



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB0031

Introduced 1/12/2023, 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 705/35-31
410 ILCS 705/40-25
410 ILCS 705/55-20
410 ILCS 705/60-10

Amends the Cannabis Regulation and Tax Act. Removes language providing that any person or entity awarded a craft grower license under specified provisions shall only hold one craft grower license. Requires the Department of Agriculture to issue an additional 30 craft grower licenses on or before December 21, 2023 and an additional 30 craft grower licenses on or before March 15, 2024 under specified conditions. Removes language providing that a craft grower shall not be located within 1,500 feet of another craft grower. Requires each adult use cultivation center or Early Approval Adult Use Cultivation Center License holder that produces THC oil extract to set aside a portion of its total monthly production of THC oil extract to sell to infuser organizations to provide infuser organizations with an adequate supply for their infusion processes. Provides that a transporting organization may transport cannabis or cannabis-infused products to a transporting organization depot or other transporting organization transfer facility. Provides that no cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that includes a description of or reference to a cannabis product as "craft", unless that product or the raw material used to create that product is produced by a craft grower. Provides that the tax imposed under the Cannabis Cultivation Privilege Tax Law shall not be assessed against or collected from any craft grower awarded a craft grower license under the Act until 2 years after the date that the license is awarded to the craft grower. Makes other changes. Effective immediately.

LRB103 03544 CPF 48550 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, 30-5, 30-30, 35-31, 40-25, 55-20,
6 and 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 "Application points" means the number of points a
3 Dispensary Applicant receives on an application for a
4 Conditional Adult Use Dispensing Organization License.

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

15 "By lot" means a randomized method of choosing between 2
16 or more Eligible Tied Applicants or 2 or more Qualifying
17 Applicants.

18 "Cannabis" means marijuana, hashish, and other substances
19 that are identified as including any parts of the plant
20 Cannabis sativa and including derivatives or subspecies, such
21 as indica, of all strains of cannabis, whether growing or not;
22 the seeds thereof, the resin extracted from any part of the
23 plant; and any compound, manufacture, salt, derivative,
24 mixture, or preparation of the plant, its seeds, or resin,
25 including tetrahydrocannabinol (THC) and all other naturally
26 produced cannabinol derivatives, whether produced directly or

1 indirectly by extraction; however, "cannabis" does not include
2 the mature stalks of the plant, fiber produced from the
3 stalks, oil or cake made from the seeds of the plant, any other
4 compound, manufacture, salt, derivative, mixture, or
5 preparation of the mature stalks (except the resin extracted
6 from it), fiber, oil or cake, or the sterilized seed of the
7 plant that is incapable of germination. "Cannabis" does not
8 include industrial hemp as defined and authorized under the
9 Industrial Hemp Act. "Cannabis" also means cannabis flower,
10 concentrate, and cannabis-infused products.

11 "Cannabis business establishment" means a cultivation
12 center, craft grower, processing organization, infuser
13 organization, dispensing organization, or transporting
14 organization.

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

24 "Cannabis container" means a sealed or resealable,
25 traceable, container, or package used for the purpose of
26 containment of cannabis or cannabis-infused product during

1 transportation.

2 "Cannabis flower" means marijuana, hashish, and other
3 substances that are identified as including any parts of the
4 plant Cannabis sativa and including derivatives or subspecies,
5 such as indica, of all strains of cannabis; including raw
6 kief, leaves, and buds, but not resin that has been extracted
7 from any part of such plant; nor any compound, manufacture,
8 salt, derivative, mixture, or preparation of such plant, its
9 seeds, or resin.

10 "Cannabis-infused product" means a beverage, food, oil,
11 ointment, tincture, topical formulation, or another product
12 containing cannabis or cannabis concentrate that is not
13 intended to be smoked.

14 "Cannabis paraphernalia" means equipment, products, or
15 materials intended to be used for planting, propagating,
16 cultivating, growing, harvesting, manufacturing, producing,
17 processing, preparing, testing, analyzing, packaging,
18 repackaging, storing, containing, concealing, ingesting, or
19 otherwise introducing cannabis into the human body.

