	246,000,000
12	2022	260,000,000
13	2023	275,000,000
14	2024	275,000,000
15	2025	275,000,000
16	2026	279,000,000
17	2027	292,000,000
18	2028	307,000,000
19	2029	322,000,000
20	2030	338,000,000
21	2031	350,000,000
22	2032	350,000,000

23                   and  
24                   each fiscal year  
25                   thereafter that bonds  
26                   are outstanding under

1           Section 13.2 of the  
2           Metropolitan Pier and  
3           Exposition Authority Act,  
4       but not after fiscal year 2060.

5           Beginning July 20, 1993 and in each month of each fiscal  
6       year thereafter, one-eighth of the amount requested in the  
7       certificate of the Chairman of the Metropolitan Pier and  
8       Exposition Authority for that fiscal year, less the amount  
9       deposited into the McCormick Place Expansion Project Fund by  
10      the State Treasurer in the respective month under subsection  
11      (g) of Section 13 of the Metropolitan Pier and Exposition  
12      Authority Act, plus cumulative deficiencies in the deposits  
13      required under this Section for previous months and years,  
14      shall be deposited into the McCormick Place Expansion Project  
15      Fund, until the full amount requested for the fiscal year, but  
16      not in excess of the amount specified above as "Total Deposit",  
17      has been deposited.

18           Subject to payment of amounts into the Build Illinois Fund  
19      and the McCormick Place Expansion Project Fund pursuant to the  
20      preceding paragraphs or in any amendments thereto hereafter  
21      enacted, beginning July 1, 1993 and ending on September 30,  
22      2013, the Department shall each month pay into the Illinois Tax  
23      Increment Fund 0.27% of 80% of the net revenue realized for the  
24      preceding month from the 6.25% general rate on the selling  
25      price of tangible personal property.

26           Subject to payment of amounts into the Build Illinois Fund

1 and the McCormick Place Expansion Project Fund pursuant to the  
2 preceding paragraphs or in any amendments thereto hereafter  
3 enacted, beginning with the receipt of the first report of  
4 taxes paid by an eligible business and continuing for a 25-year  
5 period, the Department shall each month pay into the Energy  
6 Infrastructure Fund 80% of the net revenue realized from the  
7 6.25% general rate on the selling price of Illinois-mined coal  
8 that was sold to an eligible business. For purposes of this  
9 paragraph, the term "eligible business" means a new electric  
10 generating facility certified pursuant to Section 605-332 of  
11 the Department of Commerce and Economic Opportunity Law of the  
12 Civil Administrative Code of Illinois.

13 Subject to payment of amounts into the Build Illinois Fund,  
14 the McCormick Place Expansion Project Fund, the Illinois Tax  
15 Increment Fund, and the Energy Infrastructure Fund pursuant to  
16 the preceding paragraphs or in any amendments to this Section  
17 hereafter enacted, beginning on the first day of the first  
18 calendar month to occur on or after August 26, 2014 (the  
19 effective date of Public Act 98-1098), each month, from the  
20 collections made under Section 9 of the Use Tax Act, Section 9  
21 of the Service Use Tax Act, Section 9 of the Service Occupation  
22 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
23 the Department shall pay into the Tax Compliance and  
24 Administration Fund, to be used, subject to appropriation, to  
25 fund additional auditors and compliance personnel at the  
26 Department of Revenue, an amount equal to  $\frac{1}{12}$  of 5% of 80% of

1 the cash receipts collected during the preceding fiscal year by  
2 the Audit Bureau of the Department under the Use Tax Act, the  
3 Service Use Tax Act, the Service Occupation Tax Act, the  
4 Retailers' Occupation Tax Act, and associated local occupation  
5 and use taxes administered by the Department.

6 Subject to payments of amounts into the Build Illinois  
7 Fund, the McCormick Place Expansion Project Fund, the Illinois  
8 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
9 Compliance and Administration Fund as provided in this Section,  
10 beginning on July 1, 2018 the Department shall pay each month  
11 into the Downstate Public Transportation Fund the moneys  
12 required to be so paid under Section 2-3 of the Downstate  
13 Public Transportation Act.

14 Of the remainder of the moneys received by the Department  
15 pursuant to this Act, 75% shall be paid into the General  
16 Revenue Fund of the State Treasury and 25% shall be reserved in  
17 a special account and used only for the transfer to the Common  
18 School Fund as part of the monthly transfer from the General  
19 Revenue Fund in accordance with Section 8a of the State Finance  
20 Act.

21 The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a statement



1 of gross receipts as shown by the taxpayer's last Federal  
2 income tax return. If the total receipts of the business as  
3 reported in the Federal income tax return do not agree with the  
4 gross receipts reported to the Department of Revenue for the  
5 same period, the taxpayer shall attach to his annual return a  
6 schedule showing a reconciliation of the 2 amounts and the  
7 reasons for the difference. The taxpayer's annual return to the  
8 Department shall also disclose the cost of goods sold by the  
9 taxpayer during the year covered by such return, opening and  
10 closing inventories of such goods for such year, cost of goods  
11 used from stock or taken from stock and given away by the  
12 taxpayer during such year, pay roll information of the  
13 taxpayer's business during such year and any additional  
14 reasonable information which the Department deems would be  
15 helpful in determining the accuracy of the monthly, quarterly  
16 or annual returns filed by such taxpayer as hereinbefore  
17 provided for in this Section.

18 If the annual information return required by this Section  
19 is not filed when and as required, the taxpayer shall be liable  
20 as follows:

21 (i) Until January 1, 1994, the taxpayer shall be liable  
22 for a penalty equal to 1/6 of 1% of the tax due from such  
23 taxpayer under this Act during the period to be covered by  
24 the annual return for each month or fraction of a month  
25 until such return is filed as required, the penalty to be  
26 assessed and collected in the same manner as any other

1 penalty provided for in this Act.

2 (ii) On and after January 1, 1994, the taxpayer shall  
3 be liable for a penalty as described in Section 3-4 of the  
4 Uniform Penalty and Interest Act.

5 The chief executive officer, proprietor, owner or highest  
6 ranking manager shall sign the annual return to certify the  
7 accuracy of the information contained therein. Any person who  
8 willfully signs the annual return containing false or  
9 inaccurate information shall be guilty of perjury and punished  
10 accordingly. The annual return form prescribed by the  
11 Department shall include a warning that the person signing the  
12 return may be liable for perjury.

13 The foregoing portion of this Section concerning the filing  
14 of an annual information return shall not apply to a serviceman  
15 who is not required to file an income tax return with the  
16 United States Government.

17 As soon as possible after the first day of each month, upon  
18 certification of the Department of Revenue, the Comptroller  
19 shall order transferred and the Treasurer shall transfer from  
20 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
21 equal to 1.7% of 80% of the net revenue realized under this Act  
22 for the second preceding month. Beginning April 1, 2000, this  
23 transfer is no longer required and shall not be made.

24 Net revenue realized for a month shall be the revenue  
25 collected by the State pursuant to this Act, less the amount  
26 paid out during that month as refunds to taxpayers for

1 overpayment of liability.

2 For greater simplicity of administration, it shall be  
3 permissible for manufacturers, importers and wholesalers whose  
4 products are sold by numerous servicemen in Illinois, and who  
5 wish to do so, to assume the responsibility for accounting and  
6 paying to the Department all tax accruing under this Act with  
7 respect to such sales, if the servicemen who are affected do  
8 not make written objection to the Department to this  
9 arrangement.

10 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
11 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.  
12 8-14-18; 100-1171, eff. 1-4-19.)

13 Section 900-19. The Retailers' Occupation Tax Act is  
14 amended by changing Section 3 as follows:

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

16 Sec. 3. Except as provided in this Section, on or before  
17 the twentieth day of each calendar month, every person engaged  
18 in the business of selling tangible personal property at retail  
19 in this State during the preceding calendar month shall file a  
20 return with the Department, stating:

21 1. The name of the seller;

22 2. His residence address and the address of his  
23 principal place of business and the address of the  
24 principal place of business (if that is a different

1 address) from which he engages in the business of selling  
2 tangible personal property at retail in this State;

3 3. Total amount of receipts received by him during the  
4 preceding calendar month or quarter, as the case may be,  
5 from sales of tangible personal property, and from services  
6 furnished, by him during such preceding calendar month or  
7 quarter;

8 4. Total amount received by him during the preceding  
9 calendar month or quarter on charge and time sales of  
10 tangible personal property, and from services furnished,  
11 by him prior to the month or quarter for which the return  
12 is filed;

13 5. Deductions allowed by law;

14 6. Gross receipts which were received by him during the  
15 preceding calendar month or quarter and upon the basis of  
16 which the tax is imposed;

17 7. The amount of credit provided in Section 2d of this  
18 Act;

19 8. The amount of tax due;

20 9. The signature of the taxpayer; and

21 10. Such other reasonable information as the  
22 Department may require.

23 On and after January 1, 2018, except for returns for motor  
24 vehicles, watercraft, aircraft, and trailers that are required  
25 to be registered with an agency of this State, with respect to  
26 retailers whose annual gross receipts average \$20,000 or more,

1 all returns required to be filed pursuant to this Act shall be  
2 filed electronically. Retailers who demonstrate that they do  
3 not have access to the Internet or demonstrate hardship in  
4 filing electronically may petition the Department to waive the  
5 electronic filing requirement.

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 Each return shall be accompanied by the statement of  
11 prepaid tax issued pursuant to Section 2e for which credit is  
12 claimed.

13 Prior to October 1, 2003, and on and after September 1,  
14 2004 a retailer may accept a Manufacturer's Purchase Credit  
15 certification from a purchaser in satisfaction of Use Tax as  
16 provided in Section 3-85 of the Use Tax Act if the purchaser  
17 provides the appropriate documentation as required by Section  
18 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
19 certification, accepted by a retailer prior to October 1, 2003  
20 and on and after September 1, 2004 as provided in Section 3-85  
21 of the Use Tax Act, may be used by that retailer to satisfy  
22 Retailers' Occupation Tax liability in the amount claimed in  
23 the certification, not to exceed 6.25% of the receipts subject  
24 to tax from a qualifying purchase. A Manufacturer's Purchase  
25 Credit reported on any original or amended return filed under  
26 this Act after October 20, 2003 for reporting periods prior to

1 September 1, 2004 shall be disallowed. Manufacturer's  
2 Purchaser Credit reported on annual returns due on or after  
3 January 1, 2005 will be disallowed for periods prior to  
4 September 1, 2004. No Manufacturer's Purchase Credit may be  
5 used after September 30, 2003 through August 31, 2004 to  
6 satisfy any tax liability imposed under this Act, including any  
7 audit liability.

8 The Department may require returns to be filed on a  
9 quarterly basis. If so required, a return for each calendar  
10 quarter shall be filed on or before the twentieth day of the  
11 calendar month following the end of such calendar quarter. The  
12 taxpayer shall also file a return with the Department for each  
13 of the first two months of each calendar quarter, on or before  
14 the twentieth day of the following calendar month, stating:

15 1. The name of the seller;

16 2. The address of the principal place of business from  
17 which he engages in the business of selling tangible  
18 personal property at retail in this State;

19 3. The total amount of taxable receipts received by him  
20 during the preceding calendar month from sales of tangible  
21 personal property by him during such preceding calendar  
22 month, including receipts from charge and time sales, but  
23 less all deductions allowed by law;

24 4. The amount of credit provided in Section 2d of this  
25 Act;

26 5. The amount of tax due; and

1           6. Such other reasonable information as the Department  
2           may require.

3           Beginning on October 1, 2003, any person who is not a  
4           licensed distributor, importing distributor, or manufacturer,  
5           as defined in the Liquor Control Act of 1934, but is engaged in  
6           the business of selling, at retail, alcoholic liquor shall file  
7           a statement with the Department of Revenue, in a format and at  
8           a time prescribed by the Department, showing the total amount  
9           paid for alcoholic liquor purchased during the preceding month  
10          and such other information as is reasonably required by the  
11          Department. The Department may adopt rules to require that this  
12          statement be filed in an electronic or telephonic format. Such  
13          rules may provide for exceptions from the filing requirements  
14          of this paragraph. For the purposes of this paragraph, the term  
15          "alcoholic liquor" shall have the meaning prescribed in the  
16          Liquor Control Act of 1934.

17          Beginning on October 1, 2003, every distributor, importing  
18          distributor, and manufacturer of alcoholic liquor as defined in  
19          the Liquor Control Act of 1934, shall file a statement with the  
20          Department of Revenue, no later than the 10th day of the month  
21          for the preceding month during which transactions occurred, by  
22          electronic means, showing the total amount of gross receipts  
23          from the sale of alcoholic liquor sold or distributed during  
24          the preceding month to purchasers; identifying the purchaser to  
25          whom it was sold or distributed; the purchaser's tax  
26          registration number; and such other information reasonably

1 required by the Department. A distributor, importing  
2 distributor, or manufacturer of alcoholic liquor must  
3 personally deliver, mail, or provide by electronic means to  
4 each retailer listed on the monthly statement a report  
5 containing a cumulative total of that distributor's, importing  
6 distributor's, or manufacturer's total sales of alcoholic  
7 liquor to that retailer no later than the 10th day of the month  
8 for the preceding month during which the transaction occurred.  
9 The distributor, importing distributor, or manufacturer shall  
10 notify the retailer as to the method by which the distributor,  
11 importing distributor, or manufacturer will provide the sales  
12 information. If the retailer is unable to receive the sales  
13 information by electronic means, the distributor, importing  
14 distributor, or manufacturer shall furnish the sales  
15 information by personal delivery or by mail. For purposes of  
16 this paragraph, the term "electronic means" includes, but is  
17 not limited to, the use of a secure Internet website, e-mail,  
18 or facsimile.

