



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4195

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

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/15-100
410 ILCS 705/30-30
410 ILCS 705/35-25

Amends the Cannabis Regulation and Tax Act. Provides that premises may be shared between up to 3 craft growers, an infuser organization, a cultivation center, a dispensing organization, or any combination thereof, provided that specified requirements are met. Effective immediately.

LRB102 20848 CPF 29729 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 Sections 1-10, 15-100, 30-30, and 35-25 as
6 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 5,000 square
10 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 3,000 square feet by rule based on market
14 need, craft grower capacity, and the licensee's history of
15 compliance or noncompliance, with a maximum space of 14,000
16 square feet for cultivating plants in the flowering stage,
17 which must be cultivated in all stages of growth in an enclosed
18 and secure area. A craft grower may share premises with up to 2
19 other craft growers, an infuser organization, a cultivation
20 center, a dispensing organization, or any combination thereof
21 ~~a processing organization or a dispensing organization, or~~
22 ~~both~~, provided each licensee stores currency and cannabis or
23 cannabis-infused products in a separate secured vault to which
24 the other licensee does not have access or all licensees
25 sharing a vault share more than 50% of the same ownership.

26 "Craft grower agent" means a principal officer, board

1 member, employee, or other agent of a craft grower who is 21
2 years of age or older.

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

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

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

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

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

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

22 "Dispensing organization" means a facility operated by an
23 organization or business that is licensed by the Department of
24 Financial and Professional Regulation to acquire cannabis from
25 a cultivation center, craft grower, processing organization,
26 or another dispensary for the purpose of selling or dispensing

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

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

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

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

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

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

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

1 (C) at least 20% of the households in the area
2 receive assistance under the Supplemental Nutrition
3 Assistance Program; or

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

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

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

23 "Early Approval Adult Use Dispensing Organization License"
24 means a license that permits a medical cannabis dispensing
25 organization licensed under the Compassionate Use of Medical
26 Cannabis Program Act as of the effective date of this Act to

1 begin selling cannabis or cannabis-infused product to
2 purchasers as permitted by this Act as of January 1, 2020.

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

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

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

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

1 different from any key or code that can be used to access
2 the residential building from the exterior; or

3 (2) a structure, such as a shed or greenhouse, that
4 lies on the same plot of land as a residential building
5 that (i) includes sleeping quarters and indoor plumbing
6 and (ii) is used as a primary residence by the person
7 cultivating 5 or fewer cannabis plants that are more than
8 5 inches tall, such as a shed or greenhouse. The structure
9 must remain locked when it is unoccupied by people.

10 "Financial institution" has the same meaning as "financial
11 organization" as defined in Section 1501 of the Illinois
12 Income Tax Act, and also includes the holding companies,
13 subsidiaries, 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,
22 from the moment the light deprivation began through the
23 remainder of the marijuana plant growth cycle.

24 "Individual" means a natural person.

25 "Infuser organization" or "infuser" means a facility
26 operated by an organization or business that is licensed by

1 the Department of Agriculture to directly incorporate cannabis
2 or cannabis concentrate into a product formulation to produce
3 a cannabis-infused product.

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

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

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

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

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

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

1 from within an adjacent property.

2 "Ownership and control" means ownership of at least 51% of
3 the business, including corporate stock if a corporation, and
4 control over the management and day-to-day operations of the
5 business and an interest in the capital, assets, and profits
6 and losses of the business proportionate to percentage of
7 ownership.

8 "Person" means a natural individual, firm, partnership,
9 association, joint stock company, joint venture, 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 "Possession limit" means the amount of cannabis under
14 Section 10-10 that may be possessed at any one time by a person
15 21 years of age or older or who is a registered qualifying
16 medical cannabis patient or caregiver under the Compassionate
17 Use of Medical Cannabis Program Act.

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

1 to control the cannabis business establishment, a person who
2 assumes responsibility for the debts of the cannabis business
3 establishment and who is further defined in this Act.