20 "Cannabis plant monitoring system" or "plant monitoring
21 system" means a system that includes, but is not limited to,
22 testing and data collection established and maintained by the
23 cultivation center, craft grower, or processing organization
24 and that is available to the Department of Revenue, the
25 Department of Agriculture, the Department of Financial and
26 Professional Regulation, and the Illinois State Police for the

1 purposes of documenting each cannabis plant and monitoring
2 plant development throughout the life cycle of a cannabis
3 plant cultivated for the intended use by a customer from seed
4 planting to final packaging.

5 "Cannabis testing facility" means an entity registered by
6 the Department of Agriculture to test cannabis for potency and
7 contaminants.

8 "Clone" means a plant section from a female cannabis plant
9 not yet rootbound, growing in a water solution or other
10 propagation matrix, that is capable of developing into a new
11 plant.

12 "Community College Cannabis Vocational Training Pilot
13 Program faculty participant" means a person who is 21 years of
14 age or older, licensed by the Department of Agriculture, and
15 is employed or contracted by an Illinois community college to
16 provide student instruction using cannabis plants at an
17 Illinois Community College.

18 "Community College Cannabis Vocational Training Pilot
19 Program faculty participant Agent Identification Card" means a
20 document issued by the Department of Agriculture that
21 identifies a person as a Community College Cannabis Vocational
22 Training Pilot Program faculty participant.

23 "Conditional Adult Use Dispensing Organization License"
24 means a contingent license awarded to applicants for an Adult
25 Use Dispensing Organization License that reserves the right to
26 an Adult Use Dispensing Organization License if the applicant

1 meets certain conditions described in this Act, but does not
2 entitle the recipient to begin purchasing or selling cannabis
3 or cannabis-infused products.

4 "Conditional Adult Use Cultivation Center License" means a
5 license awarded to top-scoring applicants for an Adult Use
6 Cultivation Center License that reserves the right to an Adult
7 Use Cultivation Center License if the applicant meets certain
8 conditions as determined by the Department of Agriculture by
9 rule, but does not entitle the recipient to begin growing,
10 processing, or selling cannabis or cannabis-infused products.

11 "Craft grower" means a facility operated by an
12 organization or business that is licensed by the Department of
13 Agriculture to cultivate, dry, cure, and package cannabis and
14 perform other necessary activities to make cannabis available
15 for sale at a dispensing organization or use at a processing
16 organization. A craft grower may contain up to 14,000 ~~5,000~~
17 square feet of canopy space on its premises for plants in the
18 flowering state. ~~The Department of Agriculture may authorize~~
19 ~~an increase or decrease of flowering stage cultivation space~~
20 ~~in increments of 3,000 square feet by rule based on market~~
21 ~~need, craft grower capacity, and the licensee's history of~~
22 ~~compliance or noncompliance,~~ with a maximum space of 14,000
23 square feet for cultivating plants in the flowering stage,
24 which must be cultivated in all stages of growth in an enclosed
25 and secure area. A craft grower may share premises with a
26 processing organization or a dispensing organization, or both,

1 provided each licensee stores currency and cannabis or
2 cannabis-infused products in a separate secured vault to which
3 the other licensee does not have access or all licensees
4 sharing a vault share more than 50% of the same ownership.

5 "Craft grower agent" means a principal officer, board
6 member, employee, or other agent of a craft grower who is 21
7 years of age or older.

8 "Craft Grower Agent Identification Card" means a document
9 issued by the Department of Agriculture that identifies a
10 person as a craft grower agent.

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

17 "Cultivation center agent" means a principal officer,
18 board member, employee, or other agent of a cultivation center
19 who is 21 years of age or older.

20 "Cultivation Center Agent Identification Card" means a
21 document issued by the Department of Agriculture that
22 identifies a person as a cultivation center agent.

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

24 "Dispensary" means a facility operated by a dispensing
25 organization at which activities licensed by this Act may
26 occur.

1 "Dispensary Applicant" means the Proposed Dispensing
2 Organization Name as stated on an application for a
3 Conditional Adult Use Dispensing Organization License.

