



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3306

Introduced 2/19/2021, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/30-5
410 ILCS 705/30-30
410 ILCS 705/40-25
410 ILCS 705/55-20
410 ILCS 705/60-10

Amends the Cannabis Regulation and Tax Act. Raises specified square footage requirements for craft growers. Removes language allowing the Department of Agriculture to authorize a decrease of flowering stage cultivation space used for cultivating specified plants. Raises the maximum number of craft grower licenses for specified craft growers to 3 (rather than one), 6 (rather than 2), and 10 (rather than 3). Removes language prohibiting craft growers from being located within 1,500 feet of each other. Prohibits cannabis product advertising from describing or referencing a cannabis product as "craft" unless the cannabis product is produced by a craft grower. Provides that the Cannabis Cultivation Privilege Tax shall not be assessed against or collected from specified craft growers until 2 years after the date the craft grower was awarded a license. Makes other changes.

LRB102 14605 CPF 19958 b

1 AN ACT concerning regulation.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Sections 1-10, 30-5, 30-30, 40-25, 55-20, and
6 60-10 as follows:

7 (410 ILCS 705/1-10)

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

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

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

18 "Advertise" means to engage in promotional activities
19 including, but not limited to: newspaper, radio, Internet and
20 electronic media, and television advertising; the distribution
21 of fliers and circulars; billboard advertising; and the
22 display of window and interior signs. "Advertise" does not
23 mean exterior signage displaying only the name of the licensed

1 cannabis business establishment.

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

12 "Cannabis" means marijuana, hashish, and other substances
13 that are identified as including any parts of the plant
14 Cannabis sativa and including derivatives or subspecies, such
15 as indica, of all strains of cannabis, whether growing or not;
16 the seeds thereof, the resin extracted from any part of the
17 plant; and any compound, manufacture, salt, derivative,
18 mixture, or preparation of the plant, its seeds, or resin,
19 including tetrahydrocannabinol (THC) and all other naturally
20 produced cannabinol derivatives, whether produced directly or
21 indirectly by extraction; however, "cannabis" does not include
22 the mature stalks of the plant, fiber produced from the
23 stalks, oil or cake made from the seeds of the plant, any other
24 compound, manufacture, salt, derivative, mixture, or
25 preparation of the mature stalks (except the resin extracted
26 from it), fiber, oil or cake, or the sterilized seed of the

1 plant that is incapable of germination. "Cannabis" does not
2 include industrial hemp as defined and authorized under the
3 Industrial Hemp Act. "Cannabis" also means cannabis flower,
4 concentrate, and cannabis-infused products.

5 "Cannabis business establishment" means a cultivation
6 center, craft grower, processing organization, infuser
7 organization, dispensing organization, or transporting
8 organization.

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

18 "Cannabis container" means a sealed, traceable, container,
19 or package used for the purpose of containment of cannabis or
20 cannabis-infused product during transportation.

21 "Cannabis flower" means marijuana, hashish, and other
22 substances that are identified as including any parts of the
23 plant Cannabis sativa and including derivatives or subspecies,
24 such as indica, of all strains of cannabis; including raw
25 kief, leaves, and buds, but not resin that has been extracted
26 from any part of such plant; nor any compound, manufacture,

1 salt, derivative, mixture, or preparation of such plant, its
2 seeds, or resin.

3 "Cannabis-infused product" means a beverage, food, oil,
4 ointment, tincture, topical formulation, or another product
5 containing cannabis or cannabis concentrate that is not
6 intended to be smoked.

7 "Cannabis paraphernalia" means equipment, products, or
8 materials intended to be used for planting, propagating,
9 cultivating, growing, harvesting, manufacturing, producing,
10 processing, preparing, testing, analyzing, packaging,
11 repackaging, storing, containing, concealing, ingesting, or
12 otherwise introducing cannabis into the human body.

13 "Cannabis plant monitoring system" or "plant monitoring
14 system" means a system that includes, but is not limited to,
15 testing and data collection established and maintained by the
16 cultivation center, craft grower, or processing organization
17 and that is available to the Department of Revenue, the
18 Department of Agriculture, the Department of Financial and
19 Professional Regulation, and the Department of State Police
20 for the purposes of documenting each cannabis plant and
21 monitoring plant development throughout the life cycle of a
22 cannabis plant cultivated for the intended use by a customer
23 from seed planting to final packaging.