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

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

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

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

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

26 "Qualified Social Equity Applicant" means a Social Equity

1 Applicant who has been awarded a conditional license under
2 this Act to operate a cannabis business establishment.

3 "Resided" means an individual's primary residence was
4 located within the relevant geographic area as established by
5 2 of the following:

6 (1) a signed lease agreement that includes the
7 applicant's name;

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

10 (3) school records;

11 (4) a voter registration card;

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

15 (6) a paycheck stub;

16 (7) a utility bill;

17 (8) tax records; or

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

20 "Smoking" means the inhalation of smoke caused by the
21 combustion of cannabis.

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

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

1 Impacted Area;

2 (2) an applicant with at least 51% ownership and
3 control by one or more individuals who:

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

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

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

11 (i) currently reside in a Disproportionately
12 Impacted Area; or

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

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

22 "Tincture" means a cannabis-infused solution, typically
23 comprised of alcohol, glycerin, or vegetable oils, derived
24 either directly from the cannabis plant or from a processed
25 cannabis extract. A tincture is not an alcoholic liquor as
26 defined in the Liquor Control Act of 1934. A tincture shall

1 include a calibrated dropper or other similar device capable
2 of accurately measuring servings.

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

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

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

15 "Unit of local government" means any county, city,
16 village, or incorporated town.

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

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

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

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

5 (410 ILCS 705/15-100)

6 Sec. 15-100. Security.

7 (a) A dispensing organization shall implement security
8 measures to deter and prevent entry into and theft of cannabis
9 or currency.

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

14 (c) The dispensing organization shall implement security
15 measures to protect the premises, purchasers, and dispensing
16 organization agents including, but not limited to the
17 following:

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

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

23 (3) Develop a policy that addresses the maximum
24 capacity and purchaser flow in the waiting rooms and
25 limited access areas;

1 (4) Dispose of cannabis in accordance with this Act
2 and rules;

3 (5) During hours of operation, store and dispense all
4 cannabis from the restricted access area. During
5 operational hours, cannabis shall be stored in an enclosed
6 locked room or cabinet and accessible only to specifically
7 authorized dispensing organization agents;

8 (6) When the dispensary is closed, store all cannabis
9 and currency in a reinforced vault room in the restricted
10 access area and in a manner as to prevent diversion,
11 theft, or loss;

12 (7) Keep the reinforced vault room and any other
13 equipment or cannabis storage areas securely locked and
14 protected from unauthorized entry;

15 (8) Keep an electronic daily log of dispensing
16 organization agents with access to the reinforced vault
17 room and knowledge of the access code or combination;

18 (9) Keep all locks and security equipment in good
19 working order;

20 (10) Maintain an operational security and alarm system
21 at all times;

22 (11) Prohibit keys, if applicable, from being left in
23 the locks, or stored or placed in a location accessible to
24 persons other than specifically authorized personnel;

25 (12) Prohibit accessibility of security measures,
26 including combination numbers, passwords, or electronic or

1 biometric security systems to persons other than
2 specifically authorized dispensing organization agents;

3 (13) Ensure that the dispensary interior and exterior
4 premises are sufficiently lit to facilitate surveillance;

5 (14) Ensure that trees, bushes, and other foliage
6 outside of the dispensary premises do not allow for a
7 person or persons to conceal themselves from sight;

8 (15) Develop emergency policies and procedures for
9 securing all product and currency following any instance
10 of diversion, theft, or loss of cannabis, and conduct an
11 assessment to determine whether additional safeguards are
12 necessary; and

13 (16) Develop sufficient additional safeguards in
14 response to any special security concerns, or as required
15 by the Department.

16 (d) The Department may request or approve alternative
17 security provisions that it determines are an adequate
18 substitute for a security requirement specified in this
19 Article. Any additional protections may be considered by the
20 Department in evaluating overall security measures.