4 "Dispensing organization" means a facility operated by an
5 organization or business that is licensed by the Department of
6 Financial and Professional Regulation to acquire cannabis from
7 a cultivation center, craft grower, processing organization,
8 or another dispensary for the purpose of selling or dispensing
9 cannabis, cannabis-infused products, cannabis seeds,
10 paraphernalia, or related supplies under this Act to
11 purchasers or to qualified registered medical cannabis
12 patients and caregivers. As used in this Act, "dispensing
13 organization" includes a registered medical cannabis
14 organization as defined in the Compassionate Use of Medical
15 Cannabis Program Act or its successor Act that has obtained an
16 Early Approval Adult Use Dispensing Organization License.

17 "Dispensing organization agent" means a principal officer,
18 employee, or agent of a dispensing organization who is 21
19 years of age or older.

20 "Dispensing organization agent identification card" means
21 a document issued by the Department of Financial and
22 Professional Regulation that identifies a person as a
23 dispensing organization agent.

24 "Disproportionately Impacted Area" means a census tract or
25 comparable geographic area that satisfies the following
26 criteria as determined by the Department of Commerce and

1 Economic Opportunity, that:

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

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

5 (B) 75% or more of the children in the area
6 participate in the federal free lunch program
7 according to reported statistics from the State Board
8 of Education; or

9 (C) at least 20% of the households in the area
10 receive assistance under the Supplemental Nutrition
11 Assistance Program; or

12 (D) the area has an average unemployment rate, as
13 determined by the Illinois Department of Employment
14 Security, that is more than 120% of the national
15 unemployment average, as determined by the United
16 States Department of Labor, for a period of at least 2
17 consecutive calendar years preceding the date of the
18 application; and

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

22 "Early Approval Adult Use Cultivation Center License"
23 means a license that permits a medical cannabis cultivation
24 center licensed under the Compassionate Use of Medical
25 Cannabis Program Act as of the effective date of this Act to
26 begin cultivating, infusing, packaging, transporting (unless

1 otherwise provided in this Act), processing, and selling
2 cannabis or cannabis-infused product to cannabis business
3 establishments for resale to purchasers as permitted by this
4 Act as of January 1, 2020.

5 "Early Approval Adult Use Dispensing Organization License"
6 means a license that permits a medical cannabis dispensing
7 organization licensed under the Compassionate Use of Medical
8 Cannabis Program Act as of the effective date of this Act to
9 begin selling cannabis or cannabis-infused product to
10 purchasers as permitted by this Act as of January 1, 2020.

11 "Early Approval Adult Use Dispensing Organization at a
12 secondary site" means a license that permits a medical
13 cannabis dispensing organization licensed under the
14 Compassionate Use of Medical Cannabis Program Act as of the
15 effective date of this Act to begin selling cannabis or
16 cannabis-infused product to purchasers as permitted by this
17 Act on January 1, 2020 at a different dispensary location from
18 its existing registered medical dispensary location.

19 "Eligible Tied Applicant" means a Tied Applicant that is
20 eligible to participate in the process by which a remaining
21 available license is distributed by lot pursuant to a Tied
22 Applicant Lottery.

23 "Enclosed, locked facility" means a room, greenhouse,
24 building, or other enclosed area equipped with locks or other
25 security devices that permit access only by cannabis business
26 establishment agents working for the licensed cannabis

1 business establishment or acting pursuant to this Act to
2 cultivate, process, store, or distribute cannabis.

3 "Enclosed, locked space" means a closet, room, greenhouse,
4 building, or other enclosed area equipped with locks or other
5 security devices that permit access only by authorized
6 individuals under this Act. "Enclosed, locked space" may
7 include:

8 (1) a space within a residential building that (i) is
9 the primary residence of the individual cultivating 5 or
10 fewer cannabis plants that are more than 5 inches tall and
11 (ii) includes sleeping quarters and indoor plumbing. The
12 space must only be accessible by a key or code that is
13 different from any key or code that can be used to access
14 the residential building from the exterior; or

15 (2) a structure, such as a shed or greenhouse, that
16 lies on the same plot of land as a residential building
17 that (i) includes sleeping quarters and indoor plumbing
18 and (ii) is used as a primary residence by the person
19 cultivating 5 or fewer cannabis plants that are more than
20 5 inches tall, such as a shed or greenhouse. The structure
21 must remain locked when it is unoccupied by people.