24 "Cannabis testing facility" means an entity registered by
25 the Department of Agriculture to test cannabis for potency and
26 contaminants.

1 "Clone" means a plant section from a female cannabis plant
2 not yet rootbound, growing in a water solution or other
3 propagation matrix, that is capable of developing into a new
4 plant.

5 "Community College Cannabis Vocational Training Pilot
6 Program faculty participant" means a person who is 21 years of
7 age or older, licensed by the Department of Agriculture, and
8 is employed or contracted by an Illinois community college to
9 provide student instruction using cannabis plants at an
10 Illinois Community College.

11 "Community College Cannabis Vocational Training Pilot
12 Program faculty participant Agent Identification Card" means a
13 document issued by the Department of Agriculture that
14 identifies a person as Community College Cannabis Vocational
15 Training Pilot Program faculty participant.

16 "Conditional Adult Use Dispensing Organization License"
17 means a license awarded to top-scoring applicants for an Adult
18 Use Dispensing Organization License that reserves the right to
19 an Adult Use Dispensing Organization License if the applicant
20 meets certain conditions described in this Act, but does not
21 entitle the recipient to begin purchasing or selling cannabis
22 or cannabis-infused products.

23 "Conditional Adult Use Cultivation Center License" means a
24 license awarded to top-scoring applicants for an Adult Use
25 Cultivation Center License that reserves the right to an Adult
26 Use Cultivation Center License if the applicant meets certain

1 conditions as determined by the Department of Agriculture by
2 rule, but does not entitle the recipient to begin growing,
3 processing, or selling cannabis or cannabis-infused products.

4 "Craft grower" means a facility operated by an
5 organization or business that is licensed by the Department of
6 Agriculture to cultivate, dry, cure, and package cannabis and
7 perform other necessary activities to make cannabis available
8 for sale at a dispensing organization or use at a processing
9 organization. A craft grower may contain up to 14,000 ~~5,000~~
10 square feet of canopy space on its premises for plants in the
11 flowering state. The Department of Agriculture may authorize
12 an increase ~~or decrease~~ of flowering stage cultivation space
13 in increments of 14,000 ~~3,000~~ square feet by rule based on
14 market need, craft grower capacity, and the licensee's history
15 of compliance or noncompliance, with a maximum space of 56,000
16 ~~14,000~~ square feet for cultivating plants in the flowering
17 stage, which must be cultivated in all stages of growth in an
18 enclosed and secure area. A craft grower may share premises
19 with a processing organization or a dispensing organization,
20 or both, provided each licensee stores currency and cannabis
21 or cannabis-infused products in a separate secured vault to
22 which the other licensee does not have access or all licensees
23 sharing a vault share more than 50% of the same ownership.

24 "Craft grower agent" means a principal officer, board
25 member, employee, or other agent of a craft grower who is 21
26 years of age or older.

1 "Craft Grower Agent Identification Card" means a document
2 issued by the Department of Agriculture that identifies a
3 person as a craft grower agent.

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

10 "Cultivation center agent" means a principal officer,
11 board member, employee, or other agent of a cultivation center
12 who is 21 years of age or older.

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

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

17 "Dispensary" means a facility operated by a dispensing
18 organization at which activities licensed by this Act may
19 occur.

20 "Dispensing organization" means a facility operated by an
21 organization or business that is licensed by the Department of
22 Financial and Professional Regulation to acquire cannabis from
23 a cultivation center, craft grower, processing organization,
24 or another dispensary for the purpose of selling or dispensing
25 cannabis, cannabis-infused products, cannabis seeds,
26 paraphernalia, or related supplies under this Act to

1 purchasers or to qualified registered medical cannabis
2 patients and caregivers. As used in this Act, "dispensing
3 organization" includes a registered medical cannabis
4 organization as defined in the Compassionate Use of Medical
5 Cannabis Program Act or its successor Act that has obtained an
6 Early Approval Adult Use Dispensing Organization License.

7 "Dispensing organization agent" means a principal officer,
8 employee, or agent of a dispensing organization who is 21
9 years of age or older.

