



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0619

Introduced 2/8/2021, by Rep. Daniel Didech - Jonathan Carroll

SYNOPSIS AS INTRODUCED:

410 ILCS 705/15-15

Amends the Cannabis Regulation and Tax Act. Provides that, notwithstanding any restrictions on relocation otherwise set forth in the Act, an Early Approval Adult Use Dispensing Organization License holder shall be permitted, upon application to the Department of Financial and Professional Regulation, to relocate within the same medical district as its existing location under specified circumstances. Effective immediately.

LRB102 10409 CPF 15736 b

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 15-15 as follows:

6 (410 ILCS 705/15-15)

7 Sec. 15-15. Early Approval Adult Use Dispensing
8 Organization License.

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

17 (b) A medical cannabis dispensing organization seeking
18 issuance of an Early Approval Adult Use Dispensing
19 Organization License to serve purchasers at any medical
20 cannabis dispensing location in operation as of the effective
21 date of this Act shall submit an application on forms provided
22 by the Department. The application must be submitted by the
23 same person or entity that holds the medical cannabis

1 dispensing organization registration and include the
2 following:

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

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

7 (3) Certification that the applicant will comply with
8 the requirements contained in the Compassionate Use of
9 Medical Cannabis Program Act except as provided in this
10 Act;

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

12 (5) The physical address of the dispensing
13 organization;

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

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

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

25 (A) Make a contribution of 3% of total sales from
26 June 1, 2018 to June 1, 2019, or \$100,000, whichever is

1 less, to the Cannabis Business Development Fund. This
2 is in addition to the fee required by item (7) of this
3 subsection (b);

4 (B) Make a grant of 3% of total sales from June 1,
5 2018 to June 1, 2019, or \$100,000, whichever is less,
6 to a cannabis industry training or education program
7 at an Illinois community college as defined in the
8 Public Community College Act;

9 (C) Make a donation of \$100,000 or more to a
10 program that provides job training services to persons
11 recently incarcerated or that operates in a
12 Disproportionately Impacted Area;

13 (D) Participate as a host in a cannabis business
14 establishment incubator program approved by the
15 Department of Commerce and Economic Opportunity, and
16 in which an Early Approval Adult Use Dispensing
17 Organization License holder agrees to provide a loan
18 of at least \$100,000 and mentorship to incubate, for
19 at least a year, a Social Equity Applicant intending
20 to seek a license or a licensee that qualifies as a
21 Social Equity Applicant. As used in this Section,
22 "incubate" means providing direct financial assistance
23 and training necessary to engage in licensed cannabis
24 industry activity similar to that of the host
25 licensee. The Early Approval Adult Use Dispensing
26 Organization License holder or the same entity holding

1 any other licenses issued pursuant to this Act shall
2 not take an ownership stake of greater than 10% in any
3 business receiving incubation services to comply with
4 this subsection. If an Early Approval Adult Use
5 Dispensing Organization License holder fails to find a
6 business to incubate to comply with this subsection
7 before its Early Approval Adult Use Dispensing
8 Organization License expires, it may opt to meet the
9 requirement of this subsection by completing another
10 item from this subsection; or

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

20 (b-5) Notwithstanding any restrictions on relocation
21 otherwise set forth in this Act, an Early Approval Adult Use
22 Dispensing Organization License holder shall be permitted,
23 upon application to the Department, to relocate within the
24 same medical district as its existing location if:

25 (1) it is located within the boundaries of a unit of
26 local government that prohibited the sale of adult use

1 cannabis; or

2 (2) it has obtained the approval of the unit of local
3 government where it is located to move to another location
4 within that unit of local government.

5 (c) The license fee required by paragraph (1) of
6 subsection (b) of this Section shall be in addition to any
7 license fee required for the renewal of a registered medical
8 cannabis dispensing organization license.

9 (d) Applicants must submit all required information,
10 including the requirements in subsection (b) of this Section,
11 to the Department. Failure by an applicant to submit all
12 required information may result in the application being
13 disqualified.

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

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

25 (1) The licensee or a principal officer is delinquent
26 in filing any required tax returns or paying any amounts

1 owed to the State of Illinois;

2 (2) The Secretary of Financial and Professional
3 Regulation determines there is reason, based on documented
4 compliance violations, the licensee is not entitled to an
5 Early Approval Adult Use Dispensing Organization License;
6 or

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

10 (g) A registered medical cannabis dispensing organization
11 that obtains an Early Approval Adult Use Dispensing
12 Organization License may begin selling cannabis,
13 cannabis-infused products, paraphernalia, and related items to
14 purchasers under the rules of this Act no sooner than January
15 1, 2020.

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

1 (i) If there is a shortage of cannabis or cannabis-infused
2 products, a dispensing organization holding both a dispensing
3 organization license under the Compassionate Use of Medical
4 Cannabis Program Act and this Act shall prioritize serving
5 qualifying patients, caregivers, provisional patients, and
6 Opioid Alternative Pilot Program participants before serving
7 purchasers.

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

16 (k) An Early Approval Adult Use Dispensing Organization
17 License is valid until March 31, 2021. A dispensing
18 organization that obtains an Early Approval Adult Use
19 Dispensing Organization License shall receive written or
20 electronic notice 90 days before the expiration of the license
21 that the license will expire, and that informs the license
22 holder that it may apply to renew its Early Approval Adult Use
23 Dispensing Organization License on forms provided by the
24 Department. The Department shall renew the Early Approval
25 Adult Use Dispensing Organization License within 60 days of
26 the renewal application being deemed complete if:

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

4 (2) the Department has not suspended or permanently
5 revoked the Early Approval Adult Use Dispensing
6 Organization License or a medical cannabis dispensing
7 organization license on the same premises for violations
8 of this Act, the Compassionate Use of Medical Cannabis
9 Program Act, or rules adopted pursuant to those Acts;

10 (3) the dispensing organization has completed a Social
11 Equity Inclusion Plan as provided by parts (A), (B), and
12 (C) of paragraph (8) of subsection (b) of this Section or
13 has made substantial progress toward completing a Social
14 Equity Inclusion Plan as provided by parts (D) and (E) of
15 paragraph (8) of subsection (b) of this Section; and

16 (4) the dispensing organization is in compliance with
17 this Act and rules.

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

1 License within 60 days of an application being deemed complete
2 if the applicant has met all of the criteria in Section 15-36.

3 (m) If a dispensing organization fails to submit an
4 application for renewal of an Early Approval Adult Use
5 Dispensing Organization License or for an Adult Use Dispensing
6 Organization License before the expiration dates provided in
7 subsections (k) and (l) of this Section, the dispensing
8 organization shall cease serving purchasers and cease all
9 operations until it receives a renewal or an Adult Use
10 Dispensing Organization License, as the case may be.

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

18 (o) If the Department suspends, permanently revokes, or
19 otherwise disciplines the Early Approval Adult Use Dispensing
20 Organization License of a dispensing organization that also
21 holds a medical cannabis dispensing organization license
22 issued under the Compassionate Use of Medical Cannabis Program
23 Act, the Department may consider the suspension, permanent
24 revocation, or other discipline of the medical cannabis
25 dispensing organization license.

26 (p) All fees collected pursuant to this Section shall be

1 deposited into the Cannabis Regulation Fund, unless otherwise
2 specified.

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

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.