19 If a total amount of less than \$1 is payable, refundable or  
20 creditable, such amount shall be disregarded if it is less than  
21 50 cents and shall be increased to \$1 if it is 50 cents or more.

22 Notwithstanding any other provision of this Act to the  
23 contrary, retailers subject to tax on cannabis shall file all  
24 cannabis tax returns and shall make all cannabis tax payments  
25 by electronic means in the manner and form required by the  
26 Department.



1           Beginning October 1, 1993, a taxpayer who has an average  
2 monthly tax liability of \$150,000 or more shall make all  
3 payments required by rules of the Department by electronic  
4 funds transfer. Beginning October 1, 1994, a taxpayer who has  
5 an average monthly tax liability of \$100,000 or more shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 1995, a taxpayer who has  
8 an average monthly tax liability of \$50,000 or more shall make  
9 all payments required by rules of the Department by electronic  
10 funds transfer. Beginning October 1, 2000, a taxpayer who has  
11 an annual tax liability of \$200,000 or more shall make all  
12 payments required by rules of the Department by electronic  
13 funds transfer. The term "annual tax liability" shall be the  
14 sum of the taxpayer's liabilities under this Act, and under all  
15 other State and local occupation and use tax laws administered  
16 by the Department, for the immediately preceding calendar year.  
17 The term "average monthly tax liability" shall be the sum of  
18 the taxpayer's liabilities under this Act, and under all other  
19 State and local occupation and use tax laws administered by the  
20 Department, for the immediately preceding calendar year  
21 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
22 a tax liability in the amount set forth in subsection (b) of  
23 Section 2505-210 of the Department of Revenue Law shall make  
24 all payments required by rules of the Department by electronic  
25 funds transfer.

26           Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make payments  
2 by electronic funds transfer. All taxpayers required to make  
3 payments by electronic funds transfer shall make those payments  
4 for a minimum of one year beginning on October 1.

5 Any taxpayer not required to make payments by electronic  
6 funds transfer may make payments by electronic funds transfer  
7 with the permission of the Department.

8 All taxpayers required to make payment by electronic funds  
9 transfer and any taxpayers authorized to voluntarily make  
10 payments by electronic funds transfer shall make those payments  
11 in the manner authorized by the Department.

12 The Department shall adopt such rules as are necessary to  
13 effectuate a program of electronic funds transfer and the  
14 requirements of this Section.

15 Any amount which is required to be shown or reported on any  
16 return or other document under this Act shall, if such amount  
17 is not a whole-dollar amount, be increased to the nearest  
18 whole-dollar amount in any case where the fractional part of a  
19 dollar is 50 cents or more, and decreased to the nearest  
20 whole-dollar amount where the fractional part of a dollar is  
21 less than 50 cents.

22 If the retailer is otherwise required to file a monthly  
23 return and if the retailer'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 retailer is otherwise required to file a monthly or  
8 quarterly return and if the retailer's average monthly tax  
9 liability with the Department does not exceed \$50, the  
10 Department may authorize his returns to be filed on an annual  
11 basis, with the return for a given year being due by January 20  
12 of the 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 retailer may file his return, in the  
18 case of any retailer who ceases to engage in a kind of business  
19 which makes him responsible for filing returns under this Act,  
20 such retailer shall file a final return under this Act with the  
21 Department not more than one month after discontinuing such  
22 business.

23 Where the same person has more than one business registered  
24 with the Department under separate registrations under this  
25 Act, such person may not file each return that is due as a  
26 single return covering all such registered businesses, but

1 shall file separate returns for each such registered business.

2 In addition, with respect to motor vehicles, watercraft,  
3 aircraft, and trailers that are required to be registered with  
4 an agency of this State, except as otherwise provided in this  
5 Section, every retailer selling this kind of tangible personal  
6 property shall file, with the Department, upon a form to be  
7 prescribed and supplied by the Department, a separate return  
8 for each such item of tangible personal property which the  
9 retailer sells, except that if, in the same transaction, (i) a  
10 retailer of aircraft, watercraft, motor vehicles or trailers  
11 transfers more than one aircraft, watercraft, motor vehicle or  
12 trailer to another aircraft, watercraft, motor vehicle  
13 retailer or trailer retailer for the purpose of resale or (ii)  
14 a retailer of aircraft, watercraft, motor vehicles, or trailers  
15 transfers more than one aircraft, watercraft, motor vehicle, or  
16 trailer to a purchaser for use as a qualifying rolling stock as  
17 provided in Section 2-5 of this Act, then that seller may  
18 report the transfer of all aircraft, watercraft, motor vehicles  
19 or trailers involved in that transaction to the Department on  
20 the same uniform invoice-transaction reporting return form.  
21 For purposes of this Section, "watercraft" means a Class 2,  
22 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
23 Boat Registration and Safety Act, a personal watercraft, or any  
24 boat equipped with an inboard motor.

25 In addition, with respect to motor vehicles, watercraft,  
26 aircraft, and trailers that are required to be registered with

1 an agency of this State, every person who is engaged in the  
2 business of leasing or renting such items and who, in  
3 connection with such business, sells any such item to a  
4 retailer for the purpose of resale is, notwithstanding any  
5 other provision of this Section to the contrary, authorized to  
6 meet the return-filing requirement of this Act by reporting the  
7 transfer of all the aircraft, watercraft, motor vehicles, or  
8 trailers transferred for resale during a month to the  
9 Department on the same uniform invoice-transaction reporting  
10 return form on or before the 20th of the month following the  
11 month in which the transfer takes place. Notwithstanding any  
12 other provision of this Act to the contrary, all returns filed  
13 under this paragraph must be filed by electronic means in the  
14 manner and form as required by the Department.

15 Any retailer who sells only motor vehicles, watercraft,  
16 aircraft, or trailers that are required to be registered with  
17 an agency of this State, so that all retailers' occupation tax  
18 liability is required to be reported, and is reported, on such  
19 transaction reporting returns and who is not otherwise required  
20 to file monthly or quarterly returns, need not file monthly or  
21 quarterly returns. However, those retailers shall be required  
22 to file returns on an annual basis.

23 The transaction reporting return, in the case of motor  
24 vehicles or trailers that are required to be registered with an  
25 agency of this State, shall be the same document as the Uniform  
26 Invoice referred to in Section 5-402 of the Illinois Vehicle

1 Code and must show the name and address of the seller; the name  
2 and address of the purchaser; the amount of the selling price  
3 including the amount allowed by the retailer for traded-in  
4 property, if any; the amount allowed by the retailer for the  
5 traded-in tangible personal property, if any, to the extent to  
6 which Section 1 of this Act allows an exemption for the value  
7 of traded-in property; the balance payable after deducting such  
8 trade-in allowance from the total selling price; the amount of  
9 tax due from the retailer with respect to such transaction; the  
10 amount of tax collected from the purchaser by the retailer on  
11 such transaction (or satisfactory evidence that such tax is not  
12 due in that particular instance, if that is claimed to be the  
13 fact); the place and date of the sale; a sufficient  
14 identification of the property sold; such other information as  
15 is required in Section 5-402 of the Illinois Vehicle Code, and  
16 such other information as the Department may reasonably  
17 require.

18 The transaction reporting return in the case of watercraft  
19 or aircraft must show the name and address of the seller; the  
20 name and address of the purchaser; the amount of the selling  
21 price including the amount allowed by the retailer for  
22 traded-in property, if any; the amount allowed by the retailer  
23 for the traded-in tangible personal property, if any, to the  
24 extent to which Section 1 of this Act allows an exemption for  
25 the value of traded-in property; the balance payable after  
26 deducting such trade-in allowance from the total selling price;

1 the amount of tax due from the retailer with respect to such  
2 transaction; the amount of tax collected from the purchaser by  
3 the retailer on such transaction (or satisfactory evidence that  
4 such tax is not due in that particular instance, if that is  
5 claimed to be the fact); the place and date of the sale, a  
6 sufficient identification of the property sold, and such other  
7 information as the Department may reasonably require.

8 Such transaction reporting return shall be filed not later  
9 than 20 days after the day of delivery of the item that is  
10 being sold, but may be filed by the retailer at any time sooner  
11 than that if he chooses to do so. The transaction reporting  
12 return and tax remittance or proof of exemption from the  
13 Illinois use tax may be transmitted to the Department by way of  
14 the State agency with which, or State officer with whom the  
15 tangible personal property must be titled or registered (if  
16 titling or registration is required) if the Department and such  
17 agency or State officer determine that this procedure will  
18 expedite the processing of applications for title or  
19 registration.

20 With each such transaction reporting return, the retailer  
21 shall remit the proper amount of tax due (or shall submit  
22 satisfactory evidence that the sale is not taxable if that is  
23 the case), to the Department or its agents, whereupon the  
24 Department shall issue, in the purchaser's name, a use tax  
25 receipt (or a certificate of exemption if the Department is  
26 satisfied that the particular sale is tax exempt) which such

1 purchaser may submit to the agency with which, or State officer  
2 with whom, he must title or register the tangible personal  
3 property that is involved (if titling or registration is  
4 required) in support of such purchaser's application for an  
5 Illinois certificate or other evidence of title or registration  
6 to such tangible personal property.

7 No retailer's failure or refusal to remit tax under this  
8 Act precludes a user, who has paid the proper tax to the  
9 retailer, from obtaining his certificate of title or other  
10 evidence of title or registration (if titling or registration  
11 is required) upon satisfying the Department that such user has  
12 paid the proper tax (if tax is due) to the retailer. The  
13 Department shall adopt appropriate rules to carry out the  
14 mandate of this paragraph.

15 If the user who would otherwise pay tax to the retailer  
16 wants the transaction reporting return filed and the payment of  
17 the tax or proof of exemption made to the Department before the  
18 retailer is willing to take these actions and such user has not  
19 paid the tax to the retailer, such user may certify to the fact  
20 of such delay by the retailer and may (upon the Department  
21 being satisfied of the truth of such certification) transmit  
22 the information required by the transaction reporting return  
23 and the remittance for tax or proof of exemption directly to  
24 the Department and obtain his tax receipt or exemption  
25 determination, in which event the transaction reporting return  
26 and tax remittance (if a tax payment was required) shall be



1 credited by the Department to the proper retailer's account  
2 with the Department, but without the 2.1% or 1.75% discount  
3 provided for in this Section being allowed. When the user pays  
4 the tax directly to the Department, he shall pay the tax in the  
5 same amount and in the same form in which it would be remitted  
6 if the tax had been remitted to the Department by the retailer.

7 Refunds made by the seller during the preceding return  
8 period to purchasers, on account of tangible personal property  
9 returned to the seller, shall be allowed as a deduction under  
10 subdivision 5 of his monthly or quarterly return, as the case  
11 may be, in case the seller had theretofore included the  
12 receipts from the sale of such tangible personal property in a  
13 return filed by him and had paid the tax imposed by this Act  
14 with respect to such receipts.

15 Where the seller is a corporation, the return filed on  
16 behalf of such corporation shall be signed by the president,  
17 vice-president, secretary or treasurer or by the properly  
18 accredited agent of such corporation.

19 Where the seller is a limited liability company, the return  
20 filed on behalf of the limited liability company shall be  
21 signed by a manager, member, or properly accredited agent of  
22 the limited liability company.

23 Except as provided in this Section, the retailer filing the  
24 return under this Section shall, at the time of filing such  
25 return, pay to the Department the amount of tax imposed by this  
26 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%

1 on and after January 1, 1990, or \$5 per calendar year,  
2 whichever is greater, which is allowed to reimburse the  
3 retailer for the expenses incurred in keeping records,  
4 preparing and filing returns, remitting the tax and supplying  
5 data to the Department on request. Any prepayment made pursuant  
6 to Section 2d of this Act shall be included in the amount on  
7 which such 2.1% or 1.75% discount is computed. In the case of  
8 retailers who report and pay the tax on a transaction by  
9 transaction basis, as provided in this Section, such discount  
10 shall be taken with each such tax remittance instead of when  
11 such retailer files his periodic return. The discount allowed  
12 under this Section is allowed only for returns that are filed  
13 in the manner required by this Act. The Department may disallow  
14 the discount for retailers whose certificate of registration is  
15 revoked at the time the return is filed, but only if the  
16 Department's decision to revoke the certificate of  
17 registration has become final.