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

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

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

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

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

25 (C) at least 20% of the households in the area
26 receive assistance under the Supplemental Nutrition

1 Assistance Program; or

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

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

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

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

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

9 "Enclosed, locked facility" means a room, greenhouse,
10 building, or other enclosed area equipped with locks or other
11 security devices that permit access only by cannabis business
12 establishment agents working for the licensed cannabis
13 business establishment or acting pursuant to this Act to
14 cultivate, process, store, or distribute cannabis.

15 "Enclosed, locked space" means a closet, room, greenhouse,
16 building or other enclosed area equipped with locks or other
17 security devices that permit access only by authorized
18 individuals under this Act. "Enclosed, locked space" may
19 include:

- 20 (1) a space within a residential building that (i) is
21 the primary residence of the individual cultivating 5 or
22 fewer cannabis plants that are more than 5 inches tall and
23 (ii) includes sleeping quarters and indoor plumbing. The
24 space must only be accessible by a key or code that is
25 different from any key or code that can be used to access
26 the residential building from the exterior; or

1 (2) a structure, such as a shed or greenhouse, that
2 lies on the same plot of land as a residential building
3 that (i) includes sleeping quarters and indoor plumbing
4 and (ii) is used as a primary residence by the person
5 cultivating 5 or fewer cannabis plants that are more than
6 5 inches tall, such as a shed or greenhouse. The structure
7 must remain locked when it is unoccupied by people.

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

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

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

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

22 "Individual" means a natural person.

23 "Infuser organization" or "infuser" means a facility
24 operated by an organization or business that is licensed by
25 the Department of Agriculture to directly incorporate cannabis
26 or cannabis concentrate into a product formulation to produce

1 a cannabis-infused product.

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

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

25 "Limited access area" means a room or other area under the
26 control of a cannabis dispensing organization licensed under

1 this Act and upon the licensed premises where cannabis sales
2 occur with access limited to purchasers, dispensing
3 organization owners and other dispensing organization agents,
4 or service professionals conducting business with the
5 dispensing organization, or, if sales to registered qualifying
6 patients, caregivers, provisional patients, and Opioid
7 Alternative Pilot Program participants licensed pursuant to
8 the Compassionate Use of Medical Cannabis Program Act are also
9 permitted at the dispensary, registered qualifying patients,
10 caregivers, provisional patients, and Opioid Alternative Pilot
11 Program participants.

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

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

22 "Ordinary public view" means within the sight line with
23 normal visual range of a person, unassisted by visual aids,
24 from a public street or sidewalk adjacent to real property, or
25 from within an adjacent property.

26 "Ownership and control" means ownership of at least 51% of

1 the business, including corporate stock if a corporation, and
2 control over the management and day-to-day operations of the
3 business and an interest in the capital, assets, and profits
4 and losses of the business proportionate to percentage of
5 ownership.

6 "Person" means a natural individual, firm, partnership,
7 association, joint stock company, joint venture, public or
8 private corporation, limited liability company, or a receiver,
9 executor, trustee, guardian, or other representative appointed
10 by order of any court.

11 "Possession limit" means the amount of cannabis under
12 Section 10-10 that may be possessed at any one time by a person
13 21 years of age or older or who is a registered qualifying
14 medical cannabis patient or caregiver under the Compassionate
15 Use of Medical Cannabis Program Act.

16 "Principal officer" includes a cannabis business
17 establishment applicant or licensed cannabis business
18 establishment's board member, owner with more than 1% interest
19 of the total cannabis business establishment or more than 5%
20 interest of the total cannabis business establishment of a
21 publicly traded company, president, vice president, secretary,
22 treasurer, partner, officer, member, manager member, or person
23 with a profit sharing, financial interest, or revenue sharing
24 arrangement. The definition includes a person with authority
25 to control the cannabis business establishment, a person who
26 assumes responsibility for the debts of the cannabis business

1 establishment and who is further defined in this Act.

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

9 "Processing organization" or "processor" means a facility
10 operated by an organization or business that is licensed by
11 the Department of Agriculture to either extract constituent
12 chemicals or compounds to produce cannabis concentrate or
13 incorporate cannabis or cannabis concentrate into a product
14 formulation to produce a cannabis product.

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

17 "Processing organization agent identification card" means
18 a document issued by the Department of Agriculture that
19 identifies a person as a processing organization agent.

20 "Purchaser" means a person 21 years of age or older who
21 acquires cannabis for a valuable consideration. "Purchaser"
22 does not include a cardholder under the Compassionate Use of
23 Medical Cannabis Program Act.