21 (e) A dispensing organization may share premises with up
22 to 3 craft growers, an infuser organization, a cultivation
23 center, or any combination thereof ~~a craft grower or an~~
24 ~~infuser organization, or both~~, provided each licensee stores
25 currency and cannabis or cannabis-infused products in a
26 separate secured vault to which the other licensee does not

1 have access or all licensees sharing a vault share more than
2 50% of the same ownership.

3 (f) A dispensing organization shall provide additional
4 security as needed and in a manner appropriate for the
5 community where it operates.

6 (g) Restricted access areas.

7 (1) All restricted access areas must be identified by
8 the posting of a sign that is a minimum of 12 inches by 12
9 inches and that states "Do Not Enter - Restricted Access
10 Area - Authorized Personnel Only" in lettering no smaller
11 than one inch in height.

12 (2) All restricted access areas shall be clearly
13 described in the floor plan of the premises, in the form
14 and manner determined by the Department, reflecting walls,
15 partitions, counters, and all areas of entry and exit. The
16 floor plan shall show all storage, disposal, and retail
17 sales areas.

18 (3) All restricted access areas must be secure, with
19 locking devices that prevent access from the limited
20 access areas.

21 (h) Security and alarm.

22 (1) A dispensing organization shall have an adequate
23 security plan and security system to prevent and detect
24 diversion, theft, or loss of cannabis, currency, or
25 unauthorized intrusion using commercial grade equipment
26 installed by an Illinois licensed private alarm contractor

1 or private alarm contractor agency that shall, at a
2 minimum, include:

3 (i) A perimeter alarm on all entry points and
4 glass break protection on perimeter windows;

5 (ii) Security shatterproof tinted film on exterior
6 windows;

7 (iii) A failure notification system that provides
8 an audible, text, or visual notification of any
9 failure in the surveillance system, including, but not
10 limited to, panic buttons, alarms, and video
11 monitoring system. The failure notification system
12 shall provide an alert to designated dispensing
13 organization agents within 5 minutes after the
14 failure, either by telephone or text message;

15 (iv) A duress alarm, panic button, and alarm, or
16 holdup alarm and after-hours intrusion detection alarm
17 that by design and purpose will directly or indirectly
18 notify, by the most efficient means, the Public Safety
19 Answering Point for the law enforcement agency having
20 primary jurisdiction;

21 (v) Security equipment to deter and prevent
22 unauthorized entrance into the dispensary, including
23 electronic door locks on the limited and restricted
24 access areas that include devices or a series of
25 devices to detect unauthorized intrusion that may
26 include a signal system interconnected with a radio

1 frequency method, cellular, private radio signals or
2 other mechanical or electronic device.

3 (2) All security system equipment and recordings shall
4 be maintained in good working order, in a secure location
5 so as to prevent theft, loss, destruction, or alterations.

6 (3) Access to surveillance monitoring recording
7 equipment shall be limited to persons who are essential to
8 surveillance operations, law enforcement authorities
9 acting within their jurisdiction, security system service
10 personnel, and the Department. A current list of
11 authorized dispensing organization agents and service
12 personnel that have access to the surveillance equipment
13 must be available to the Department upon request.

14 (4) All security equipment shall be inspected and
15 tested at regular intervals, not to exceed one month from
16 the previous inspection, and tested to ensure the systems
17 remain functional.

18 (5) The security system shall provide protection
19 against theft and diversion that is facilitated or hidden
20 by tampering with computers or electronic records.

21 (6) The dispensary shall ensure all access doors are
22 not solely controlled by an electronic access panel to
23 ensure that locks are not released during a power outage.