22 "Financial institution" has the same meaning as "financial
23 organization" as defined in Section 1501 of the Illinois
24 Income Tax Act, and also includes the holding companies,
25 subsidiaries, and affiliates of such financial organizations.

26 "Flowering stage" means the stage of cultivation where and

1 when a cannabis plant is cultivated to produce plant material
2 for cannabis products. This includes mature plants as follows:

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

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

10 "Individual" means a natural person.

11 "Infuser organization" or "infuser" means a facility
12 operated by an organization or business that is licensed by
13 the Department of Agriculture to directly incorporate cannabis
14 or cannabis concentrate into a product formulation to produce
15 a cannabis-infused product.

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

20 "Labor peace agreement" means an agreement between a
21 cannabis business establishment and any labor organization
22 recognized under the National Labor Relations Act, referred to
23 in this Act as a bona fide labor organization, that prohibits
24 labor organizations and members from engaging in picketing,
25 work stoppages, boycotts, and any other economic interference
26 with the cannabis business establishment. This agreement means

1 that the cannabis business establishment has agreed not to
2 disrupt efforts by the bona fide labor organization to
3 communicate with, and attempt to organize and represent, the
4 cannabis business establishment's employees. The agreement
5 shall provide a bona fide labor organization access at
6 reasonable times to areas in which the cannabis business
7 establishment's employees work, for the purpose of meeting
8 with employees to discuss their right to representation,
9 employment rights under State law, and terms and conditions of
10 employment. This type of agreement shall not mandate a
11 particular method of election or certification of the bona
12 fide labor organization.

13 "Limited access area" means a room or other area under the
14 control of a cannabis dispensing organization licensed under
15 this Act and upon the licensed premises where cannabis sales
16 occur with access limited to purchasers, dispensing
17 organization owners and other dispensing organization agents,
18 or service professionals conducting business with the
19 dispensing organization, or, if sales to registered qualifying
20 patients, caregivers, provisional patients, and Opioid
21 Alternative Pilot Program participants licensed pursuant to
22 the Compassionate Use of Medical Cannabis Program Act are also
23 permitted at the dispensary, registered qualifying patients,
24 caregivers, provisional patients, and Opioid Alternative Pilot
25 Program participants.

26 "Member of an impacted family" means an individual who has

1 a parent, legal guardian, child, spouse, or dependent, or was
2 a dependent of an individual who, prior to the effective date
3 of this Act, was arrested for, convicted of, or adjudicated
4 delinquent for any offense that is eligible for expungement
5 under this Act.

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

10 "Ordinary public view" means within the sight line with
11 normal visual range of a person, unassisted by visual aids,
12 from a public street or sidewalk adjacent to real property, or
13 from within an adjacent property.

14 "Ownership and control" means ownership of at least 51% of
15 the business, including corporate stock if a corporation, and
16 control over the management and day-to-day operations of the
17 business and an interest in the capital, assets, and profits
18 and losses of the business proportionate to percentage of
19 ownership.

20 "Person" means a natural individual, firm, partnership,
21 association, joint stock company, joint venture, public or
22 private corporation, limited liability company, or a receiver,
23 executor, trustee, guardian, or other representative appointed
24 by order of any court.

25 "Possession limit" means the amount of cannabis under
26 Section 10-10 that may be possessed at any one time by a person

1 21 years of age or older or who is a registered qualifying
2 medical cannabis patient or caregiver under the Compassionate
3 Use of Medical Cannabis Program Act.