24 "Qualified Social Equity Applicant" means a Social Equity
25 Applicant who has been awarded a conditional license under
26 this Act to operate a cannabis business establishment.

1 "Resided" means an individual's primary residence was
2 located within the relevant geographic area as established by
3 2 of the following:

4 (1) a signed lease agreement that includes the
5 applicant's name;

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

8 (3) school records;

9 (4) a voter registration card;

10 (5) an Illinois driver's license, an Illinois
11 Identification Card, or an Illinois Person with a
12 Disability Identification Card;

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

18 "Smoking" means the inhalation of smoke caused by the
19 combustion of cannabis.

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

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

26 (2) an applicant with at least 51% ownership and

1 control by one or more individuals who:

2 (i) have been arrested for, convicted of, or
3 adjudicated delinquent for any offense that is
4 eligible for expungement under this Act; or

5 (ii) is a member of an impacted family;

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

9 (i) currently reside in a Disproportionately
10 Impacted Area; or

11 (ii) have been arrested for, convicted of, or
12 adjudicated delinquent for any offense that is
13 eligible for expungement under this Act or member of
14 an impacted family.

15 Nothing in this Act shall be construed to preempt or limit
16 the duties of any employer under the Job Opportunities for
17 Qualified Applicants Act. Nothing in this Act shall permit an
18 employer to require an employee to disclose sealed or expunged
19 offenses, unless otherwise required by law.

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

1 "Transporting organization" or "transporter" means an
2 organization or business that is licensed by the Department of
3 Agriculture to transport cannabis or cannabis-infused product
4 on behalf of a cannabis business establishment or a community
5 college licensed under the Community College Cannabis
6 Vocational Training Pilot Program.

7 "Transporting organization agent" means a principal
8 officer, board member, employee, or agent of a transporting
9 organization.

10 "Transporting organization agent identification card"
11 means a document issued by the Department of Agriculture that
12 identifies a person as a transporting organization agent.

13 "Unit of local government" means any county, city,
14 village, or incorporated town.

15 "Vegetative stage" means the stage of cultivation in which
16 a cannabis plant is propagated to produce additional cannabis
17 plants or reach a sufficient size for production. This
18 includes seedlings, clones, mothers, and other immature
19 cannabis plants as follows:

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

25 (2) any cannabis plant that is cultivated solely for
26 the purpose of propagating clones and is never used to

1 produce cannabis.

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

3 (410 ILCS 705/30-5)

4 Sec. 30-5. Issuance of licenses.

5 (a) The Department of Agriculture shall issue up to 40
6 craft grower licenses by July 1, 2020. Any person or entity
7 awarded a license pursuant to this subsection shall only hold
8 up to 3 ~~one~~ craft grower licenses ~~license~~ and may not sell that
9 ~~license until after December 21, 2021.~~

10 (b) By December 21, 2021, the Department of Agriculture
11 shall issue up to 60 additional craft grower licenses. Any
12 person or entity awarded a license pursuant to this subsection
13 shall not hold more than 6 ~~2~~ craft grower licenses. The person
14 or entity awarded a license pursuant to this subsection or
15 subsection (a) of this Section may sell its craft grower
16 license subject to the restrictions of this Act or as
17 determined by administrative rule. Prior to issuing such
18 licenses, the Department may adopt rules through emergency
19 rulemaking in accordance with subsection (gg) of Section 5-45
20 of the Illinois Administrative Procedure Act, to modify or
21 raise the number of craft grower licenses and modify or change
22 the licensing application process to reduce or eliminate
23 barriers. The General Assembly finds that the adoption of
24 rules to regulate cannabis use is deemed an emergency and
25 necessary for the public interest, safety, and welfare. In

1 determining whether to exercise the authority granted by this
2 subsection, the Department of Agriculture must consider the
3 following factors:

4 (1) the percentage of cannabis sales occurring in
5 Illinois not in the regulated market using data from the
6 Substance Abuse and Mental Health Services Administration,
7 National Survey on Drug Use and Health, Illinois
8 Behavioral Risk Factor Surveillance System, and tourism
9 data from the Illinois Office of Tourism to ascertain
10 total cannabis consumption in Illinois compared to the
11 amount of sales in licensed dispensing organizations;