18 Before October 1, 2000, if the taxpayer's average monthly  
19 tax liability to the Department under this Act, the Use Tax  
20 Act, the Service Occupation Tax Act, and the Service Use Tax  
21 Act, excluding any liability for prepaid sales tax to be  
22 remitted in accordance with Section 2d of this Act, was \$10,000  
23 or more during the preceding 4 complete calendar quarters, he  
24 shall file a return with the Department each month by the 20th  
25 day of the month next following the month during which such tax  
26 liability is incurred and shall make payments to the Department

1 on or before the 7th, 15th, 22nd and last day of the month  
2 during which such liability is incurred. On and after October  
3 1, 2000, if the taxpayer's average monthly tax liability to the  
4 Department under this Act, the Use Tax Act, the Service  
5 Occupation Tax Act, and the Service Use Tax Act, excluding any  
6 liability for prepaid sales tax to be remitted in accordance  
7 with Section 2d of this 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 by taxpayers having an average monthly tax liability  
22 of \$10,000 or more as determined in the manner provided above  
23 shall continue until such taxpayer's average monthly liability  
24 to the Department during the preceding 4 complete calendar  
25 quarters (excluding the month of highest liability and the  
26 month of lowest liability) is less than \$9,000, or until such

1 taxpayer's average monthly liability to the Department as  
2 computed for each calendar quarter of the 4 preceding complete  
3 calendar quarter period is less than \$10,000. However, if a  
4 taxpayer can show the Department that a substantial change in  
5 the taxpayer's business has occurred which causes the taxpayer  
6 to anticipate that his average monthly tax liability for the  
7 reasonably foreseeable future will fall below the \$10,000  
8 threshold stated above, then such taxpayer may petition the  
9 Department for a change in such taxpayer's reporting status. On  
10 and after October 1, 2000, once applicable, the requirement of  
11 the making of quarter monthly payments to the Department by  
12 taxpayers having an average monthly tax liability of \$20,000 or  
13 more as determined in the manner provided above shall continue  
14 until such taxpayer's average monthly liability to the  
15 Department during the preceding 4 complete calendar quarters  
16 (excluding the month of highest liability and the month of  
17 lowest liability) is less than \$19,000 or until such taxpayer's  
18 average monthly liability to the Department as computed for  
19 each calendar quarter of the 4 preceding complete calendar  
20 quarter period is less than \$20,000. However, if a taxpayer can  
21 show the Department that a substantial change in the taxpayer's  
22 business has occurred which causes the taxpayer to anticipate  
23 that his average monthly tax liability for the reasonably  
24 foreseeable future will fall below the \$20,000 threshold stated  
25 above, then such taxpayer may petition the Department for a  
26 change in such taxpayer's reporting status. The Department

1 shall change such taxpayer's reporting status unless it finds  
2 that such change is seasonal in nature and not likely to be  
3 long term. If any such quarter monthly payment is not paid at  
4 the time or in the amount required by this Section, then the  
5 taxpayer shall be liable for penalties and interest on the  
6 difference between the minimum amount due as a payment and the  
7 amount of such quarter monthly payment actually and timely  
8 paid, except insofar as the taxpayer has previously made  
9 payments for that month to the Department in excess of the  
10 minimum payments previously due as provided in this Section.  
11 The Department shall make reasonable rules and regulations to  
12 govern the quarter monthly payment amount and quarter monthly  
13 payment dates for taxpayers who file on other than a calendar  
14 monthly basis.

15 The provisions of this paragraph apply before October 1,  
16 2001. Without regard to whether a taxpayer is required to make  
17 quarter monthly payments as specified above, any taxpayer who  
18 is required by Section 2d of this Act to collect and remit  
19 prepaid taxes and has collected prepaid taxes which average in  
20 excess of \$25,000 per month during the preceding 2 complete  
21 calendar quarters, shall file a return with the Department as  
22 required by Section 2f and shall make payments to the  
23 Department on or before the 7th, 15th, 22nd and last day of the  
24 month during which such liability is incurred. If the month  
25 during which such tax liability is incurred began prior to  
26 September 1, 1985 (the effective date of Public Act 84-221),

1 each payment shall be in an amount not less than 22.5% of the  
2 taxpayer's actual liability under Section 2d. If the month  
3 during which such tax liability is incurred begins on or after  
4 January 1, 1986, each payment shall be in an amount equal to  
5 22.5% of the taxpayer's actual liability for the month or 27.5%  
6 of the taxpayer's liability for the same calendar month of the  
7 preceding calendar year. If the month during which such tax  
8 liability is incurred begins on or after January 1, 1987, each  
9 payment shall be in an amount equal to 22.5% of the taxpayer's  
10 actual liability for the month or 26.25% of the taxpayer's  
11 liability for the same calendar month of the preceding year.  
12 The amount of such quarter monthly payments shall be credited  
13 against the final tax liability of the taxpayer's return for  
14 that month filed under this Section or Section 2f, as the case  
15 may be. Once applicable, the requirement of the making of  
16 quarter monthly payments to the Department pursuant to this  
17 paragraph shall continue until such taxpayer's average monthly  
18 prepaid tax collections during the preceding 2 complete  
19 calendar quarters is \$25,000 or less. If any such quarter  
20 monthly payment is not paid at the time or in the amount  
21 required, the taxpayer shall be liable for penalties and  
22 interest on such difference, except insofar as the taxpayer has  
23 previously made payments for that month in excess of the  
24 minimum payments previously due.

25 The provisions of this paragraph apply on and after October  
26 1, 2001. Without regard to whether a taxpayer is required to

1 make quarter monthly payments as specified above, any taxpayer  
2 who is required by Section 2d of this Act to collect and remit  
3 prepaid taxes and has collected prepaid taxes that average in  
4 excess of \$20,000 per month during the preceding 4 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 the liability is incurred. Each payment  
9 shall be in an amount equal to 22.5% of the taxpayer's actual  
10 liability for the month or 25% of the taxpayer's liability for  
11 the same calendar month of the preceding year. The amount of  
12 the quarter monthly payments shall be credited against the  
13 final tax liability of the taxpayer's return for that month  
14 filed under this Section or Section 2f, as the case may be.  
15 Once applicable, the requirement of the making of quarter  
16 monthly payments to the Department pursuant to this paragraph  
17 shall continue until the taxpayer's average monthly prepaid tax  
18 collections during the preceding 4 complete calendar quarters  
19 (excluding the month of highest liability and the month of  
20 lowest liability) is less than \$19,000 or until such taxpayer's  
21 average monthly liability to the Department as computed for  
22 each calendar quarter of the 4 preceding complete calendar  
23 quarters is less than \$20,000. If any such quarter monthly  
24 payment is not paid at the time or in the amount required, the  
25 taxpayer shall be liable for penalties and interest on such  
26 difference, except insofar as the taxpayer has previously made



1 payments for that month in excess of the minimum payments  
2 previously due.

3 If any payment provided for in this Section exceeds the  
4 taxpayer's liabilities under this Act, the Use Tax Act, the  
5 Service Occupation Tax Act and the Service Use Tax Act, as  
6 shown on an original monthly return, the Department shall, if  
7 requested by the taxpayer, issue to the taxpayer a credit  
8 memorandum no later than 30 days after the date of payment. The  
9 credit evidenced by such credit memorandum may be assigned by  
10 the taxpayer to a similar taxpayer under this Act, the Use Tax  
11 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
12 in accordance with reasonable rules and regulations to be  
13 prescribed by the Department. If no such request is made, the  
14 taxpayer may credit such excess payment against tax liability  
15 subsequently to be remitted to the Department under this Act,  
16 the Use Tax Act, the Service Occupation Tax Act or the Service  
17 Use Tax Act, in accordance with reasonable rules and  
18 regulations prescribed by the Department. If the Department  
19 subsequently determined that all or any part of the credit  
20 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
21 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
22 of the difference between the credit taken and that actually  
23 due, and that taxpayer shall be liable for penalties and  
24 interest on such difference.

25 If a retailer of motor fuel is entitled to a credit under  
26 Section 2d of this Act which exceeds the taxpayer's liability

1 to the Department under this Act for the month which the  
2 taxpayer is filing a return, the Department shall issue the  
3 taxpayer a credit memorandum for the excess.

4 Beginning January 1, 1990, each month the Department shall  
5 pay into the Local Government Tax Fund, a special fund in the  
6 State treasury which is hereby created, the net revenue  
7 realized for the preceding month from the 1% tax imposed under  
8 this Act.

9 Beginning January 1, 1990, each month the Department shall  
10 pay into the County and Mass Transit District Fund, a special  
11 fund in the State treasury which is hereby created, 4% of the  
12 net revenue realized for the preceding month from the 6.25%  
13 general rate.

14 Beginning August 1, 2000, each month the Department shall  
15 pay into the County and Mass Transit District Fund 20% of the  
16 net revenue realized for the preceding month from the 1.25%  
17 rate on the selling price of motor fuel and gasohol. Beginning  
18 September 1, 2010, each month the Department shall pay into the  
19 County and Mass Transit District Fund 20% of the net revenue  
20 realized for the preceding month from the 1.25% rate on the  
21 selling price of sales tax holiday items.

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the Local Government Tax Fund 16% of the net revenue  
24 realized for the preceding month from the 6.25% general rate on  
25 the selling price of tangible personal property.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the Local Government Tax Fund 80% of the net revenue  
2 realized for the preceding month from the 1.25% rate on the  
3 selling price of motor fuel and gasohol. Beginning September 1,  
4 2010, each month the Department shall pay into the Local  
5 Government Tax Fund 80% of the net revenue realized for the  
6 preceding month from the 1.25% rate on the selling price of  
7 sales tax holiday items.

8 Beginning October 1, 2009, each month the Department shall  
9 pay into the Capital Projects Fund an amount that is equal to  
10 an amount estimated by the Department to represent 80% of the  
11 net revenue realized for the preceding month from the sale of  
12 candy, grooming and hygiene products, and soft drinks that had  
13 been taxed at a rate of 1% prior to September 1, 2009 but that  
14 are now taxed at 6.25%.

15 Beginning July 1, 2011, each month the Department shall pay  
16 into the Clean Air Act Permit Fund 80% of the net revenue  
17 realized for the preceding month from the 6.25% general rate on  
18 the selling price of sorbents used in Illinois in the process  
19 of sorbent injection as used to comply with the Environmental  
20 Protection Act or the federal Clean Air Act, but the total  
21 payment into the Clean Air Act Permit Fund under this Act and  
22 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

23 Beginning July 1, 2013, each month the Department shall pay  
24 into the Underground Storage Tank Fund from the proceeds  
25 collected under this Act, the Use Tax Act, the Service Use Tax  
26 Act, and the Service Occupation Tax Act an amount equal to the

1 average monthly deficit in the Underground Storage Tank Fund  
2 during the prior year, as certified annually by the Illinois  
3 Environmental Protection Agency, but the total payment into the  
4 Underground Storage Tank Fund under this Act, the Use Tax Act,  
5 the Service Use Tax Act, and the Service Occupation Tax Act  
6 shall not exceed \$18,000,000 in any State fiscal year. As used  
7 in this paragraph, the "average monthly deficit" shall be equal  
8 to the difference between the average monthly claims for  
9 payment by the fund and the average monthly revenues deposited  
10 into the fund, excluding payments made pursuant to this  
11 paragraph.

12 Beginning July 1, 2015, of the remainder of the moneys  
13 received by the Department under the Use Tax Act, the Service  
14 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
15 month the Department shall deposit \$500,000 into the State  
16 Crime Laboratory Fund.

17 Of the remainder of the moneys received by the Department  
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
20 and after July 1, 1989, 3.8% thereof shall be paid into the  
21 Build Illinois Fund; provided, however, that if in any fiscal  
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
23 may be, of the moneys received by the Department and required  
24 to be paid into the Build Illinois Fund pursuant to this Act,  
25 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
26 Act, and Section 9 of the Service Occupation Tax Act, such Acts

1 being hereinafter called the "Tax Acts" and such aggregate of  
2 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
3 called the "Tax Act Amount", and (2) the amount transferred to  
4 the Build Illinois Fund from the State and Local Sales Tax  
5 Reform Fund shall be less than the Annual Specified Amount (as  
6 hereinafter defined), an amount equal to the difference shall  
7 be immediately paid into the Build Illinois Fund from other  
8 moneys received by the Department pursuant to the Tax Acts; the  
9 "Annual Specified Amount" means the amounts specified below for  
10 fiscal years 1986 through 1993:

11	Fiscal Year	Annual Specified Amount
12	1986	\$54,800,000
13	1987	\$76,650,000
14	1988	\$80,480,000
15	1989	\$88,510,000
16	1990	\$115,330,000
17	1991	\$145,470,000
18	1992	\$182,730,000
19	1993	\$206,520,000;

20 and means the Certified Annual Debt Service Requirement (as  
21 defined in Section 13 of the Build Illinois Bond Act) or the  
22 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
23 each fiscal year thereafter; and further provided, that if on  
24 the last business day of any month the sum of (1) the Tax Act  
25 Amount required to be deposited into the Build Illinois Bond  
26 Account in the Build Illinois Fund during such month and (2)

1 the amount transferred to the Build Illinois Fund from the  
2 State and Local Sales Tax Reform Fund shall have been less than  
3 1/12 of the Annual Specified Amount, an amount equal to the  
4 difference shall be immediately paid into the Build Illinois  
5 Fund from other moneys received by the Department pursuant to  
6 the Tax Acts; and, further provided, that in no event shall the  
7 payments required under the preceding proviso result in  
8 aggregate payments into the Build Illinois Fund pursuant to  
9 this clause (b) for any fiscal year in excess of the greater of  
10 (i) the Tax Act Amount or (ii) the Annual Specified Amount for  
11 such fiscal year. The amounts payable into the Build Illinois  
12 Fund under clause (b) of the first sentence in this paragraph  
13 shall be payable only until such time as the aggregate amount  
14 on deposit under each trust indenture securing Bonds issued and  
15 outstanding pursuant to the Build Illinois Bond Act is  
16 sufficient, taking into account any future investment income,  
17 to fully provide, in accordance with such indenture, for the  
18 defeasance of or the payment of the principal of, premium, if  
19 any, and interest on the Bonds secured by such indenture and on  
20 any Bonds expected to be issued thereafter and all fees and  
21 costs payable with respect thereto, all as certified by the  
22 Director of the Bureau of the Budget (now Governor's Office of  
23 Management and Budget). If on the last business day of any  
24 month in which Bonds are outstanding pursuant to the Build  
25 Illinois Bond Act, the aggregate of moneys deposited in the  
26 Build Illinois Bond Account in the Build Illinois Fund in such

1 month shall be less than the amount required to be transferred  
2 in such month from the Build Illinois Bond Account to the Build  
3 Illinois Bond Retirement and Interest Fund pursuant to Section  
4 13 of the Build Illinois Bond Act, an amount equal to such  
5 deficiency shall be immediately paid from other moneys received  
6 by the Department pursuant to the Tax Acts to the Build  
7 Illinois Fund; provided, however, that any amounts paid to the  
8 Build Illinois Fund in any fiscal year pursuant to this  
9 sentence shall be deemed to constitute payments pursuant to  
10 clause (b) of the first sentence of this paragraph and shall  
11 reduce the amount otherwise payable for such fiscal year  
12 pursuant to that clause (b). The moneys received by the  
13 Department pursuant to this Act and required to be deposited  
14 into the Build Illinois Fund are subject to the pledge, claim  
15 and charge set forth in Section 12 of the Build Illinois Bond  
16 Act.