24 (i) To monitor the dispensary, the dispensing organization
25 shall incorporate continuous electronic video monitoring
26 including the following:

1 (1) All monitors must be 19 inches or greater;

2 (2) Unobstructed video surveillance of all enclosed
3 dispensary areas, unless prohibited by law, including all
4 points of entry and exit that shall be appropriate for the
5 normal lighting conditions of the area under surveillance.
6 The cameras shall be directed so all areas are captured,
7 including, but not limited to, safes, vaults, sales areas,
8 and areas where cannabis is stored, handled, dispensed, or
9 destroyed. Cameras shall be angled to allow for facial
10 recognition, the capture of clear and certain
11 identification of any person entering or exiting the
12 dispensary area and in lighting sufficient during all
13 times of night or day;

14 (3) Unobstructed video surveillance of outside areas,
15 the storefront, and the parking lot, that shall be
16 appropriate for the normal lighting conditions of the area
17 under surveillance. Cameras shall be angled so as to allow
18 for the capture of facial recognition, clear and certain
19 identification of any person entering or exiting the
20 dispensary and the immediate surrounding area, and license
21 plates of vehicles in the parking lot;

22 (4) 24-hour recordings from all video cameras
23 available for immediate viewing by the Department upon
24 request. Recordings shall not be destroyed or altered and
25 shall be retained for at least 90 days. Recordings shall
26 be retained as long as necessary if the dispensing

1 organization is aware of the loss or theft of cannabis or a
2 pending criminal, civil, or administrative investigation
3 or legal proceeding for which the recording may contain
4 relevant information;

5 (5) The ability to immediately produce a clear, color
6 still photo from the surveillance video, either live or
7 recorded;

8 (6) A date and time stamp embedded on all video
9 surveillance recordings. The date and time shall be
10 synchronized and set correctly and shall not significantly
11 obscure the picture;

12 (7) The ability to remain operational during a power
13 outage and ensure all access doors are not solely
14 controlled by an electronic access panel to ensure that
15 locks are not released during a power outage;

16 (8) All video surveillance equipment shall allow for
17 the exporting of still images in an industry standard
18 image format, including .jpg, .bmp, and .gif. Exported
19 video shall have the ability to be archived in a
20 proprietary format that ensures authentication of the
21 video and guarantees that no alteration of the recorded
22 image has taken place. Exported video shall also have the
23 ability to be saved in an industry standard file format
24 that can be played on a standard computer operating
25 system. All recordings shall be erased or destroyed before
26 disposal;

1 (9) The video surveillance system shall be operational
2 during a power outage with a 4-hour minimum battery
3 backup;

4 (10) A video camera or cameras recording at each
5 point-of-sale location allowing for the identification of
6 the dispensing organization agent distributing the
7 cannabis and any purchaser. The camera or cameras shall
8 capture the sale, the individuals and the computer
9 monitors used for the sale;

10 (11) A failure notification system that provides an
11 audible and visual notification of any failure in the
12 electronic video monitoring system; and

13 (12) All electronic video surveillance monitoring must
14 record at least the equivalent of 8 frames per second and
15 be available as recordings to the Department and the
16 Illinois State Police 24 hours a day via a secure
17 web-based portal with reverse functionality.

18 (j) The requirements contained in this Act are minimum
19 requirements for operating a dispensing organization. The
20 Department may establish additional requirements by rule.

21 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
22 102-538, eff. 8-20-21.)

23 (410 ILCS 705/30-30)

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

25 (a) The operating documents of a craft grower shall

1 include procedures for the oversight of the craft grower, a
2 cannabis plant monitoring system including a physical
3 inventory recorded weekly, accurate recordkeeping, and a
4 staffing plan.