12 (2) whether there is an adequate supply of cannabis
13 and cannabis-infused products to serve registered medical
14 cannabis patients;

15 (3) whether there is an adequate supply of cannabis
16 and cannabis-infused products to serve purchasers;

17 (4) whether there is an oversupply of cannabis in
18 Illinois leading to trafficking of cannabis to states
19 where the sale of cannabis is not permitted by law;

20 (5) population increases or shifts;

21 (6) the density of craft growers in any area of the
22 State;

23 (7) perceived security risks of increasing the number
24 or location of craft growers;

25 (8) the past safety record of craft growers;

26 (9) the Department of Agriculture's capacity to

1 appropriately regulate additional licensees;

2 (10) the findings and recommendations from the
3 disparity and availability study commissioned by the
4 Illinois Cannabis Regulation Oversight Officer to reduce
5 or eliminate any identified barriers to entry in the
6 cannabis industry; and

7 (11) any other criteria the Department of Agriculture
8 deems relevant.

9 (c) After January 1, 2022, the Department of Agriculture
10 may by rule modify or raise the number of craft grower licenses
11 and modify or change the licensing application process to
12 reduce or eliminate barriers based on the criteria in
13 subsection (b). At no time may the number of craft grower
14 licenses exceed 150. Any person or entity awarded a license
15 pursuant to this subsection shall not hold more than 10 ~~3~~ craft
16 grower licenses. A person or entity awarded a license pursuant
17 to this subsection or subsection (a) or subsection (b) of this
18 Section may sell its craft grower license or licenses subject
19 to the restrictions of this Act or as determined by
20 administrative rule.

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

22 (410 ILCS 705/30-30)

23 Sec. 30-30. Craft grower requirements; prohibitions.

24 (a) The operating documents of a craft grower shall
25 include procedures for the oversight of the craft grower, a

1 cannabis plant monitoring system including a physical
2 inventory recorded weekly, accurate recordkeeping, and a
3 staffing plan.

4 (b) A craft grower shall implement a security plan
5 reviewed by the Department of State Police that includes, but
6 is not limited to: facility access controls, perimeter
7 intrusion detection systems, personnel identification systems,
8 and a 24-hour surveillance system to monitor the interior and
9 exterior of the craft grower facility and that is accessible
10 to authorized law enforcement and the Department of
11 Agriculture in real time.

12 (c) All cultivation of cannabis by a craft grower must
13 take place in an enclosed, locked facility at the physical
14 address provided to the Department of Agriculture during the
15 licensing process. The craft grower location shall only be
16 accessed by the agents working for the craft grower, the
17 Department of Agriculture staff performing inspections, the
18 Department of Public Health staff performing inspections,
19 State and local law enforcement or other emergency personnel,
20 contractors working on jobs unrelated to cannabis, such as
21 installing or maintaining security devices or performing
22 electrical wiring, transporting organization agents as
23 provided in this Act, or participants in the incubator
24 program, individuals in a mentoring or educational program
25 approved by the State, or other individuals as provided by
26 rule. However, if a craft grower shares a premises with an

1 infuser or dispensing organization, agents from those other
2 licensees may access the craft grower portion of the premises
3 if that is the location of common bathrooms, lunchrooms,
4 locker rooms, or other areas of the building where work or
5 cultivation of cannabis is not performed. At no time may an
6 infuser or dispensing organization agent perform work at a
7 craft grower without being a registered agent of the craft
8 grower.

9 (d) A craft grower may not sell or distribute any cannabis
10 to any person other than a cultivation center, a craft grower,
11 an infuser organization, a dispensing organization, or as
12 otherwise authorized by rule.

13 (e) A craft grower may not be located in an area zoned for
14 residential use.

15 (f) A craft grower may not either directly or indirectly
16 discriminate in price between different cannabis business
17 establishments that are purchasing a like grade, strain,
18 brand, and quality of cannabis or cannabis-infused product.
19 Nothing in this subsection (f) prevents a craft grower from
20 pricing cannabis differently based on differences in the cost
21 of manufacturing or processing, the quantities sold, such as
22 volume discounts, or the way the products are delivered.