17 Subject to payment of amounts into the Build Illinois Fund  
18 as provided in the preceding paragraph or in any amendment  
19 thereto hereafter enacted, the following specified monthly  
20 installment of the amount requested in the certificate of the  
21 Chairman of the Metropolitan Pier and Exposition Authority  
22 provided under Section 8.25f of the State Finance Act, but not  
23 in excess of sums designated as "Total Deposit", shall be  
24 deposited in the aggregate from collections under Section 9 of  
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place  
2 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
3		
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000



1	2015	179,000,000
2	2016	189,000,000
3	2017	199,000,000
4	2018	210,000,000
5	2019	221,000,000
6	2020	233,000,000
7	2021	246,000,000
8	2022	260,000,000
9	2023	275,000,000
10	2024	275,000,000
11	2025	275,000,000
12	2026	279,000,000
13	2027	292,000,000
14	2028	307,000,000
15	2029	322,000,000
16	2030	338,000,000
17	2031	350,000,000
18	2032	350,000,000

19                   and  
20                    each fiscal year  
21                   thereafter that bonds  
22                   are outstanding under  
23                   Section 13.2 of the  
24                   Metropolitan Pier and  
25                   Exposition Authority Act,  
26                   but not after fiscal year 2060.

1           Beginning July 20, 1993 and in each month of each fiscal  
2 year thereafter, one-eighth of the amount requested in the  
3 certificate of the Chairman of the Metropolitan Pier and  
4 Exposition Authority for that fiscal year, less the amount  
5 deposited into the McCormick Place Expansion Project Fund by  
6 the State Treasurer in the respective month under subsection  
7 (g) of Section 13 of the Metropolitan Pier and Exposition  
8 Authority Act, plus cumulative deficiencies in the deposits  
9 required under this Section for previous months and years,  
10 shall be deposited into the McCormick Place Expansion Project  
11 Fund, until the full amount requested for the fiscal year, but  
12 not in excess of the amount specified above as "Total Deposit",  
13 has been deposited.

14           Subject to payment of amounts into the Build Illinois Fund  
15 and the McCormick Place Expansion Project Fund pursuant to the  
16 preceding paragraphs or in any amendments thereto hereafter  
17 enacted, beginning July 1, 1993 and ending on September 30,  
18 2013, the Department shall each month pay into the Illinois Tax  
19 Increment Fund 0.27% of 80% of the net revenue realized for the  
20 preceding month from the 6.25% general rate on the selling  
21 price of tangible personal property.

22           Subject to payment of amounts into the Build Illinois Fund  
23 and the McCormick Place Expansion Project Fund pursuant to the  
24 preceding paragraphs or in any amendments thereto hereafter  
25 enacted, beginning with the receipt of the first report of  
26 taxes paid by an eligible business and continuing for a 25-year

1 period, the Department shall each month pay into the Energy  
2 Infrastructure Fund 80% of the net revenue realized from the  
3 6.25% general rate on the selling price of Illinois-mined coal  
4 that was sold to an eligible business. For purposes of this  
5 paragraph, the term "eligible business" means a new electric  
6 generating facility certified pursuant to Section 605-332 of  
7 the Department of Commerce and Economic Opportunity Law of the  
8 Civil Administrative Code of Illinois.

9 Subject to payment of amounts into the Build Illinois Fund,  
10 the McCormick Place Expansion Project Fund, the Illinois Tax  
11 Increment Fund, and the Energy Infrastructure Fund pursuant to  
12 the preceding paragraphs or in any amendments to this Section  
13 hereafter enacted, beginning on the first day of the first  
14 calendar month to occur on or after August 26, 2014 (the  
15 effective date of Public Act 98-1098), each month, from the  
16 collections made under Section 9 of the Use Tax Act, Section 9  
17 of the Service Use Tax Act, Section 9 of the Service Occupation  
18 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
19 the Department shall pay into the Tax Compliance and  
20 Administration Fund, to be used, subject to appropriation, to  
21 fund additional auditors and compliance personnel at the  
22 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
23 the cash receipts collected during the preceding fiscal year by  
24 the Audit Bureau of the Department under the Use Tax Act, the  
25 Service Use Tax Act, the Service Occupation Tax Act, the  
26 Retailers' Occupation Tax Act, and associated local occupation

1 and use taxes administered by the Department.

2 Subject to payments of amounts into the Build Illinois  
3 Fund, the McCormick Place Expansion Project Fund, the Illinois  
4 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
5 Compliance and Administration Fund as provided in this Section,  
6 beginning on July 1, 2018 the Department shall pay each month  
7 into the Downstate Public Transportation Fund the moneys  
8 required to be so paid under Section 2-3 of the Downstate  
9 Public Transportation Act.

10 Of the remainder of the moneys received by the Department  
11 pursuant to this Act, 75% thereof shall be paid into the State  
12 Treasury and 25% shall be reserved in a special account and  
13 used only for the transfer to the Common School Fund as part of  
14 the monthly transfer from the General Revenue Fund in  
15 accordance with Section 8a of the State Finance Act.

16 The Department may, upon separate written notice to a  
17 taxpayer, require the taxpayer to prepare and file with the  
18 Department on a form prescribed by the Department within not  
19 less than 60 days after receipt of the notice an annual  
20 information return for the tax year specified in the notice.  
21 Such annual return to the Department shall include a statement  
22 of gross receipts as shown by the retailer's last Federal  
23 income tax return. If the total receipts of the business as  
24 reported in the Federal income tax return do not agree with the  
25 gross receipts reported to the Department of Revenue for the  
26 same period, the retailer shall attach to his annual return a

1 schedule showing a reconciliation of the 2 amounts and the  
2 reasons for the difference. The retailer's annual return to the  
3 Department shall also disclose the cost of goods sold by the  
4 retailer during the year covered by such return, opening and  
5 closing inventories of such goods for such year, costs of goods  
6 used from stock or taken from stock and given away by the  
7 retailer during such year, payroll information of the  
8 retailer's business during such year and any additional  
9 reasonable information which the Department deems would be  
10 helpful in determining the accuracy of the monthly, quarterly  
11 or annual returns filed by such retailer as provided for in  
12 this Section.

13 If the annual information return required by this Section  
14 is not filed when and as required, the taxpayer shall be liable  
15 as follows:

16 (i) Until January 1, 1994, the taxpayer shall be liable  
17 for a penalty equal to 1/6 of 1% of the tax due from such  
18 taxpayer under this Act during the period to be covered by  
19 the annual return for each month or fraction of a month  
20 until such return is filed as required, the penalty to be  
21 assessed and collected in the same manner as any other  
22 penalty provided for in this Act.

23 (ii) On and after January 1, 1994, the taxpayer shall  
24 be liable for a penalty as described in Section 3-4 of the  
25 Uniform Penalty and Interest Act.

26 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the  
2 accuracy of the information contained therein. Any person who  
3 willfully signs the annual return containing false or  
4 inaccurate information shall be guilty of perjury and punished  
5 accordingly. The annual return form prescribed by the  
6 Department shall include a warning that the person signing the  
7 return may be liable for perjury.

8 The provisions of this Section concerning the filing of an  
9 annual information return do not apply to a retailer who is not  
10 required to file an income tax return with the United States  
11 Government.

12 As soon as possible after the first day of each month, upon  
13 certification of the Department of Revenue, the Comptroller  
14 shall order transferred and the Treasurer shall transfer from  
15 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
16 equal to 1.7% of 80% of the net revenue realized under this Act  
17 for the second preceding month. Beginning April 1, 2000, this  
18 transfer is no longer required and shall not be made.

19 Net revenue realized for a month shall be the revenue  
20 collected by the State pursuant to this Act, less the amount  
21 paid out during that month as refunds to taxpayers for  
22 overpayment of liability.

23 For greater simplicity of administration, manufacturers,  
24 importers and wholesalers whose products are sold at retail in  
25 Illinois by numerous retailers, and who wish to do so, may  
26 assume the responsibility for accounting and paying to the

1 Department all tax accruing under this Act with respect to such  
2 sales, if the retailers who are affected do not make written  
3 objection to the Department to this arrangement.

4 Any person who promotes, organizes, provides retail  
5 selling space for concessionaires or other types of sellers at  
6 the Illinois State Fair, DuQuoin State Fair, county fairs,  
7 local fairs, art shows, flea markets and similar exhibitions or  
8 events, including any transient merchant as defined by Section  
9 2 of the Transient Merchant Act of 1987, is required to file a  
10 report with the Department providing the name of the merchant's  
11 business, the name of the person or persons engaged in  
12 merchant's business, the permanent address and Illinois  
13 Retailers Occupation Tax Registration Number of the merchant,  
14 the dates and location of the event and other reasonable  
15 information that the Department may require. The report must be  
16 filed not later than the 20th day of the month next following  
17 the month during which the event with retail sales was held.  
18 Any person who fails to file a report required by this Section  
19 commits a business offense and is subject to a fine not to  
20 exceed \$250.

21 Any person engaged in the business of selling tangible  
22 personal property at retail as a concessionaire or other type  
23 of seller at the Illinois State Fair, county fairs, art shows,  
24 flea markets and similar exhibitions or events, or any  
25 transient merchants, as defined by Section 2 of the Transient  
26 Merchant Act of 1987, may be required to make a daily report of

1 the amount of such sales to the Department and to make a daily  
2 payment of the full amount of tax due. The Department shall  
3 impose this requirement when it finds that there is a  
4 significant risk of loss of revenue to the State at such an  
5 exhibition or event. Such a finding shall be based on evidence  
6 that a substantial number of concessionaires or other sellers  
7 who are not residents of Illinois will be engaging in the  
8 business of selling tangible personal property at retail at the  
9 exhibition or event, or other evidence of a significant risk of  
10 loss of revenue to the State. The Department shall notify  
11 concessionaires and other sellers affected by the imposition of  
12 this requirement. In the absence of notification by the  
13 Department, the concessionaires and other sellers shall file  
14 their returns as otherwise required in this Section.

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 (35 ILCS 520/Act rep.)

19 Section 900-20. The Cannabis and Controlled Substances Tax  
20 Act is repealed.

21 Section 900-22. The Illinois Police Training Act is amended  
22 by changing Sections 9 and 10.12 as follows:

23 (50 ILCS 705/9) (from Ch. 85, par. 509)



1 (Text of Section before amendment by P.A. 100-987)

2 Sec. 9. A special fund is hereby established in the State  
3 Treasury to be known as the Traffic and Criminal Conviction  
4 Surcharge Fund and shall be financed as provided in Section 9.1  
5 of this Act and Section 5-9-1 of the Unified Code of  
6 Corrections, unless the fines, costs, or additional amounts  
7 imposed are subject to disbursement by the circuit clerk under  
8 Section 27.5 of the Clerks of Courts Act. Moneys in this Fund  
9 shall be expended as follows:

10 (1) a portion of the total amount deposited in the Fund  
11 may be used, as appropriated by the General Assembly, for  
12 the ordinary and contingent expenses of the Illinois Law  
13 Enforcement Training Standards Board;

14 (2) a portion of the total amount deposited in the Fund  
15 shall be appropriated for the reimbursement of local  
16 governmental agencies participating in training programs  
17 certified by the Board, in an amount equaling 1/2 of the  
18 total sum paid by such agencies during the State's previous  
19 fiscal year for mandated training for probationary police  
20 officers or probationary county corrections officers and  
21 for optional advanced and specialized law enforcement or  
22 county corrections training; these reimbursements may  
23 include the costs for tuition at training schools, the  
24 salaries of trainees while in schools, and the necessary  
25 travel and room and board expenses for each trainee; if the  
26 appropriations under this paragraph (2) are not sufficient

1 to fully reimburse the participating local governmental  
2 agencies, the available funds shall be apportioned among  
3 such agencies, with priority first given to repayment of  
4 the costs of mandatory training given to law enforcement  
5 officer or county corrections officer recruits, then to  
6 repayment of costs of advanced or specialized training for  
7 permanent police officers or permanent county corrections  
8 officers;

9 (3) a portion of the total amount deposited in the Fund  
10 may be used to fund the Intergovernmental Law Enforcement  
11 Officer's In-Service Training Act, veto overridden October  
12 29, 1981, as now or hereafter amended, at a rate and method  
13 to be determined by the board;

14 (4) a portion of the Fund also may be used by the  
15 Illinois Department of State Police for expenses incurred  
16 in the training of employees from any State, county or  
17 municipal agency whose function includes enforcement of  
18 criminal or traffic law;

19 (5) a portion of the Fund may be used by the Board to  
20 fund grant-in-aid programs and services for the training of  
21 employees from any county or municipal agency whose  
22 functions include corrections or the enforcement of  
23 criminal or traffic law;

24 (6) for fiscal years 2013 through 2017 only, a portion  
25 of the Fund also may be used by the Department of State  
26 Police to finance any of its lawful purposes or functions;

1 ~~and~~

2 (7) a portion of the Fund may be used by the Board,  
3 subject to appropriation, to administer grants to local law  
4 enforcement agencies for the purpose of purchasing  
5 bulletproof vests under the Law Enforcement Officer  
6 Bulletproof Vest Act; and .

