



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB0089

Introduced 2/3/2021, by Sen. Donald P. DeWitte

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/15-15

Amends the Cannabis Regulation and Tax Act. Provides that, notwithstanding specified provisions, any medical cannabis dispensing organization holding a valid registration on June 25, 2019 under the Compassionate Use of Medical Cannabis Program Act that has been awarded an Early Approval Adult Use Dispensing Organization License may apply to the Department to change its location subject to specified conditions. Requires holders of Early Approval Adult Use Dispensing Organization Licenses applying to change locations to submit specified materials to the Department of Financial and Professional Regulation. Requires the Department to any application to change locations upon receipt by the Department of the specified materials. Contains other provisions. Effective immediately.

LRB102 10432 CPF 15760 b

1 AN ACT concerning health.

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

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

6 (410 ILCS 705/15-15)

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

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

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

1 dispensing organization registration and include the  
2 following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (c) The license fee required by paragraph (1) of  
21 subsection (b) of this Section shall be in addition to any  
22 license fee required for the renewal of a registered medical  
23 cannabis dispensing organization license.

24 (d) Applicants must submit all required information,  
25 including the requirements in subsection (b) of this Section,  
26 to the Department. Failure by an applicant to submit all

1 required information may result in the application being  
2 disqualified.

3 (e) If the Department receives an application that fails  
4 to provide the required elements contained in subsection (b),  
5 the Department shall issue a deficiency notice to the  
6 applicant. The applicant shall have 10 calendar days from the  
7 date of the deficiency notice to submit complete information.  
8 Applications that are still incomplete after this opportunity  
9 to cure may be disqualified.

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

14 (1) The licensee or a principal officer is delinquent  
15 in filing any required tax returns or paying any amounts  
16 owed to the State of Illinois;

17 (2) The Secretary of Financial and Professional  
18 Regulation determines there is reason, based on documented  
19 compliance violations, the licensee is not entitled to an  
20 Early Approval Adult Use Dispensing Organization License;  
21 or

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

25 (g) A registered medical cannabis dispensing organization  
26 that obtains an Early Approval Adult Use Dispensing

1 Organization License may begin selling cannabis,  
2 cannabis-infused products, paraphernalia, and related items to  
3 purchasers under the rules of this Act no sooner than January  
4 1, 2020.

5 (h) A dispensing organization holding a medical cannabis  
6 dispensing organization license issued under the Compassionate  
7 Use of Medical Cannabis Program Act must maintain an adequate  
8 supply of cannabis and cannabis-infused products for purchase  
9 by qualifying patients, caregivers, provisional patients, and  
10 Opioid Alternative Pilot Program participants. For the  
11 purposes of this subsection, "adequate supply" means a monthly  
12 inventory level that is comparable in type and quantity to  
13 those medical cannabis products provided to patients and  
14 caregivers on an average monthly basis for the 6 months before  
15 the effective date of this Act.

16 (i) If there is a shortage of cannabis or cannabis-infused  
17 products, a dispensing organization holding both a dispensing  
18 organization license under the Compassionate Use of Medical  
19 Cannabis Program Act and this Act shall prioritize serving  
20 qualifying patients, caregivers, provisional patients, and  
21 Opioid Alternative Pilot Program participants before serving  
22 purchasers.

23 (j) Notwithstanding any law or rule to the contrary, a  
24 person that holds a medical cannabis dispensing organization  
25 license issued under the Compassionate Use of Medical Cannabis  
26 Program Act and an Early Approval Adult Use Dispensing

1 Organization License may permit purchasers into a limited  
2 access area as that term is defined in administrative rules  
3 made under the authority in the Compassionate Use of Medical  
4 Cannabis Program Act.