23 (g) All cannabis harvested by a craft grower and intended
24 for distribution to a dispensing organization must be entered
25 into a data collection system, packaged and labeled under
26 Section 55-21, and, if distribution is to a dispensing

1 organization that does not share a premises with the
2 dispensing organization receiving the cannabis, placed into a
3 cannabis container for transport. All cannabis harvested by a
4 craft grower and intended for distribution to a cultivation
5 center, to an infuser organization, or to a craft grower with
6 which it does not share a premises, must be packaged in a
7 labeled cannabis container and entered into a data collection
8 system before transport.

9 (h) Craft growers are subject to random inspections by the
10 Department of Agriculture, local safety or health inspectors,
11 and the Department of State Police.

12 (i) A craft grower agent shall notify local law
13 enforcement, the Department of State Police, and the
14 Department of Agriculture within 24 hours of the discovery of
15 any loss or theft. Notification shall be made by phone, in
16 person, or written or electronic communication.

17 (j) A craft grower shall comply with all State and any
18 applicable federal rules and regulations regarding the use of
19 pesticides.

20 (k) A craft grower or craft grower agent shall not
21 transport cannabis or cannabis-infused products to any other
22 cannabis business establishment without a transport
23 organization license unless:

24 (i) If the craft grower is located in a county with a
25 population of 3,000,000 or more, the cannabis business
26 establishment receiving the cannabis is within 2,000 feet

1 of the property line of the craft grower;

2 (ii) If the craft grower is located in a county with a
3 population of more than 700,000 but fewer than 3,000,000,
4 the cannabis business establishment receiving the cannabis
5 is within 2 miles of the craft grower; or

6 (iii) If the craft grower is located in a county with a
7 population of fewer than 700,000, the cannabis business
8 establishment receiving the cannabis is within 15 miles of
9 the craft grower.

10 (l) A craft grower may enter into a contract with a
11 transporting organization to transport cannabis to a
12 cultivation center, a craft grower, an infuser organization, a
13 dispensing organization, or a laboratory.

14 (m) No person or entity shall hold any legal, equitable,
15 ownership, or beneficial interest, directly or indirectly, of
16 more than 10 ~~3~~ craft grower licenses. Further, no person or
17 entity that is employed by, an agent of, or has a contract to
18 receive payment from or participate in the management of a
19 craft grower, is a principal officer of a craft grower, or
20 entity controlled by or affiliated with a principal officer of
21 a craft grower shall hold any legal, equitable, ownership, or
22 beneficial interest, directly or indirectly, in a craft grower
23 license that would result in the person or entity owning or
24 controlling in combination with any craft grower, principal
25 officer of a craft grower, or entity controlled or affiliated
26 with a principal officer of a craft grower by which he, she, or

1 it is employed, is an agent of, or participates in the
2 management of more than 10 ~~3~~ craft grower licenses.

3 (n) It is unlawful for any person having a craft grower
4 license or any officer, associate, member, representative, or
5 agent of the licensee to offer or deliver money, or anything
6 else of value, directly or indirectly, to any person having an
7 Early Approval Adult Use Dispensing Organization License, a
8 Conditional Adult Use Dispensing Organization License, an
9 Adult Use Dispensing Organization License, or a medical
10 cannabis dispensing organization license issued under the
11 Compassionate Use of Medical Cannabis Program Act, or to any
12 person connected with or in any way representing, or to any
13 member of the family of, the person holding an Early Approval
14 Adult Use Dispensing Organization License, a Conditional Adult
15 Use Dispensing Organization License, an Adult Use Dispensing
16 Organization License, or a medical cannabis dispensing
17 organization license issued under the Compassionate Use of
18 Medical Cannabis Program Act, or to any stockholders in any
19 corporation engaged in the retail sale of cannabis, or to any
20 officer, manager, agent, or representative of the Early
21 Approval Adult Use Dispensing Organization License, a
22 Conditional Adult Use Dispensing Organization License, an
23 Adult Use Dispensing Organization License, or a medical
24 cannabis dispensing organization license issued under the
25 Compassionate Use of Medical Cannabis Program Act to obtain
26 preferential placement within the dispensing organization,

1 including, without limitation, on shelves and in display cases
2 where purchasers can view products, or on the dispensing
3 organization's website.

4 (o) A craft grower shall not be located within 1,500 feet
5 of ~~another craft grower or~~ a cultivation center.

6 (p) A craft grower may process cannabis, cannabis
7 concentrates, and cannabis-infused products.