7 (8) a portion of the Fund may be used by the Board to  
8 create a law enforcement grant program available for units  
9 of local government to fund crime prevention programs,  
10 training, and interdiction efforts, including enforcement  
11 and prevention efforts, relating to the illegal cannabis  
12 market and driving under the influence of cannabis.

13 All payments from the Traffic and Criminal Conviction  
14 Surcharge Fund shall be made each year from moneys appropriated  
15 for the purposes specified in this Section. No more than 50% of  
16 any appropriation under this Act shall be spent in any city  
17 having a population of more than 500,000. The State Comptroller  
18 and the State Treasurer shall from time to time, at the  
19 direction of the Governor, transfer from the Traffic and  
20 Criminal Conviction Surcharge Fund to the General Revenue Fund  
21 in the State Treasury such amounts as the Governor determines  
22 are in excess of the amounts required to meet the obligations  
23 of the Traffic and Criminal Conviction Surcharge Fund.

24 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;  
25 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff.  
26 6-30-16.)

1 (Text of Section after amendment by P.A. 100-987)

2 Sec. 9. A special fund is hereby established in the State  
3 Treasury to be known as the Traffic and Criminal Conviction  
4 Surcharge Fund. Moneys in this Fund shall be expended as  
5 follows:

6 (1) a portion of the total amount deposited in the Fund  
7 may be used, as appropriated by the General Assembly, for  
8 the ordinary and contingent expenses of the Illinois Law  
9 Enforcement Training Standards Board;

10 (2) a portion of the total amount deposited in the Fund  
11 shall be appropriated for the reimbursement of local  
12 governmental agencies participating in training programs  
13 certified by the Board, in an amount equaling 1/2 of the  
14 total sum paid by such agencies during the State's previous  
15 fiscal year for mandated training for probationary police  
16 officers or probationary county corrections officers and  
17 for optional advanced and specialized law enforcement or  
18 county corrections training; these reimbursements may  
19 include the costs for tuition at training schools, the  
20 salaries of trainees while in schools, and the necessary  
21 travel and room and board expenses for each trainee; if the  
22 appropriations under this paragraph (2) are not sufficient  
23 to fully reimburse the participating local governmental  
24 agencies, the available funds shall be apportioned among  
25 such agencies, with priority first given to repayment of

1 the costs of mandatory training given to law enforcement  
2 officer or county corrections officer recruits, then to  
3 repayment of costs of advanced or specialized training for  
4 permanent police officers or permanent county corrections  
5 officers;

6 (3) a portion of the total amount deposited in the Fund  
7 may be used to fund the Intergovernmental Law Enforcement  
8 Officer's In-Service Training Act, veto overridden October  
9 29, 1981, as now or hereafter amended, at a rate and method  
10 to be determined by the board;

11 (4) a portion of the Fund also may be used by the  
12 Illinois Department of State Police for expenses incurred  
13 in the training of employees from any State, county or  
14 municipal agency whose function includes enforcement of  
15 criminal or traffic law;

16 (5) a portion of the Fund may be used by the Board to  
17 fund grant-in-aid programs and services for the training of  
18 employees from any county or municipal agency whose  
19 functions include corrections or the enforcement of  
20 criminal or traffic law;

21 (6) for fiscal years 2013 through 2017 only, a portion  
22 of the Fund also may be used by the Department of State  
23 Police to finance any of its lawful purposes or functions;

24 ~~and~~

25 (7) a portion of the Fund may be used by the Board,  
26 subject to appropriation, to administer grants to local law

1 enforcement agencies for the purpose of purchasing  
2 bulletproof vests under the Law Enforcement Officer  
3 Bulletproof Vest Act; and -

4 (8) a portion of the Fund may be used by the Board to  
5 create a law enforcement grant program available for units  
6 of local government to fund crime prevention programs,  
7 training, and interdiction efforts, including enforcement  
8 and prevention efforts, relating to the illegal cannabis  
9 market and driving under the influence of cannabis.

10 All payments from the Traffic and Criminal Conviction  
11 Surcharge Fund shall be made each year from moneys appropriated  
12 for the purposes specified in this Section. No more than 50% of  
13 any appropriation under this Act shall be spent in any city  
14 having a population of more than 500,000. The State Comptroller  
15 and the State Treasurer shall from time to time, at the  
16 direction of the Governor, transfer from the Traffic and  
17 Criminal Conviction Surcharge Fund to the General Revenue Fund  
18 in the State Treasury such amounts as the Governor determines  
19 are in excess of the amounts required to meet the obligations  
20 of the Traffic and Criminal Conviction Surcharge Fund.

21 (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16;  
22 100-987, eff. 7-1-19.)

23 (50 ILCS 705/10.12)

24 Sec. 10.12. Police dog training standards. All ~~Beginning~~  
25 ~~July 1, 2012,~~ all police dogs used by State and local law

1 enforcement agencies for drug enforcement purposes pursuant to  
2 the Cannabis Control Act ~~(720 ILCS 550/)~~, the Illinois  
3 Controlled Substances Act ~~(720 ILCS 570/)~~, or ~~and~~ the  
4 Methamphetamine Control and Community Protection Act ~~(720 ILCS  
5 646/)~~ shall be trained by programs that meet the minimum  
6 certification requirements set by the Board.

7 (Source: P.A. 97-469, eff. 7-1-12.)

8 Section 900-25. The Counties Code is amended by changing  
9 Section 5-1009 and adding Section 5-1006.8 as follows:

10 (55 ILCS 5/5-1006.8 new)

11 Sec. 5-1006.8. County Cannabis Retailer's Occupation Tax  
12 Act.

13 (a) On and after January 1, 2020, the corporate authorities  
14 of any county may, by ordinance, impose a tax upon all persons  
15 engaged in the business of selling cannabis, other than  
16 cannabis purchased under the Compassionate Use of Medical  
17 Cannabis Pilot Program Act, at retail in the county on the  
18 gross receipts from these sales made in the course of that  
19 business. If imposed, the tax shall be imposed only in 0.25%  
20 increments. The tax rate may not exceed (i) 3.5% of the gross  
21 receipts of sales made in unincorporated areas of the county  
22 and (ii) 0.5% of the gross receipts of sales made in a  
23 municipality. The tax imposed under this Section and all civil  
24 penalties that may be assessed as an incident of the tax shall

1 be collected and enforced by the Department of Revenue. The  
2 Department of Revenue shall have full power to administer and  
3 enforce this Section; to collect all taxes and penalties due  
4 hereunder; to dispose of taxes and penalties so collected in  
5 the manner hereinafter provided; and to determine all rights to  
6 credit memoranda arising on account of the erroneous payment of  
7 tax or penalty under this Section. In the administration of and  
8 compliance with this Section, the Department of Revenue and  
9 persons who are subject to this Section shall have the same  
10 rights, remedies, privileges, immunities, powers and duties,  
11 and be subject to the same conditions, restrictions,  
12 limitations, penalties, and definitions of terms, and employ  
13 the same modes of procedure, as are described in Sections 1,  
14 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect  
15 to all provisions therein other than the State rate of tax),  
16 2c, 3 (except as to the disposition of taxes and penalties  
17 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
18 5l, 6, 6a, 6bb, 6c, 6d, 8, 8, 9, 10, 11, 12, and 13 of the  
19 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
20 Penalty and Interest Act as fully as if those provisions were  
21 set forth in this section.

22 (b) Persons subject to any tax imposed under the authority  
23 granted in this Section may reimburse themselves for their  
24 seller's tax liability hereunder by separately stating that tax  
25 as an additional charge, which charge may be stated in  
26 combination, in a single amount, with any State tax that



1 sellers are required to collect.

2 (c) Whenever the Department of Revenue determines that a  
3 refund should be made under this Section to a claimant instead  
4 of issuing a credit memorandum, the Department of Revenue shall  
5 notify the State Comptroller, who shall cause the order to be  
6 drawn for the amount specified and to the person named in the  
7 notification from the Department of Revenue.

8 (d) The Department of Revenue shall immediately pay over to  
9 the State Treasurer, ex officio, as trustee, all taxes and  
10 penalties collected hereunder for deposit into the Cannabis  
11 Regulation Fund.

12 (e) On or before the 25th day of each calendar month, the  
13 Department of Revenue shall prepare and certify to the  
14 Comptroller the amount of money to be disbursed from the  
15 Cannabis Regulation Fund to counties from which retailers have  
16 paid taxes or penalties under this Section during the second  
17 preceding calendar month. The amount to be paid to each county  
18 shall be the amount (not including credit memoranda) collected  
19 under this Section from sales made in the county during the  
20 second preceding calendar month, plus an amount the Department  
21 of Revenue determines is necessary to offset any amounts that  
22 were erroneously paid to a different taxing body, and not  
23 including an amount equal to the amount of refunds made during  
24 the second preceding calendar month by the Department on behalf  
25 of such county, and not including any amount that the  
26 Department determines is necessary to offset any amounts that

1 were payable to a different taxing body but were erroneously  
2 paid to the county, less 1.5% of the remainder, which the  
3 Department shall transfer into the Tax Compliance and  
4 Administration Fund. The Department, at the time of each  
5 monthly disbursement to the counties, shall prepare and certify  
6 the State 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 counties 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 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

22 Sec. 5-1009. Limitation on home rule powers. Except as  
23 provided in Sections 5-1006, 5-1006.5, 5-1007 and 5-1008, on  
24 and after September 1, 1990, no home rule county has the  
25 authority to impose, pursuant to its home rule authority, a

1 retailer's occupation tax, service occupation tax, use tax,  
2 sales tax or other tax on the use, sale or purchase of tangible  
3 personal property based on the gross receipts from such sales  
4 or the selling or purchase price of said tangible personal  
5 property. Notwithstanding the foregoing, this Section does not  
6 preempt any home rule imposed tax such as the following: (1) a  
7 tax on alcoholic beverages, whether based on gross receipts,  
8 volume sold or any other measurement; (2) a tax based on the  
9 number of units of cigarettes or tobacco products; (3) a tax,  
10 however measured, based on the use of a hotel or motel room or  
11 similar facility; (4) a tax, however measured, on the sale or  
12 transfer of real property; (5) a tax, however measured, on  
13 lease receipts; (6) a tax on food prepared for immediate  
14 consumption and on alcoholic beverages sold by a business which  
15 provides for on premise consumption of said food or alcoholic  
16 beverages; or (7) other taxes (other than a tax on cannabis in  
17 any of its forms, which is prohibited) not based on the selling  
18 or purchase price or gross receipts from the use, sale or  
19 purchase of tangible personal property. This Section does not  
20 preempt a home rule county from imposing a tax, however  
21 measured, on the use, for consideration, of a parking lot,  
22 garage, or other parking facility. This Section is a  
23 limitation, pursuant to subsection (g) of Section 6 of Article  
24 VII of the Illinois Constitution, on the power of home rule  
25 units to tax.

26 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

1           Section 900-30. The Illinois Municipal Code is amended by  
2 changing Section 8-11-6a and by adding Section 8-11-22 as  
3 follows:

4           (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

5           Sec. 8-11-6a. Home rule municipalities; preemption of  
6 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,  
7 8-11-6, 8-11-6b, 8-11-6c, and 11-74.3-6 on and after September  
8 1, 1990, no home rule municipality has the authority to impose,  
9 pursuant to its home rule authority, a retailer's occupation  
10 tax, service occupation tax, use tax, sales tax or other tax on  
11 the use, sale or purchase of tangible personal property based  
12 on the gross receipts from such sales or the selling or  
13 purchase price of said tangible personal property.  
14 Notwithstanding the foregoing, this Section does not preempt  
15 any home rule imposed tax such as the following: (1) a tax on  
16 alcoholic beverages, whether based on gross receipts, volume  
17 sold or any other measurement; (2) a tax based on the number of  
18 units of cigarettes or tobacco products (provided, however,  
19 that a home rule municipality that has not imposed a tax based  
20 on the number of units of cigarettes or tobacco products before  
21 July 1, 1993, shall not impose such a tax after that date); (3)  
22 a tax, however measured, based on the use of a hotel or motel  
23 room or similar facility; (4) a tax, however measured, on the  
24 sale or transfer of real property; (5) a tax, however measured,

1 on 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 (other than a tax on cannabis in  
5 any of its forms, which is prohibited) not based on the selling  
6 or purchase price or gross receipts from the use, sale or  
7 purchase of tangible personal property. This Section does not  
8 preempt a home rule municipality with a population of more than  
9 2,000,000 from imposing a tax, however measured, on the use,  
10 for consideration, of a parking lot, garage, or other parking  
11 facility. This Section is not intended to affect any existing  
12 tax on food and beverages prepared for immediate consumption on  
13 the premises where the sale occurs, or any existing tax on  
14 alcoholic beverages, or any existing tax imposed on the charge  
15 for renting a hotel or motel room, which was in effect January  
16 15, 1988, or any extension of the effective date of such an  
17 existing tax by ordinance of the municipality imposing the tax,  
18 which extension is hereby authorized, in any non-home rule  
19 municipality in which the imposition of such a tax has been  
20 upheld by judicial determination, nor is this Section intended  
21 to preempt the authority granted by Public Act 85-1006. This  
22 Section is a limitation, pursuant to subsection (g) of Section  
23 6 of Article VII of the Illinois Constitution, on the power of  
24 home rule units to tax.