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

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

1 rule. However, if a craft grower shares a premises with an
2 infuser or dispensing organization, agents from those other
3 licensees may access the craft grower portion of the premises
4 if that is the location of common bathrooms, lunchrooms,
5 locker rooms, or other areas of the building where work or
6 cultivation of cannabis is not performed. At no time may an
7 infuser or dispensing organization agent perform work at a
8 craft grower without being a registered agent of the craft
9 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 an infuser 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,
19 brand, and quality of cannabis or cannabis-infused product.
20 Nothing in this subsection (f) prevents a craft grower from
21 pricing cannabis differently based on differences in the cost
22 of manufacturing or processing, the quantities sold, such as
23 volume 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 55-21, and, if distribution is to a dispensing
2 organization that does not share a premises with the
3 dispensing organization receiving the cannabis, placed into a
4 cannabis container for transport. All cannabis harvested by a
5 craft grower and intended for distribution to a cultivation
6 center, to an infuser organization, or to a craft grower with
7 which it does not share a premises, must be packaged in a
8 labeled cannabis container and entered into a data collection
9 system before transport.

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

13 (i) A craft grower agent shall notify local law
14 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, in
17 person, or written or electronic communication.

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

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

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

1 establishment receiving the cannabis is within 2,000 feet
2 of the property line of the craft grower;

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

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

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

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

1 with a principal officer of a craft grower by which he, she, or
2 it is employed, is an agent of, or participates in the
3 management of more than 3 craft grower licenses.

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

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

5 (o) A craft grower shall not be located within 1,500 feet
6 of another craft grower or a cultivation center, unless the
7 craft grower shares premises with up to 2 other craft growers,
8 an infuser organization, a dispensing organization, or any
9 combination thereof as provided under the definition of "craft
10 grower" in Section 1-10 or under subsection (e) of Section
11 15-100 or subsection (l) of Section 35-25.

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

14 (q) A craft grower must comply with any other requirements
15 or prohibitions set by administrative rule of the Department
16 of Agriculture.

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

18 (410 ILCS 705/35-25)

19 Sec. 35-25. Infuser organization requirements;
20 prohibitions.

21 (a) The operating documents of an infuser shall include
22 procedures for the oversight of the infuser, an inventory
23 monitoring system including a physical inventory recorded
24 weekly, accurate recordkeeping, and a staffing plan.

25 (b) An infuser shall implement a security plan reviewed by

1 the Department of State Police that includes, but is not
2 limited to: facility access controls, perimeter intrusion
3 detection systems, personnel identification systems, and a
4 24-hour surveillance system to monitor the interior and
5 exterior of the infuser facility and that is accessible to
6 authorized law enforcement, the Department of Public Health,
7 and the Department of Agriculture in real time.

8 (c) All processing of cannabis by an infuser must take
9 place in an enclosed, locked facility at the physical address
10 provided to the Department of Agriculture during the licensing
11 process. The infuser location shall only be accessed by the
12 agents working for the infuser, the Department of Agriculture
13 staff performing inspections, the Department of Public Health
14 staff performing inspections, State and local law enforcement
15 or other emergency personnel, contractors working on jobs
16 unrelated to cannabis, such as installing or maintaining
17 security devices or performing electrical wiring, transporting
18 organization agents as provided in this Act, participants in
19 the incubator program, individuals in a mentoring or
20 educational program approved by the State, local safety or
21 health inspectors, or other individuals as provided by rule.
22 However, if an infuser shares a premises with a craft grower or
23 dispensing organization, agents from these other licensees may
24 access the infuser portion of the premises if that is the
25 location of common bathrooms, lunchrooms, locker rooms, or
26 other areas of the building where processing of cannabis is

1 not performed. At no time may a craft grower or dispensing
2 organization agent perform work at an infuser without being a
3 registered agent of the infuser.

4 (d) An infuser may not sell or distribute any cannabis to
5 any person other than a dispensing organization, or as
6 otherwise authorized by rule.

7 (e) An infuser may not either directly or indirectly
8 discriminate in price between different cannabis business
9 establishments that are purchasing a like grade, strain,
10 brand, and quality of cannabis or cannabis-infused product.
11 Nothing in this subsection (e) prevents an infuser from
12 pricing cannabis differently based on differences in the cost
13 of manufacturing or processing, the quantities sold, such
14 volume discounts, or the way the products are delivered.