4 "Principal officer" includes a cannabis business
5 establishment applicant or licensed cannabis business
6 establishment's board member, owner with more than 1% interest
7 of the total cannabis business establishment or more than 5%
8 interest of the total cannabis business establishment of a
9 publicly traded company, president, vice president, secretary,
10 treasurer, partner, officer, member, manager member, or person
11 with a profit sharing, financial interest, or revenue sharing
12 arrangement. The definition includes a person with authority
13 to control the cannabis business establishment, a person who
14 assumes responsibility for the debts of the cannabis business
15 establishment and who is further defined in this Act.

16 "Primary residence" means a dwelling where a person
17 usually stays or stays more often than other locations. It may
18 be determined by, without limitation, presence, tax filings;
19 address on an Illinois driver's license, an Illinois
20 Identification Card, or an Illinois Person with a Disability
21 Identification Card; or voter registration. No person may have
22 more than one primary residence.

23 "Processing organization" or "processor" means a facility
24 operated by an organization or business that is licensed by
25 the Department of Agriculture to either extract constituent
26 chemicals or compounds to produce cannabis concentrate or

1 incorporate cannabis or cannabis concentrate into a product
2 formulation to produce a cannabis product.

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

5 "Processing organization agent identification card" means
6 a document issued by the Department of Agriculture that
7 identifies a person as a processing organization agent.

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

12 "Qualifying Applicant" means an applicant that submitted
13 an application pursuant to Section 15-30 that received at
14 least 85% of 250 application points available under Section
15 15-30 as the applicant's final score and meets the definition
16 of "Social Equity Applicant" as set forth under this Section.

17 "Qualifying Social Equity Justice Involved Applicant"
18 means an applicant that submitted an application pursuant to
19 Section 15-30 that received at least 85% of 250 application
20 points available under Section 15-30 as the applicant's final
21 score and meets the criteria of either paragraph (1) or (2) of
22 the definition of "Social Equity Applicant" as set forth under
23 this Section.

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 "Social Equity Justice Involved Applicant" means an
21 applicant that is an Illinois resident that meets the
22 following criteria:

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

1 (2) either:

2 (A) an applicant with at least 51% of ownership
3 and control by one or more individuals who have been
4 arrested for, convicted of, or adjudicated delinquent
5 for any offense that is eligible for expungement under
6 subsection (i) of Section 5.2 of the Criminal
7 Identification Act; or

8 (B) an applicant with at least 51% ownership and
9 control by one or more members of an impacted family.

10 "Tied Applicant" means an application submitted by a
11 Dispensary Applicant pursuant to Section 15-30 that received
12 the same number of application points under Section 15-30 as
13 the Dispensary Applicant's final score as one or more
14 top-scoring applications in the same BLS Region and would have
15 been awarded a license but for the one or more other
16 top-scoring applications that received the same number of
17 application points. Each application for which a Dispensary
18 Applicant was required to pay a required application fee for
19 the application period ending January 2, 2020 shall be
20 considered an application of a separate Tied Applicant.

21 "Tied Applicant Lottery" means the process established
22 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
23 Use Dispensing Organization Licenses pursuant to Sections
24 15-25 and 15-30 among Eligible Tied Applicants.

25 "Tincture" means a cannabis-infused solution, typically
26 comprised of alcohol, glycerin, or vegetable oils, derived

1 either directly from the cannabis plant or from a processed
2 cannabis extract. A tincture is not an alcoholic liquor as
3 defined in the Liquor Control Act of 1934. A tincture shall
4 include a calibrated dropper or other similar device capable
5 of accurately measuring servings.

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

12 "Transporting organization agent" means a principal
13 officer, board member, employee, or agent of a transporting
14 organization.

15 "Transporting organization agent identification card"
16 means a document issued by the Department of Agriculture that
17 identifies a person as a transporting organization agent.

18 "Unit of local government" means any county, city,
19 village, or incorporated town.

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

25 (1) if the cannabis plant is in an area that has not
26 been intentionally deprived of light for a period of time

1 intended to produce flower buds and induce maturation, it
2 has no more than 2 stigmas visible at each internode of the
3 cannabis plant; or

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

7 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
8 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
9 5-13-22.)

