

SB3536



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3536

Introduced 2/14/2020, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

410 ILCS 705/15-70

Amends the Cannabis Regulation and Tax Act. Provides that a dispensing organization must carry liability insurance coverage in an amount that is at least equal to the amount for which a seller of alcoholic liquor is liable under a specified provision of the Liquor Control Act of 1934.

LRB101 20704 CPF 70375 b

A BILL FOR

1 AN ACT concerning health.

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

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

6 (410 ILCS 705/15-70)

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

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

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

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

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

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

1 other dispensing organization before dispensing it.

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

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

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

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

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

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

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

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

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

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

12 (p) A dispensing organization shall not:

13 (1) Produce or manufacture cannabis;

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

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

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

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

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

23 (7) Operate drive-through windows;

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

26 (9) Transport cannabis to residences or other

1 locations where purchasers may be for delivery;

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (s) A dispensing organization must carry liability
5 insurance coverage in an amount that is at least equal to the
6 amount for which a seller of alcoholic liquor is liable under
7 subsection (a) of Section 6-21 of the Liquor Control Act of
8 1934.

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