5 (k) An Early Approval Adult Use Dispensing Organization  
6 License is valid until March 31, 2021. A dispensing  
7 organization that obtains an Early Approval Adult Use  
8 Dispensing Organization License shall receive written or  
9 electronic notice 90 days before the expiration of the license  
10 that the license will expire, and that informs the license  
11 holder that it may apply to renew its Early Approval Adult Use  
12 Dispensing Organization License on forms provided by the  
13 Department. The Department shall renew the Early Approval  
14 Adult Use Dispensing Organization License within 60 days of  
15 the renewal application being deemed complete if:

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

19 (2) the Department has not suspended or permanently  
20 revoked the Early Approval Adult Use Dispensing  
21 Organization License or a medical cannabis dispensing  
22 organization license on the same premises for violations  
23 of this Act, the Compassionate Use of Medical Cannabis  
24 Program Act, or rules adopted pursuant to those Acts;

25 (3) the dispensing organization has completed a Social  
26 Equity Inclusion Plan as provided by parts (A), (B), and



1 (C) of paragraph (8) of subsection (b) of this Section or  
2 has made substantial progress toward completing a Social  
3 Equity Inclusion Plan as provided by parts (D) and (E) of  
4 paragraph (8) of subsection (b) of this Section; and

5 (4) the dispensing organization is in compliance with  
6 this Act and rules.

7 (l) The Early Approval Adult Use Dispensing Organization  
8 License renewed pursuant to subsection (k) of this Section  
9 shall expire March 31, 2022. The Early Approval Adult Use  
10 Dispensing Organization Licensee shall receive written or  
11 electronic notice 90 days before the expiration of the license  
12 that the license will expire, and that informs the license  
13 holder that it may apply for an Adult Use Dispensing  
14 Organization License on forms provided by the Department. The  
15 Department shall grant an Adult Use Dispensing Organization  
16 License within 60 days of an application being deemed complete  
17 if the applicant has met all of the criteria in Section 15-36.

18 (m) If a dispensing organization fails to submit an  
19 application for renewal of an Early Approval Adult Use  
20 Dispensing Organization License or for an Adult Use Dispensing  
21 Organization License before the expiration dates provided in  
22 subsections (k) and (l) of this Section, the dispensing  
23 organization shall cease serving purchasers and cease all  
24 operations until it receives a renewal or an Adult Use  
25 Dispensing Organization License, as the case may be.

26 (n) A dispensing organization agent who holds a valid

1 dispensing organization agent identification card issued under  
2 the Compassionate Use of Medical Cannabis Program Act and is  
3 an officer, director, manager, or employee of the dispensing  
4 organization licensed under this Section may engage in all  
5 activities authorized by this Article to be performed by a  
6 dispensing organization agent.

7 (o) If the Department suspends, permanently revokes, or  
8 otherwise disciplines the Early Approval Adult Use Dispensing  
9 Organization License of a dispensing organization that also  
10 holds a medical cannabis dispensing organization license  
11 issued under the Compassionate Use of Medical Cannabis Program  
12 Act, the Department may consider the suspension, permanent  
13 revocation, or other discipline of the medical cannabis  
14 dispensing organization license.

15 (p) All fees collected pursuant to this Section shall be  
16 deposited into the Cannabis Regulation Fund, unless otherwise  
17 specified.

18 (q) Notwithstanding any limitation set forth in  
19 subsections (a) and (b) of this Section, any medical cannabis  
20 dispensing organization holding a valid registration on June  
21 25, 2019 under the Compassionate Use of Medical Cannabis  
22 Program Act that has been awarded an Early Approval Adult Use  
23 Dispensing Organization License may apply to the Department to  
24 change its location. The new location must be located within  
25 the same medical district and BLS Region as the location of the  
26 existing registered medical cannabis dispensary associated

1 with the Early Approval Adult Use Dispensing Organization  
2 License. The Early Approval Adult Use Dispensing Organization  
3 may only apply to relocate under this subsection (q) if one of  
4 the following conditions applies:

5 (1) The registered medical cannabis dispensing  
6 organization is located in a unit of local government that  
7 has restricted the sale of adult use cannabis pursuant to  
8 paragraph (5) of Section 55-25 or Section 55-28.

9 (2) The unit of local government in which the Early  
10 Approval Adult Use Dispensing Organization is located  
11 requests, pursuant to local zoning approval and local  
12 authority, that the State allow the Early Approval Adult  
13 Use Dispensing Organization to move to a different  
14 location within the same unit of local government due to  
15 local zoning concerns or the inability of the Early  
16 Approval Adult Use Dispensing Organization to service both  
17 medical cannabis patients and adult use customers in an  
18 orderly and safe manner.

