



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB4194**

Introduced 10/26/2021, by Rep. La Shawn K. Ford

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/20-45

Amends the Cannabis Regulation and Tax Act. Provides that, as a condition for the renewal of a cultivation center's license, and until January 1, 2027, a cultivation center shall set aside and offer wholesale to infuser organizations an amount of the cultivation center's monthly THC oil production. Requires the Department of Agriculture to ensure that for all cultivation centers the cumulative monthly amount of THC oil that is set aside and made available to infuser organizations is no less than specified amounts for calendar years 2022 through 2026. Requires the Department to establish a formula to establish fair THC oil set aside amount targets for each individual cultivation center in proportion to that cultivation center's production capacity. Provides that the set aside amount shall first be offered for sale exclusively to infuser organizations for a limited time. Provides that the Department shall develop a mechanism to ensure that the quality of THC oil included in a set aside amount is of consistent quality and is sold at market rates or better. Provides that the Department's administrative expenses from implementing the provisions shall be fully funded from tax revenue received by the State under the Act. Contains other provisions. Effective immediately.

LRB102 20931 CPF 29821 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 20-45 as follows:

6 (410 ILCS 705/20-45)

7 Sec. 20-45. Renewal of cultivation center licenses and  
8 agent identification cards.

9 (a) Licenses and identification cards issued under this  
10 Act shall be renewed annually. A cultivation center shall  
11 receive written or electronic notice 90 days before the  
12 expiration of its current license that the license will  
13 expire. The Department of Agriculture shall grant a renewal  
14 within 45 days of submission of a renewal application if:

15 (1) the cultivation center submits a renewal  
16 application and the required nonrefundable renewal fee of  
17 \$100,000, or another amount as the Department of  
18 Agriculture may set by rule after January 1, 2021, to be  
19 deposited into the Cannabis Regulation Fund.

20 (2) the Department of Agriculture has not suspended  
21 the license of the cultivation center or suspended or  
22 revoked the license for violating this Act or rules  
23 adopted under this Act;

1           (3) the cultivation center has continued to operate in  
2           accordance with all plans submitted as part of its  
3           application and approved by the Department of Agriculture  
4           or any amendments thereto that have been approved by the  
5           Department of Agriculture;

6           (4) the cultivation center has submitted an agent,  
7           employee, contracting, and subcontracting diversity report  
8           as required by the Department; and

9           (5) the cultivation center has submitted an  
10          environmental impact report.

11          (b) If a cultivation center fails to renew its license  
12          before expiration, it shall cease operations until its license  
13          is renewed.

14          (c) If a cultivation center agent fails to renew his or her  
15          identification card before its expiration, he or she shall  
16          cease to work as an agent of the cultivation center until his  
17          or her identification card is renewed.

18          (d) Any cultivation center that continues to operate, or  
19          any cultivation center agent who continues to work as an  
20          agent, after the applicable license or identification card has  
21          expired without renewal is subject to the penalties provided  
22          under Section 45-5.

23          (e) As a condition for the renewal of a cultivation  
24          center's license, and until January 1, 2027, a cultivation  
25          center shall set aside and offer wholesale to infuser  
26          organizations licensed under Article 35 an amount of the

1 cultivation center's monthly THC oil production. The  
2 Department of Agriculture shall ensure that for all  
3 cultivation centers the cumulative monthly amount of THC oil  
4 that is set aside and made available to infuser organizations  
5 is no less than the following:

6 (1) For calendar year 2022, 60,000 grams per month.

7 (2) For calendar year 2023, 71,000 grams per month.

8 (3) For calendar year 2024, 82,000 grams per month.

9 (4) For calendar year 2025, 93,000 grams per month.

10 (5) For calendar year 2026, 103,000 grams per month.

11 The Department of Agriculture shall establish a formula to  
12 establish fair THC oil set aside amount targets for each  
13 individual cultivation center in proportion to that  
14 cultivation center's production capacity using, if available,  
15 production and supply data from the State's seed to sale  
16 cannabis tracking system.

17 The set aside amount shall first be offered for sale  
18 exclusively to infuser organizations for a limited time  
19 determined by the Department of Agriculture. If an infuser  
20 organization does not purchase the total set aside amount from  
21 a cultivation center within the allotted time, the cultivation  
22 center may sell the remaining set aside amount of THC oil at  
23 its discretion.

24 The Department of Agriculture shall develop a mechanism to  
25 ensure that the quality of THC oil included in a set aside  
26 amount is of consistent quality and is sold at market rates or

1 better.

2 The Department of Agriculture's administrative expenses  
3 from implementing this Section shall be fully funded from tax  
4 revenue received by the State under this Act.

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

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.