25 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

1 (65 ILCS 5/8-11-22 new)

2 Sec. 8-11-22. Municipal Cannabis Retailers' Occupation Tax  
3 Law.

4 (a) This Section may be referred to as the Municipal  
5 Cannabis Retailers' Occupation Tax Law. On and after January 1,  
6 2020, the corporate authorities of any municipality may, by  
7 ordinance, impose a tax upon all persons engaged in the  
8 business of selling cannabis, other than cannabis purchased  
9 under the Compassionate Use of Medical Cannabis Pilot Program  
10 Act, at retail in the municipality on the gross receipts from  
11 these sales made in the course of that business. If imposed,  
12 the tax may not exceed 3% of the gross receipts from these  
13 sales and shall only be imposed in 1/4% increments. The tax  
14 imposed under this Section and all civil penalties that may be  
15 assessed as an incident of the tax shall be collected and  
16 enforced by the Department of Revenue. The Department of  
17 Revenue shall have full power to administer and enforce this  
18 Section; to collect all taxes and penalties due hereunder; to  
19 dispose of taxes and penalties so collected in the manner  
20 hereinafter provided; and to determine all rights to credit  
21 memoranda arising on account of the erroneous payment of tax or  
22 penalty under this Section. In the administration of and  
23 compliance with this Section, the Department and persons who  
24 are subject to this Section shall have the same rights,  
25 remedies, privileges, immunities, powers and duties, and be  
26 subject to the same conditions, restrictions, limitations,

1 penalties and definitions of terms, and employ the same modes  
2 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,  
3 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all  
4 provisions therein other than the State rate of tax), 2c, 3  
5 (except as to the disposition of taxes and penalties  
6 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
7 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
8 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
9 Penalty and Interest Act, as fully as if those provisions were  
10 set forth herein.

11 (b) Persons subject to any tax imposed under the authority  
12 granted in this Section may reimburse themselves for their  
13 seller's tax liability hereunder by separately stating that tax  
14 as an additional charge, which charge may be stated in  
15 combination, in a single amount, with any State tax that  
16 sellers are required to collect.

17 (c) Whenever the Department of Revenue determines that a  
18 refund should be made under this Section to a claimant instead  
19 of issuing a credit memorandum, the Department of Revenue shall  
20 notify the State Comptroller, who shall cause the order to be  
21 drawn for the amount specified and to the person named in the  
22 notification from the Department of Revenue.

23 (d) The Department of Revenue shall immediately pay over to  
24 the State Treasurer, ex officio, as trustee, all taxes and  
25 penalties collected hereunder for deposit into the Cannabis  
26 Regulation Fund.

1       (e) On or before the 25th day of each calendar month, the  
2 Department of Revenue shall prepare and certify to the  
3 Comptroller the amount of money to be disbursed from the  
4 Cannabis Regulation Fund to municipalities from which  
5 retailers have paid taxes or penalties under this Section  
6 during the second preceding calendar month. The amount to be  
7 paid to each municipality shall be the amount (not including  
8 credit memoranda) collected under this Section from sales made  
9 in the municipality during the second preceding calendar month,  
10 plus an amount the Department of Revenue determines is  
11 necessary to offset any amounts that were erroneously paid to a  
12 different taxing body, and not including an amount equal to the  
13 amount of refunds made during the second preceding calendar  
14 month by the Department on behalf of such municipality, and not  
15 including any amount that the Department determines is  
16 necessary to offset any amounts that were payable to a  
17 different taxing body but were erroneously paid to the  
18 municipality, less 1.5% of the remainder, which the Department  
19 shall transfer into the Tax Compliance and Administration Fund.  
20 The Department, at the time of each monthly disbursement to the  
21 municipalities, shall prepare and certify to the State  
22 Comptroller the amount to be transferred into the Tax  
23 Compliance and Administration Fund under this Section. Within  
24 10 days after receipt by the Comptroller of the disbursement  
25 certification to the municipalities and the Tax Compliance and  
26 Administration Fund provided for in this Section to be given to



1 the Comptroller by the Department, the Comptroller shall cause  
2 the orders to be drawn for the respective amounts in accordance  
3 with the directions contained in the certification.

4 (f) An ordinance or resolution imposing or discontinuing a  
5 tax under this Section or effecting a change in the rate  
6 thereof shall be adopted and a certified copy thereof filed  
7 with the Department on or before the first day of June,  
8 whereupon the Department shall proceed to administer and  
9 enforce this Section as of the first day of September next  
10 following the adoption and filing.

11 Section 900-35. The Compassionate Use of Medical Cannabis  
12 Pilot Program Act is amended by changing Sections 200 and 210  
13 as follows:

14 (410 ILCS 130/200)

15 (Section scheduled to be repealed on July 1, 2020)

16 Sec. 200. Tax imposed.

17 (a) Beginning on the effective date of this Act, a tax is  
18 imposed upon the privilege of cultivating medical cannabis at a  
19 rate of 7% of the sales price per ounce. The proceeds from this  
20 tax shall be deposited into the Compassionate Use of Medical  
21 Cannabis Fund created under the Compassionate Use of Medical  
22 Cannabis Pilot Program Act. A tax is imposed upon the privilege  
23 of cultivating and processing adult use cannabis at the rate of  
24 7% of the gross receipts from the sale of cannabis by a

1 cultivator or craft grower to a dispensing organization. The  
2 sale of any adult use product that contains any amount of  
3 cannabis or any derivative thereof is subject to the tax under  
4 this Section on the full selling price of the product. The  
5 proceeds from this tax shall be deposited into the Cannabis  
6 Regulation Fund. This tax shall be paid by the cultivator who  
7 makes the first sale and is not the responsibility of a  
8 dispensing organization, qualifying patient, or purchaser.  
9 ~~Beginning on the effective date of this Act, a tax is imposed~~  
10 ~~upon the privilege of cultivating medical cannabis at a rate of~~  
11 ~~7% of the sales price per ounce. The proceeds from this tax~~  
12 ~~shall be deposited into the Compassionate Use of Medical~~  
13 ~~Cannabis Fund created under the Compassionate Use of Medical~~  
14 ~~Cannabis Pilot Program Act. This tax shall be paid by a~~  
15 ~~cultivation center and is not the responsibility of a~~  
16 ~~dispensing organization or a qualifying patient.~~

17 (a-5) In the administration of and compliance with this  
18 Section, the Department of Revenue and persons who are subject  
19 to this Section: (i) have the same rights, remedies,  
20 privileges, immunities, powers, and duties, (ii) are subject to  
21 the same conditions, restrictions, limitations, penalties, and  
22 definitions of terms, and (iii) shall employ the same modes of  
23 procedure as are set forth in the Cannabis Cultivation  
24 Privilege Tax Law and the Uniform Penalty and Interest Act as  
25 if those provisions were set forth in this Section.

26 (b) The tax imposed under this Act shall be in addition to

1 all other occupation or privilege taxes imposed by the State of  
2 Illinois or by any municipal corporation or political  
3 subdivision thereof.

4 (Source: P.A. 98-122, eff. 1-1-14.)

5 (410 ILCS 130/210)

6 (Section scheduled to be repealed on July 1, 2020)

7 Sec. 210. Returns.

8 (a) This subsection (a) applies to returns due on or before  
9 the effective date of this amendatory Act of the 101st General  
10 Assembly. On or before the twentieth day of each calendar  
11 month, every person subject to the tax imposed under this Law  
12 during the preceding calendar month shall file a return with  
13 the Department, stating:

14 (1) The name of the taxpayer;

15 (2) The number of ounces of medical cannabis sold to a  
16 dispensary organization or a registered qualifying patient  
17 during the preceding calendar month;

18 (3) The amount of tax due;

19 (4) The signature of the taxpayer; and

20 (5) Such other reasonable information as the  
21 Department may require.

22 If a taxpayer fails to sign a return within 30 days after  
23 the proper notice and demand for signature by the Department,  
24 the return shall be considered valid and any amount shown to be  
25 due on the return shall be deemed assessed.

1           The taxpayer shall remit the amount of the tax due to the  
2 Department at the time the taxpayer files his or her return.

3           (b) Beginning on the effective date of this amendatory Act  
4 of the 101st General Assembly, Section 65-20 of the Cannabis  
5 Regulation and Tax Act shall apply to returns filed and taxes  
6 paid under this Act to the same extent as if those provisions  
7 were set forth in full in this Section.

8           (Source: P.A. 98-122, eff. 1-1-14.)

9           (410 ILCS 130/220 rep.)

10           Section 900-37. The Compassionate Use of Medical Cannabis  
11 Pilot Program Act is amended by repealing Section 220.

12           Section 900-38. The Illinois Vehicle Code is amended by  
13 changing Sections 11-501.2, 11-501.9, and 11-502.1 and by  
14 adding Section 11-502.15 as follows:

15           (625 ILCS 5/11-501.2) (from Ch. 95 1/2, par. 11-501.2)

16           Sec. 11-501.2. Chemical and other tests.

17           (a) Upon the trial of any civil or criminal action or  
18 proceeding arising out of an arrest for an offense as defined  
19 in Section 11-501 or a similar local ordinance or proceedings  
20 pursuant to Section 2-118.1, evidence of the concentration of  
21 alcohol, other drug or drugs, or intoxicating compound or  
22 compounds, or any combination thereof in a person's blood or  
23 breath at the time alleged, as determined by analysis of the

1 person's blood, urine, breath, or other bodily substance, shall  
2 be admissible. Where such test is made the following provisions  
3 shall apply:

4 1. Chemical analyses of the person's blood, urine,  
5 breath, or other bodily substance to be considered valid  
6 under the provisions of this Section shall have been  
7 performed according to standards promulgated by the  
8 Department of State Police by a licensed physician,  
9 registered nurse, trained phlebotomist, licensed  
10 paramedic, or other individual possessing a valid permit  
11 issued by that Department for this purpose. The Director of  
12 State Police is authorized to approve satisfactory  
13 techniques or methods, to ascertain the qualifications and  
14 competence of individuals to conduct such analyses, to  
15 issue permits which shall be subject to termination or  
16 revocation at the discretion of that Department and to  
17 certify the accuracy of breath testing equipment. The  
18 Department of State Police shall prescribe regulations as  
19 necessary to implement this Section.

20 2. When a person in this State shall submit to a blood  
21 test at the request of a law enforcement officer under the  
22 provisions of Section 11-501.1, only a physician  
23 authorized to practice medicine, a licensed physician  
24 assistant, a licensed advanced practice registered nurse,  
25 a registered nurse, trained phlebotomist, or licensed  
26 paramedic, or other qualified person approved by the

1 Department of State Police may withdraw blood for the  
2 purpose of determining the alcohol, drug, or alcohol and  
3 drug content therein. This limitation shall not apply to  
4 the taking of breath, other bodily substance, or urine  
5 specimens.

6 When a blood test of a person who has been taken to an  
7 adjoining state for medical treatment is requested by an  
8 Illinois law enforcement officer, the blood may be  
9 withdrawn only by a physician authorized to practice  
10 medicine in the adjoining state, a licensed physician  
11 assistant, a licensed advanced practice registered nurse,  
12 a registered nurse, a trained phlebotomist acting under the  
13 direction of the physician, or licensed paramedic. The law  
14 enforcement officer requesting the test shall take custody  
15 of the blood sample, and the blood sample shall be analyzed  
16 by a laboratory certified by the Department of State Police  
17 for that purpose.

18 3. The person tested may have a physician, or a  
19 qualified technician, chemist, registered nurse, or other  
20 qualified person of their own choosing administer a  
21 chemical test or tests in addition to any administered at  
22 the direction of a law enforcement officer. The failure or  
23 inability to obtain an additional test by a person shall  
24 not preclude the admission of evidence relating to the test  
25 or tests taken at the direction of a law enforcement  
26 officer.

1           4. Upon the request of the person who shall submit to a  
2 chemical test or tests at the request of a law enforcement  
3 officer, full information concerning the test or tests  
4 shall be made available to the person or such person's  
5 attorney.

6           5. Alcohol concentration shall mean either grams of  
7 alcohol per 100 milliliters of blood or grams of alcohol  
8 per 210 liters of breath.

9           6. Tetrahydrocannabinol concentration means either 5  
10 nanograms or more of delta-9-tetrahydrocannabinol per  
11 milliliter of whole blood or 10 nanograms or more of  
12 delta-9-tetrahydrocannabinol per milliliter of other  
13 bodily substance.