15 (f) All cannabis infused by an infuser and intended for
16 distribution to a dispensing organization must be entered into
17 a data collection system, packaged and labeled under Section
18 55-21, and, if distribution is to a dispensing organization
19 that does not share a premises with the infuser, placed into a
20 cannabis container for transport. All cannabis produced by an
21 infuser and intended for distribution to a cultivation center,
22 infuser organization, or craft grower with which it does not
23 share a premises, must be packaged in a labeled cannabis
24 container and entered into a data collection system before
25 transport.

26 (g) Infusers are subject to random inspections by the

1 Department of Agriculture, the Department of Public Health,
2 the Department of State Police, and local law enforcement.

3 (h) An infuser agent shall notify local law enforcement,
4 the Department of State Police, and the Department of
5 Agriculture within 24 hours of the discovery of any loss or
6 theft. Notification shall be made by phone, in person, or by
7 written or electronic communication.

8 (i) An infuser organization may not be located in an area
9 zoned for residential use.

10 (j) An infuser or infuser agent shall not transport
11 cannabis or cannabis-infused products to any other cannabis
12 business establishment without a transport organization
13 license unless:

14 (i) If the infuser is located in a county with a
15 population of 3,000,000 or more, the cannabis business
16 establishment receiving the cannabis or cannabis-infused
17 product is within 2,000 feet of the property line of the
18 infuser;

19 (ii) If the infuser is located in a county with a
20 population of more than 700,000 but fewer than 3,000,000,
21 the cannabis business establishment receiving the cannabis
22 or cannabis-infused product is within 2 miles of the
23 infuser; or

24 (iii) If the infuser is located in a county with a
25 population of fewer than 700,000, the cannabis business
26 establishment receiving the cannabis or cannabis-infused

1 product is within 15 miles of the infuser.

2 (k) An infuser may enter into a contract with a
3 transporting organization to transport cannabis to a
4 dispensing organization or a laboratory.

5 (l) An infuser organization may share premises with up to
6 3 craft growers, a cultivation center, a dispensing
7 organization, or any combination thereof ~~a craft grower or a~~
8 ~~dispensing organization, or both~~, provided each licensee
9 stores currency and cannabis or cannabis-infused products in a
10 separate secured vault to which the other licensee does not
11 have access or all licensees sharing a vault share more than
12 50% of the same ownership.

13 (m) It is unlawful for any person or entity having an
14 infuser organization license or any officer, associate,
15 member, representative or agent of such licensee to offer or
16 deliver money, or anything else of value, directly or
17 indirectly to any person having an Early Approval Adult Use
18 Dispensing Organization License, a Conditional Adult Use
19 Dispensing Organization License, an Adult Use Dispensing
20 Organization License, or a medical cannabis dispensing
21 organization license issued under the Compassionate Use of
22 Medical Cannabis Program Act, or to any person connected with
23 or in any way representing, or to any member of the family of,
24 such person holding an Early Approval Adult Use Dispensing
25 Organization License, a Conditional Adult Use Dispensing
26 Organization License, an Adult Use Dispensing Organization

1 License, or a medical cannabis dispensing organization license
2 issued under the Compassionate Use of Medical Cannabis Program
3 Act, or to any stockholders in any corporation engaged the
4 retail sales of cannabis, or to any officer, manager, agent,
5 or representative of the Early Approval Adult Use Dispensing
6 Organization License, a Conditional Adult Use Dispensing
7 Organization License, an Adult Use Dispensing Organization
8 License, or a medical cannabis dispensing organization license
9 issued under the Compassionate Use of Medical Cannabis Program
10 Act to obtain preferential placement within the dispensing
11 organization, including, without limitation, on shelves and in
12 display cases where purchasers can view products, or on the
13 dispensing organization's website.

14 (n) At no time shall an infuser organization or an infuser
15 agent perform the extraction of cannabis concentrate from
16 cannabis flower.

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

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.