8 (q) A craft grower must comply with any other requirements
9 or prohibitions set by administrative rule of the Department
10 of Agriculture.

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

12 (410 ILCS 705/40-25)

13 Sec. 40-25. Transporting organization requirements;
14 prohibitions.

15 (a) The operating documents of a transporting organization
16 shall include procedures for the oversight of the transporter,
17 an inventory monitoring system including a physical inventory
18 recorded weekly, accurate recordkeeping, and a staffing plan.

19 (b) A transporting organization may not transport cannabis
20 or cannabis-infused products to any person other than a
21 cultivation center, a craft grower, an infuser organization, a
22 dispensing organization, a testing facility, a transporting
23 organization depot or other transporting organization transfer
24 facility, or as otherwise authorized by rule.

25 (c) All cannabis transported by a transporting

1 organization must be entered into a data collection system and
2 placed into a cannabis container for transport.

3 (d) Transporters are subject to random inspections by the
4 Department of Agriculture, the Department of Public Health,
5 and the Department of State Police.

6 (e) A transporting organization agent shall notify local
7 law enforcement, the Department of State Police, and the
8 Department of Agriculture within 24 hours of the discovery of
9 any loss or theft. Notification shall be made by phone, in
10 person, or by written or electronic communication.

11 (f) No person under the age of 21 years shall be in a
12 commercial vehicle or trailer transporting cannabis goods.

13 (g) No person or individual who is not a transporting
14 organization agent shall be in a vehicle while transporting
15 cannabis goods.

16 (h) Transporters may not use commercial motor vehicles
17 with a weight rating of over 10,001 pounds.

18 (i) It is unlawful for any person to offer or deliver
19 money, or anything else of value, directly or indirectly, to
20 any of the following persons to obtain preferential placement
21 within the dispensing organization, including, without
22 limitation, on shelves and in display cases where purchasers
23 can view products, or on the dispensing organization's
24 website:

25 (1) a person having a transporting organization
26 license, or any officer, associate, member,

1 representative, or agent of the licensee;

2 (2) a person having an Early Applicant Adult Use
3 Dispensing Organization License, an Adult Use Dispensing
4 Organization License, or a medical cannabis dispensing
5 organization license issued under the Compassionate Use of
6 Medical Cannabis Program Act;

7 (3) a person connected with or in any way
8 representing, or a member of the family of, a person
9 holding an Early Applicant Adult Use Dispensing
10 Organization License, an Adult Use Dispensing Organization
11 License, or a medical cannabis dispensing organization
12 license issued under the Compassionate Use of Medical
13 Cannabis Program Act; or

14 (4) a stockholder, officer, manager, agent, or
15 representative of a corporation engaged in the retail sale
16 of cannabis, an Early Applicant Adult Use Dispensing
17 Organization License, an Adult Use Dispensing Organization
18 License, or a medical cannabis dispensing organization
19 license issued under the Compassionate Use of Medical
20 Cannabis Program Act.

21 (j) A transporting organization agent must keep his or her
22 identification card visible at all times when on the property
23 of a cannabis business establishment and during the
24 transporting of cannabis when acting under his or her duties
25 as a transportation organization agent. During these times,
26 the transporting organization agent must also provide the

1 identification card upon request of any law enforcement
2 officer engaged in his or her official duties.

3 (k) A copy of the transporting organization's registration
4 and a manifest for the delivery shall be present in any vehicle
5 transporting cannabis.

6 (l) Cannabis shall be transported so it is not visible or
7 recognizable from outside the vehicle.

8 (m) A vehicle transporting cannabis must not bear any
9 markings to indicate the vehicle contains cannabis or bear the
10 name or logo of the cannabis business establishment.

11 (n) Cannabis must be transported in an enclosed, locked
12 storage compartment that is secured or affixed to the vehicle.

13 (o) The Department of Agriculture may, by rule, impose any
14 other requirements or prohibitions on the transportation of
15 cannabis.