14           (a-5) Law enforcement officials may use validated roadside  
15 chemical tests or standardized field sobriety tests approved by  
16 the National Highway Traffic Safety Administration when  
17 conducting investigations of a violation of Section 11-501 or  
18 similar local ordinance by drivers suspected of driving under  
19 the influence of cannabis. The General Assembly finds that (i)  
20 validated roadside chemical tests are effective means to  
21 determine if a person is under the influence of cannabis and  
22 (ii) standardized field sobriety tests approved by the National  
23 Highway Traffic Safety Administration are divided attention  
24 tasks that are intended to determine if a person is under the  
25 influence of cannabis. The purpose of these tests is to  
26 determine the effect of the use of cannabis on a person's

1 capacity to think and act with ordinary care and therefore  
2 operate a motor vehicle safely. Therefore, the results of these  
3 validated roadside chemical tests and standardized field  
4 sobriety tests, appropriately administered, shall be  
5 admissible in the trial of any civil or criminal action or  
6 proceeding arising out of an arrest for a cannabis-related  
7 offense as defined in Section 11-501 or a similar local  
8 ordinance or proceedings under Section 2-118.1 or 2-118.2.  
9 Where a test is made the following provisions shall apply:

10 1. The person tested may have a physician, or a  
11 qualified technician, chemist, registered nurse, or other  
12 qualified person of their own choosing administer a  
13 chemical test or tests in addition to the standardized  
14 field sobriety test or tests administered at the direction  
15 of a law enforcement officer. The failure or inability to  
16 obtain an additional test by a person does not preclude the  
17 admission of evidence relating to the test or tests taken  
18 at the direction of a law enforcement officer.

19 2. Upon the request of the person who shall submit to  
20 validated roadside chemical tests or a standardized field  
21 sobriety test or tests at the request of a law enforcement  
22 officer, full information concerning the test or tests  
23 shall be made available to the person or the person's  
24 attorney.

25 3. At the trial of any civil or criminal action or  
26 proceeding arising out of an arrest for an offense as



1 defined in Section 11-501 or a similar local ordinance or  
2 proceedings under Section 2-118.1 or 2-118.2 in which the  
3 results of these validated roadside chemical tests or  
4 standardized field sobriety tests are admitted, the person  
5 ~~cardholder~~ may present and the trier of fact may consider  
6 evidence that the person ~~card holder~~ lacked the physical  
7 capacity to perform the validated roadside chemical tests  
8 or standardized field sobriety tests.

9 (b) Upon the trial of any civil or criminal action or  
10 proceeding arising out of acts alleged to have been committed  
11 by any person while driving or in actual physical control of a  
12 vehicle while under the influence of alcohol, the concentration  
13 of alcohol in the person's blood or breath at the time alleged  
14 as shown by analysis of the person's blood, urine, breath, or  
15 other bodily substance shall give rise to the following  
16 presumptions:

17 1. If there was at that time an alcohol concentration  
18 of 0.05 or less, it shall be presumed that the person was  
19 not under the influence of alcohol.

20 2. If there was at that time an alcohol concentration  
21 in excess of 0.05 but less than 0.08, such facts shall not  
22 give rise to any presumption that the person was or was not  
23 under the influence of alcohol, but such fact may be  
24 considered with other competent evidence in determining  
25 whether the person was under the influence of alcohol.

26 3. If there was at that time an alcohol concentration

1 of 0.08 or more, it shall be presumed that the person was  
2 under the influence of alcohol.

3 4. The foregoing provisions of this Section shall not  
4 be construed as limiting the introduction of any other  
5 relevant evidence bearing upon the question whether the  
6 person was under the influence of alcohol.

7 (b-5) Upon the trial of any civil or criminal action or  
8 proceeding arising out of acts alleged to have been committed  
9 by any person while driving or in actual physical control of a  
10 vehicle while under the influence of alcohol, other drug or  
11 drugs, intoxicating compound or compounds or any combination  
12 thereof, the concentration of cannabis in the person's whole  
13 blood or other bodily substance at the time alleged as shown by  
14 analysis of the person's blood or other bodily substance shall  
15 give rise to the following presumptions:

16 1. If there was a tetrahydrocannabinol concentration  
17 of 5 nanograms or more in whole blood or 10 nanograms or  
18 more in an other bodily substance as defined in this  
19 Section, it shall be presumed that the person was under the  
20 influence of cannabis.

21 2. If there was at that time a tetrahydrocannabinol  
22 concentration of less than 5 nanograms in whole blood or  
23 less than 10 nanograms in an other bodily substance, such  
24 facts shall not give rise to any presumption that the  
25 person was or was not under the influence of cannabis, but  
26 such fact may be considered with other competent evidence

1           in determining whether the person was under the influence  
2           of cannabis.

3           (c) 1. If a person under arrest refuses to submit to a  
4           chemical test under the provisions of Section 11-501.1,  
5           evidence of refusal shall be admissible in any civil or  
6           criminal action or proceeding arising out of acts alleged to  
7           have been committed while the person under the influence of  
8           alcohol, other drug or drugs, or intoxicating compound or  
9           compounds, or any combination thereof was driving or in actual  
10          physical control of a motor vehicle.

11          2. Notwithstanding any ability to refuse under this Code to  
12          submit to these tests or any ability to revoke the implied  
13          consent to these tests, if a law enforcement officer has  
14          probable cause to believe that a motor vehicle driven by or in  
15          actual physical control of a person under the influence of  
16          alcohol, other drug or drugs, or intoxicating compound or  
17          compounds, or any combination thereof has caused the death or  
18          personal injury to another, the law enforcement officer shall  
19          request, and that person shall submit, upon the request of a  
20          law enforcement officer, to a chemical test or tests of his or  
21          her blood, breath, other bodily substance, or urine for the  
22          purpose of determining the alcohol content thereof or the  
23          presence of any other drug or combination of both.

24          This provision does not affect the applicability of or  
25          imposition of driver's license sanctions under Section  
26          11-501.1 of this Code.

1           3. For purposes of this Section, a personal injury includes  
2 any Type A injury as indicated on the traffic accident report  
3 completed by a law enforcement officer that requires immediate  
4 professional attention in either a doctor's office or a medical  
5 facility. A Type A injury includes severe bleeding wounds,  
6 distorted extremities, and injuries that require the injured  
7 party to be carried from the scene.

8           (d) If a person refuses validated roadside chemical tests  
9 or standardized field sobriety tests under Section 11-501.9 of  
10 this Code, evidence of refusal shall be admissible in any civil  
11 or criminal action or proceeding arising out of acts committed  
12 while the person was driving or in actual physical control of a  
13 vehicle and alleged to have been impaired by the use of  
14 cannabis.

15           (e) Department of State Police compliance with the changes  
16 in this amendatory Act of the 99th General Assembly concerning  
17 testing of other bodily substances and tetrahydrocannabinol  
18 concentration by Department of State Police laboratories is  
19 subject to appropriation and until the Department of State  
20 Police adopt standards and completion validation. Any  
21 laboratories that test for the presence of cannabis or other  
22 drugs under this Article, the Snowmobile Registration and  
23 Safety Act, or the Boat Registration and Safety Act must comply  
24 with ISO/IEC 17025:2005.

25           (Source: P.A. 99-697, eff. 7-29-16; 100-513, eff. 1-1-18.)

1 (625 ILCS 5/11-501.9)

2 Sec. 11-501.9. Suspension of driver's license; failure or  
3 refusal of validated roadside chemical tests ~~medical cannabis~~  
4 ~~card holder~~; failure or refusal of field sobriety tests;  
5 implied consent.

6 (a) A person ~~who has been issued a registry identification~~  
7 ~~card under the Compassionate Use of Medical Cannabis Pilot~~  
8 ~~Program Act~~ who drives or is in actual physical control of a  
9 motor vehicle upon the public highways of this State shall be  
10 deemed to have given consent to (i) validated roadside chemical  
11 tests or (ii) standardized field sobriety tests approved by the  
12 National Highway Traffic Safety Administration, under  
13 subsection (a-5) of Section 11-501.2 of this Code, if detained  
14 by a law enforcement officer who has a reasonable suspicion  
15 that the person is driving or is in actual physical control of  
16 a motor vehicle while impaired by the use of cannabis. The law  
17 enforcement officer must have an independent, cannabis-related  
18 factual basis giving reasonable suspicion that the person is  
19 driving or in actual physical control of a motor vehicle while  
20 impaired by the use of cannabis for conducting validated  
21 roadside chemical tests or standardized field sobriety tests,  
22 which shall be included with the results of the validated  
23 roadside chemical tests and field sobriety tests in any report  
24 made by the law enforcement officer who requests the test. The  
25 person's possession of a registry identification card issued  
26 under the Compassionate Use of Medical Cannabis Pilot Program

1 Act alone is not a sufficient basis for reasonable suspicion.

2 For purposes of this Section, a law enforcement officer of  
3 this State who is investigating a person for an offense under  
4 Section 11-501 of this Code may travel into an adjoining state  
5 where the person has been transported for medical care to  
6 complete an investigation and to request that the person submit  
7 to field sobriety tests under this Section.

8 (b) A person who is unconscious, or otherwise in a  
9 condition rendering the person incapable of refusal, shall be  
10 deemed to have withdrawn the consent provided by subsection (a)  
11 of this Section.

12 (c) A person requested to submit to validated roadside  
13 chemical tests or field sobriety tests, as provided in this  
14 Section, shall be warned by the law enforcement officer  
15 requesting the field sobriety tests that a refusal to submit to  
16 the validated roadside chemical tests or field sobriety tests  
17 will result in the suspension of the person's privilege to  
18 operate a motor vehicle, as provided in subsection (f) of this  
19 Section. The person shall also be warned by the law enforcement  
20 officer that if the person submits to validated roadside  
21 chemical tests or field sobriety tests as provided in this  
22 Section which disclose the person is impaired by the use of  
23 cannabis, a suspension of the person's privilege to operate a  
24 motor vehicle, as provided in subsection (f) of this Section,  
25 will be imposed.

26 (d) The results of validated roadside chemical tests or

1 field sobriety tests administered under this Section shall be  
2 admissible in a civil or criminal action or proceeding arising  
3 from an arrest for an offense as defined in Section 11-501 of  
4 this Code or a similar provision of a local ordinance. These  
5 test results shall be admissible only in actions or proceedings  
6 directly related to the incident upon which the test request  
7 was made.

8 (e) If the person refuses validated roadside chemical tests  
9 or field sobriety tests or submits to validated roadside  
10 chemical tests or field sobriety tests that disclose the person  
11 is impaired by the use of cannabis, the law enforcement officer  
12 shall immediately submit a sworn report to the circuit court of  
13 venue and the Secretary of State certifying that testing was  
14 requested under this Section and that the person refused to  
15 submit to validated roadside chemical tests or field sobriety  
16 tests or submitted to validated roadside chemical tests or  
17 field sobriety tests that disclosed the person was impaired by  
18 the use of cannabis. The sworn report must include the law  
19 enforcement officer's factual basis for reasonable suspicion  
20 that the person was impaired by the use of cannabis.

21 (f) Upon receipt of the sworn report of a law enforcement  
22 officer submitted under subsection (e) of this Section, the  
23 Secretary of State shall enter the suspension to the driving  
24 record as follows:

25 (1) for refusal or failure to complete validated  
26 roadside chemical tests or field sobriety tests, a 12 month

1 suspension shall be entered; or

2 (2) for submitting to validated roadside chemical  
3 tests or field sobriety tests that disclosed the driver was  
4 impaired by the use of cannabis, a 6 month suspension shall  
5 be entered.

6 The Secretary of State shall confirm the suspension by  
7 mailing a notice of the effective date of the suspension to the  
8 person and the court of venue. However, should the sworn report  
9 be defective for insufficient information or be completed in  
10 error, the confirmation of the suspension shall not be mailed  
11 to the person or entered to the record; instead, the sworn  
12 report shall be forwarded to the court of venue with a copy  
13 returned to the issuing agency identifying the defect.

14 (g) The law enforcement officer submitting the sworn report  
15 under subsection (e) of this Section shall serve immediate  
16 notice of the suspension on the person and the suspension shall  
17 be effective as provided in subsection (h) of this Section. If  
18 immediate notice of the suspension cannot be given, the  
19 arresting officer or arresting agency shall give notice by  
20 deposit in the United States mail of the notice in an envelope  
21 with postage prepaid and addressed to the person at his or her  
22 address as shown on the Uniform Traffic Ticket and the  
23 suspension shall begin as provided in subsection (h) of this  
24 Section. The officer shall confiscate any Illinois driver's  
25 license or permit on the person at the time of arrest. If the  
26 person has a valid driver's license or permit, the officer



1 shall issue the person a receipt, in a form prescribed by the  
2 Secretary of State, that will allow the person to drive during  
3 the period provided for in subsection (h) of this Section. The  
4 officer shall immediately forward the driver's license or  
5 permit to the circuit court of venue along with the sworn  
6 report under subsection (e) of this Section.

7 (h) The suspension under subsection (f) of this Section  
8 shall take effect on the 46th day following the date the notice  
9 of the suspension was given to the person.

10 (i) When a driving privilege has been suspended under this  
11 Section and the person is subsequently convicted of violating  
12 Section 11-501 of this Code, or a similar provision of a local  
13 ordinance, for the same incident, any period served on  
14 suspension under this Section shall be credited toward the  
15 minimum period of revocation of driving privileges imposed  
16 under Section 6-205 of this Code.

17 (Source: P.A. 98-1172, eff. 1-12-15.)

18 (625 ILCS 5/11-502.1)

19 Sec. 11-502.1. Possession of medical cannabis in a motor  
20 vehicle.

21 (a) No driver, who is a medical cannabis cardholder, may  
22 use medical cannabis within the passenger area of any motor  
23 vehicle upon a highway in this State.