19 (r) A holder of an Early Approval Adult Use Dispensing  
20 Organization License applying to change locations under  
21 subsection (q) of this Section shall submit the following to  
22 the Department:

23 (1) A copy of the unit of local government's  
24 ordinance, resolution, or other official document  
25 demonstrating that the Early Approval Adult Use Dispensing  
26 Organization meets the requirements of either paragraph

1       (1) or (2) of subsection (g).

2       (2) Proof of registration as a medical cannabis  
3 dispensing organization that is in good standing.

4       (3) Submission of the application by the same person  
5 or entity that holds the medical cannabis dispensing  
6 organization registration.

7       (4) The legal name of the medical cannabis dispensing  
8 organization.

9       (5) The physical address of the medical cannabis  
10 dispensing organization and the proposed physical address  
11 of the proposed new site.

12       (6) A copy of the current local zoning ordinance  
13 provisions relevant to dispensary operations and  
14 documentation of the approval or the conditional approval  
15 of the status of a request for zoning approval from the  
16 local zoning office that the proposed dispensary location  
17 is in compliance with the local zoning rules.

18       (7) A plot plan of the dispensary drawn to scale. The  
19 applicant shall submit general specifications of the  
20 building exterior and interior layout.

21       (8) A statement that the medical cannabis dispensing  
22 organization agrees to respond to the Department's  
23 supplemental requests for information.

24       (9) For the building or land to be used as the proposed  
25 dispensary:

26               (A) if the property is not owned by the applicant,

1 a written statement from the property owner and  
2 landlord, if any, certifying consent that the  
3 applicant may operate a dispensary on the premises; or

4 (B) if the property is owned by the applicant,  
5 confirmation of ownership and a copy of the proposed  
6 operating bylaws.

7 (10) A copy of the proposed business plan that  
8 complies with the requirements of this Act, including, at  
9 a minimum, the following:

10 (A) a description of services to be offered; and

11 (B) a description of the process of dispensing  
12 cannabis.

13 (11) A copy of the proposed security plan that  
14 complies with the requirements of this Article, including:

15 (A) a description of the delivery process by which  
16 cannabis will be received from a transporting  
17 organization, including receipt of manifests and  
18 protocols that will be used to avoid diversion, theft,  
19 or loss at the dispensary acceptance point;

20 (B) the process or controls that will be  
21 implemented to monitor the dispensary, secure the  
22 premises, agents, patients, and currency, and prevent  
23 the diversion, theft, or loss of cannabis; and

24 (C) the process to ensure that access to the  
25 restricted access areas is restricted to registered  
26 agents, service professionals, transporting

1           organization agents, Department inspectors, and  
2           security personnel.

3           (12) A proposed inventory control plan that complies  
4           with this Section.

5           (13) The name, address, social security number, and  
6           date of birth of each principal officer and board member  
7           of the medical cannabis dispensing organization. Each of  
8           those individuals must be at least 21 years of age.

9           (s) The Department shall approve any application provided  
10          under subsection (q) of this Section upon receipt by the  
11          Department of the materials that meet the requirements  
12          outlined under subsection (r).

13          (t) An Early Approval Adult Use Dispensing Organization  
14          License that has been approved for relocation pursuant to  
15          subsection (q) of this Section may begin selling cannabis and  
16          cannabis-infused products to purchasers at the approved  
17          location and shall be subject to the renewal process under  
18          subsections (k) and (l) of this Section.

19          (u) Relocation of an Early Approval Adult Use Dispensing  
20          Organization License under subsection (q) shall not occur any  
21          sooner than 90 days after awarding the first Conditional Adult  
22          Use Dispensing Organization Licenses under Section 15-25.

23          (v) The new location of an Early Approval Adult Use  
24          Dispensing Organization relocated under subsection (q) shall  
25          comply with paragraph (5) of Section 55-25 and Section 55-28.

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

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.