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

17 (410 ILCS 705/55-20)

18 Sec. 55-20. Advertising and promotions.

19 (a) No cannabis business establishment nor any other
20 person or entity shall engage in advertising that contains any
21 statement or illustration that:

22 (1) is false or misleading;

23 (2) promotes overconsumption of cannabis or cannabis
24 products;

25 (3) depicts the actual consumption of cannabis or

1 cannabis products;

2 (4) depicts a person under 21 years of age consuming
3 cannabis;

4 (5) makes any health, medicinal, or therapeutic claims
5 about cannabis or cannabis-infused products;

6 (6) includes the image of a cannabis leaf or bud; ~~or~~

7 (7) includes any image designed or likely to appeal to
8 minors, including cartoons, toys, animals, or children, or
9 any other likeness to images, characters, or phrases that
10 is designed in any manner to be appealing to or encourage
11 consumption by persons under 21 years of age; or.

12 (8) includes a description of, or reference to, a
13 cannabis product as "craft" unless the cannabis product or
14 the raw material used to create the cannabis product is
15 produced by a craft grower licensed under this Act.

16 (b) No cannabis business establishment nor any other
17 person or entity shall place or maintain, or cause to be placed
18 or maintained, an advertisement of cannabis or a
19 cannabis-infused product in any form or through any medium:

20 (1) within 1,000 feet of the perimeter of school
21 grounds, a playground, a recreation center or facility, a
22 child care center, a public park or public library, or a
23 game arcade to which admission is not restricted to
24 persons 21 years of age or older;

25 (2) on or in a public transit vehicle or public
26 transit shelter;

1 (3) on or in publicly owned or publicly operated
2 property; or

3 (4) that contains information that:

4 (A) is false or misleading;

5 (B) promotes excessive consumption;

6 (C) depicts a person under 21 years of age
7 consuming cannabis;

8 (D) includes the image of a cannabis leaf; or

9 (E) includes any image designed or likely to
10 appeal to minors, including cartoons, toys, animals,
11 or children, or any other likeness to images,
12 characters, or phrases that are popularly used to
13 advertise to children, or any imitation of candy
14 packaging or labeling, or that promotes consumption of
15 cannabis.

16 (c) Subsections (a) and (b) do not apply to an educational
17 message.

18 (d) Sales promotions. No cannabis business establishment
19 nor any other person or entity may encourage the sale of
20 cannabis or cannabis products by giving away cannabis or
21 cannabis products, by conducting games or competitions related
22 to the consumption of cannabis or cannabis products, or by
23 providing promotional materials or activities of a manner or
24 type that would be appealing to children.

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

1 (410 ILCS 705/60-10)

2 Sec. 60-10. Tax imposed.

3 (a) Beginning September 1, 2019, a tax is imposed upon the
4 privilege of cultivating cannabis at the rate of 7% of the
5 gross receipts from the first sale of cannabis by a
6 cultivator. The sale of any product that contains any amount
7 of cannabis or any derivative thereof is subject to the tax
8 under this Section on the full selling price of the product.
9 The Department may determine the selling price of the cannabis
10 when the seller and purchaser are affiliated persons, when the
11 sale and purchase of cannabis is not an arm's length
12 transaction, or when cannabis is transferred by a craft grower
13 to the craft grower's dispensing organization or infuser or
14 processing organization and a value is not established for the
15 cannabis. The value determined by the Department shall be
16 commensurate with the actual price received for products of
17 like quality, character, and use in the area. If there are no
18 sales of cannabis of like quality, character, and use in the
19 same area, then the Department shall establish a reasonable
20 value based on sales of products of like quality, character,
21 and use in other areas of the State, taking into consideration
22 any other relevant factors.

23 (b) The Cannabis Cultivation Privilege Tax imposed under
24 this Article is solely the responsibility of the cultivator
25 who makes the first sale and is not the responsibility of a
26 subsequent purchaser, a dispensing organization, or an

1 infuser. Persons subject to the tax imposed under this Article
2 may, however, reimburse themselves for their tax liability
3 hereunder by separately stating reimbursement for their tax
4 liability as an additional charge.

5 (c) The tax imposed under this Article shall be in
6 addition to all other occupation, privilege, or excise taxes
7 imposed by the State of Illinois or by any unit of local
8 government.

9 (d) The Cannabis Cultivation Privilege Tax imposed under
10 this Article shall not be assessed against or collected from
11 any craft grower awarded a license during the first group of
12 licenses issued by the Department of Agriculture under Section
13 30-5 until 2 years after the date the craft grower was awarded
14 the license.

15 (Source: P.A. 101-27, eff. 6-25-19.)