24 (b) No driver, who is a medical cannabis cardholder, a  
25 medical cannabis designated caregiver, medical cannabis

1 cultivation center agent, or dispensing organization agent may  
2 possess medical cannabis within any area of any motor vehicle  
3 upon a highway in this State except in a sealed, odorless,  
4 tamper-evident medical cannabis container.

5 (c) No passenger, who is a medical cannabis card holder, a  
6 medical cannabis designated caregiver, or medical cannabis  
7 dispensing organization agent may possess medical cannabis  
8 within any passenger area of any motor vehicle upon a highway  
9 in this State except in a sealed, odorless, tamper-evident  
10 medical cannabis container.

11 (d) Any person who violates subsections (a) through (c) of  
12 this Section:

13 (1) commits a Class A misdemeanor;

14 (2) shall be subject to revocation of his or her  
15 medical cannabis card for a period of 2 years from the end  
16 of the sentence imposed;

17 (4) shall be subject to revocation of his or her status  
18 as a medical cannabis caregiver, medical cannabis  
19 cultivation center agent, or medical cannabis dispensing  
20 organization agent for a period of 2 years from the end of  
21 the sentence imposed.

22 (Source: P.A. 98-122, eff. 1-1-14.)

23 (625 ILCS 5/11-502.15 new)

24 Sec. 11-502.15. Possession of adult use cannabis in a motor  
25 vehicle.

1       (a) No driver may use cannabis within the passenger area of  
2 any motor vehicle upon a highway in this State.

3       (b) No driver, may possess cannabis within any area of any  
4 motor vehicle upon a highway in this State except in a sealed,  
5 odorless, tamper-evident cannabis container.

6       (c) No passenger may possess cannabis within any passenger  
7 area of any motor vehicle upon a highway in this State except  
8 in a sealed, odorless, tamper-evident cannabis container.

9       (d) Any person who violates subsections (a) through (c) of  
10 this Section commits a Class A misdemeanor."

11       Section 900-40. The Cannabis Control Act is amended by  
12 changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

13       (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

14       Sec. 4. Except as otherwise provided in the Cannabis  
15 Regulation and Tax Act, it ~~is~~ is unlawful for any person  
16 knowingly to possess cannabis.

17 Any person who violates this Section ~~section~~ with respect to:

18       (a) not more than 10 grams of any substance containing  
19 cannabis is guilty of a civil law violation punishable by a  
20 minimum fine of \$100 and a maximum fine of \$200. The  
21 proceeds of the fine shall be payable to the clerk of the  
22 circuit court. Within 30 days after the deposit of the  
23 fine, the clerk shall distribute the proceeds of the fine  
24 as follows:

1           (1) \$10 of the fine to the circuit clerk and \$10 of  
2           the fine to the law enforcement agency that issued the  
3           citation; the proceeds of each \$10 fine distributed to  
4           the circuit clerk and each \$10 fine distributed to the  
5           law enforcement agency that issued the citation for the  
6           violation shall be used to defer the cost of automatic  
7           expungements under paragraph (2.5) of subsection (a)  
8           of Section 5.2 of the Criminal Identification Act;

9           (2) \$15 to the county to fund drug addiction  
10          services;

11          (3) \$10 to the Office of the State's Attorneys  
12          Appellate Prosecutor for use in training programs;

13          (4) \$10 to the State's Attorney; and

14          (5) any remainder of the fine to the law  
15          enforcement agency that issued the citation for the  
16          violation.

17          With respect to funds designated for the Department of  
18          State Police, the moneys shall be remitted by the circuit  
19          court clerk to the Department of State Police within one  
20          month after receipt for deposit into the State Police  
21          Operations Assistance Fund. With respect to funds  
22          designated for the Department of Natural Resources, the  
23          Department of Natural Resources shall deposit the moneys  
24          into the Conservation Police Operations Assistance Fund;

25          (b) more than 10 grams but not more than 30 grams of  
26          any substance containing cannabis is guilty of a Class B

1 misdemeanor;

2 (c) more than 30 grams but not more than 100 grams of  
3 any substance containing cannabis is guilty of a Class A  
4 misdemeanor; provided, that if any offense under this  
5 subsection (c) is a subsequent offense, the offender shall  
6 be guilty of a Class 4 felony;

7 (d) more than 100 grams but not more than 500 grams of  
8 any substance containing cannabis is guilty of a Class 4  
9 felony; provided that if any offense under this subsection  
10 (d) is a subsequent offense, the offender shall be guilty  
11 of a Class 3 felony;

12 (e) more than 500 grams but not more than 2,000 grams  
13 of any substance containing cannabis is guilty of a Class 3  
14 felony;

15 (f) more than 2,000 grams but not more than 5,000 grams  
16 of any substance containing cannabis is guilty of a Class 2  
17 felony;

18 (g) more than 5,000 grams of any substance containing  
19 cannabis is guilty of a Class 1 felony.

20 (Source: P.A. 99-697, eff. 7-29-16.)

21 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

22 Sec. 5. Except as otherwise provided in the Cannabis  
23 Regulation and Tax Act, it ~~is~~ is unlawful for any person  
24 knowingly to manufacture, deliver, or possess with intent to  
25 deliver, or manufacture, cannabis. Any person who violates this

1 Section ~~section~~ with respect to:

2 (a) not more than 2.5 grams of any substance containing  
3 cannabis is guilty of a Class B misdemeanor;

4 (b) more than 2.5 grams but not more than 10 grams of any  
5 substance containing cannabis is guilty of a Class A  
6 misdemeanor;

7 (c) more than 10 grams but not more than 30 grams of any  
8 substance containing cannabis is guilty of a Class 4 felony;

9 (d) more than 30 grams but not more than 500 grams of any  
10 substance containing cannabis is guilty of a Class 3 felony for  
11 which a fine not to exceed \$50,000 may be imposed;

12 (e) more than 500 grams but not more than 2,000 grams of  
13 any substance containing cannabis is guilty of a Class 2 felony  
14 for which a fine not to exceed \$100,000 may be imposed;

15 (f) more than 2,000 grams but not more than 5,000 grams of  
16 any substance containing cannabis is guilty of a Class 1 felony  
17 for which a fine not to exceed \$150,000 may be imposed;

18 (g) more than 5,000 grams of any substance containing  
19 cannabis is guilty of a Class X felony for which a fine not to  
20 exceed \$200,000 may be imposed.

21 (Source: P.A. 90-397, eff. 8-15-97.)

22 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

23 Sec. 5.1. Cannabis Trafficking.

24 (a) Except for purposes authorized by this Act or the  
25 Cannabis Regulation and Tax Act, any person who knowingly

1 brings or causes to be brought into this State for the purpose  
2 of manufacture or delivery or with the intent to manufacture or  
3 deliver 2,500 grams or more of cannabis in this State or any  
4 other state or country is guilty of cannabis trafficking.

5 (b) A person convicted of cannabis trafficking shall be  
6 sentenced to a term of imprisonment not less than twice the  
7 minimum term and fined an amount as authorized by subsection  
8 (f) or (g) of Section 5 of this Act, based upon the amount of  
9 cannabis brought or caused to be brought into this State, and  
10 not more than twice the maximum term of imprisonment and fined  
11 twice the amount as authorized by subsection (f) or (g) of  
12 Section 5 of this Act, based upon the amount of cannabis  
13 brought or caused to be brought into this State.

14 (Source: P.A. 90-397, eff. 8-15-97.)

15 (720 ILCS 550/5.3)

16 Sec. 5.3. Unlawful use of cannabis-based product  
17 manufacturing equipment.

18 (a) A person commits unlawful use of cannabis-based product  
19 manufacturing equipment when he or she knowingly engages in the  
20 possession, procurement, transportation, storage, or delivery  
21 of any equipment used in the manufacturing of any  
22 cannabis-based product using volatile or explosive gas,  
23 including, but not limited to, canisters of butane gas, with  
24 the intent to manufacture, compound, covert, produce, derive,  
25 process, or prepare either directly or indirectly any

1 cannabis-based product.

2 (b) This Section does not apply to a cultivation center or  
3 cultivation center agent that prepares medical cannabis or  
4 cannabis-infused products in compliance with the Compassionate  
5 Use of Medical Cannabis Pilot Program Act and Department of  
6 Public Health and Department of Agriculture rules.

7 (c) Sentence. A person who violates this Section is guilty  
8 of a Class 2 felony.

9 (d) This Section does not apply to craft growers,  
10 cultivation centers, and processing organizations licensed  
11 under the Cannabis Regulation and Tax Act.

12 (e) This Section does not apply to manufacturers of  
13 cannabis-based product manufacturing equipment or transporting  
14 organizations with documentation identifying the seller and  
15 purchaser of the equipment if the seller or purchaser is a  
16 craft grower, cultivation center, or processing organization  
17 licensed under the Cannabis Regulation and Tax Act.

18 (Source: P.A. 99-697, eff. 7-29-16.)

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

20 Sec. 8. Except as otherwise provided in the Cannabis  
21 Regulation and Tax Act, it ~~it~~ is unlawful for any person  
22 knowingly to produce the Cannabis ~~cannabis~~ sativa plant or to  
23 possess such plants unless production or possession has been  
24 authorized pursuant to the provisions of Section 11 or 15.2 of  
25 the Act. Any person who violates this Section with respect to



1 production or possession of:

2 (a) Not more than 5 plants is guilty of a civil violation  
3 punishable by a minimum fine of \$100 and a maximum fine of  
4 \$200. The proceeds of the fine are payable to the clerk of the  
5 circuit court. Within 30 days after the deposit of the fine,  
6 the clerk shall distribute the proceeds of the fine as follows:

7 (1) \$10 of the fine to the circuit clerk and \$10 of the  
8 fine to the law enforcement agency that issued the  
9 citation; the proceeds of each \$10 fine distributed to the  
10 circuit clerk and each \$10 fine distributed to the law  
11 enforcement agency that issued the citation for the  
12 violation shall be used to defer the cost of automatic  
13 expungements under paragraph (2.5) of subsection (a) of  
14 Section 5.2 of the Criminal Identification Act;

15 (2) \$15 to the county to fund drug addiction services;

16 (3) \$10 to the Office of the State's Attorneys  
17 Appellate Prosecutor for use in training programs;

18 (4) \$10 to the State's Attorney; and

19 (5) any remainder of the fine to the law enforcement  
20 agency that issued the citation for the violation.

21 With respect to funds designated for the Department of  
22 State Police, the moneys shall be remitted by the circuit court  
23 clerk to the Department of State Police within one month after  
24 receipt for deposit into the State Police Operations Assistance  
25 Fund. With respect to funds designated for the Department of  
26 Natural Resources, the Department of Natural Resources shall

1 deposit the moneys into the Conservation Police Operations  
2 Assistance Fund. ~~Class A misdemeanor.~~

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

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

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

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

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

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

18 Section 900-45. The Condominium Property Act is amended by  
19 adding Section 33 as follows:

20 (765 ILCS 605/33 new)

21 Sec. 33. Limitations on the use of smoking cannabis. The  
22 declaration or bylaws of a condominium association may prohibit  
23 or limit the smoking of cannabis as the term "smoking" is  
24 defined in the Cannabis Regulation and Tax Act. The declaration

1 or bylaws of a condominium association shall not otherwise  
2 restrict the consumption of cannabis by any other method within  
3 an owner's unit, but may restrict cannabis consumption in  
4 common areas.

5 Section 900-50. The Right to Privacy in the Workplace Act  
6 is amended by changing Section 5 as follows:

7 (820 ILCS 55/5) (from Ch. 48, par. 2855)

8 Sec. 5. Discrimination for use of lawful products  
9 prohibited.

10 (a) Except as otherwise specifically provided by law and  
11 except as provided in subsections (b) and (c) of this Section,  
12 it shall be unlawful for an employer to refuse to hire or to  
13 discharge any individual, or otherwise disadvantage any  
14 individual, with respect to compensation, terms, conditions or  
15 privileges of employment because the individual uses lawful  
16 products off the premises of the employer during nonworking  
17 hours. As used in this Section, "lawful products" includes  
18 cannabis for personal use as permitted by the Cannabis  
19 Regulation and Tax Act.

20 (b) This Section does not apply to any employer that is a  
21 non-profit organization that, as one of its primary purposes or  
22 objectives, discourages the use of one or more lawful products  
23 by the general public. This Section does not apply to the use  
24 of those lawful products which impairs an employee's ability to

1 perform the employee's assigned duties.

2 (c) It is not a violation of this Section for an employer  
3 to offer, impose or have in effect a health, disability or life  
4 insurance policy that makes distinctions between employees for  
5 the type of coverage or the price of coverage based upon the  
6 employees' use of lawful products provided that:

7 (1) differential premium rates charged employees  
8 reflect a differential cost to the employer; and

9 (2) employers provide employees with a statement  
10 delineating the differential rates used by insurance  
11 carriers.

12 (Source: P.A. 87-807.)

13 ARTICLE 999.

14 MISCELLANEOUS PROVISIONS

15 Section 999-95. No acceleration or delay. Where this Act  
16 makes changes in a statute that is represented in this Act by  
17 text that is not yet or no longer in effect (for example, a  
18 Section represented by multiple versions), the use of that text  
19 does not accelerate or delay the taking effect of (i) the  
20 changes made by this Act or (ii) provisions derived from any  
21 other Public Act.

22 Section 999-99. Effective date. This Act takes effect upon  
23 becoming law."