10 (410 ILCS 705/30-5)

11 Sec. 30-5. Issuance of licenses.

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

17 (a-5) The Department of Agriculture shall issue an
18 additional 30 craft grower licenses on or before December 21,
19 2023, cost free, to applicants who submitted craft grower
20 license applications on or before April 30, 2020 but were not
21 awarded a license under subsection (a) and who received at
22 least 85% of the total points available on their applications.
23 Any person or entity awarded a license under this subsection
24 may sell that license at any time after it is awarded.

25 (a-10) The Department of Agriculture shall issue an

1 additional 30 craft grower licenses on or before March 15,
2 2024, cost free, to applicants who submitted craft grower
3 license applications on or before April 30, 2020 but were not
4 awarded a license under subsection (a) or subsection (a-5),
5 received at least 85% of the total points available on their
6 applications, and qualify as Social Equity Justice Involved
7 Applicants. Any applicant awarded a license under this
8 subsection may sell that license at any time after it is
9 awarded.

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 Section~~
13 ~~subsection shall not hold more than 2 craft grower licenses.~~
14 ~~The person or entity awarded a license pursuant to this~~
15 ~~subsection or subsection (a) of this Section may sell its~~
16 ~~craft grower license subject to the restrictions of this Act~~
17 ~~or as determined by administrative rule. Prior to issuing such~~
18 ~~licenses, the Department may adopt rules through emergency~~
19 ~~rulemaking in accordance with subsection (kk) 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. The General Assembly finds~~
23 ~~that the adoption of rules to regulate cannabis use is deemed~~
24 ~~an emergency and necessary for the public interest, safety,~~
25 ~~and welfare. In determining whether to exercise the authority~~
26 ~~granted by this subsection, the Department of Agriculture must~~

1 consider the following factors:

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

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

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

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

18 (5) population increases or shifts;

19 (6) the density of craft growers in any area of the
20 State;

21 (7) perceived security risks of increasing the number
22 or location of craft growers;

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

24 (9) the Department of Agriculture's capacity to
25 appropriately regulate additional licensees;

26 (10) (blank); and

1 (11) any other criteria the Department of Agriculture
2 deems relevant.

3 (c) After January 1, 2024 ~~2022~~, the Department of
4 Agriculture may by rule modify or raise the number of craft
5 grower licenses and modify or change the licensing application
6 process. At no time may the number of craft grower licenses
7 exceed 150. Any person or entity awarded a license pursuant to
8 this subsection shall not hold more than 3 craft grower
9 licenses. A person or entity awarded a license pursuant to
10 this subsection or subsections ~~subsection~~ (a), (a-5), or
11 (a-10) ~~or subsection (b)~~ of this Section may sell its craft
12 grower license or licenses subject to the restrictions of this
13 Act or as determined by administrative rule.

14 (d) Upon the completion of the disparity and availability
15 study pertaining to craft growers by the Cannabis Regulation
16 Oversight Officer pursuant to subsection (e) of Section 5-45,
17 the Department may modify or change the licensing application
18 process to reduce or eliminate barriers from and remedy
19 evidence of discrimination identified in the disparity and
20 availability study.

21 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
22 102-98, eff. 7-15-21.)

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 Illinois State Police that includes, but is
7 not limited to: facility access controls, perimeter intrusion
8 detection systems, personnel identification systems, and a
9 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 the Illinois State Police, or as provided by rule.

13 (i) A craft grower agent shall notify local law
14 enforcement, the Illinois State Police, and the Department of
15 Agriculture within 24 hours of the discovery of any loss or
16 theft. Notification shall be made by phone, in person, or
17 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.

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

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

12 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
13 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
14 5-13-22.)

15 (410 ILCS 705/35-31)

16 Sec. 35-31. Ensuring an adequate supply of raw materials
17 to serve infusers.

18 (a) As used in this Section, "raw materials" includes, but
19 is not limited to, CO₂ hash oil, "crude", "distillate", or any
20 other cannabis concentrate extracted from cannabis flower by
21 use of a solvent or a mechanical process.

22 (b) The Department of Agriculture may by rule design a
23 method for assessing whether licensed infusers have access to
24 an adequate supply of reasonably affordable raw materials,
25 which may include but not be limited to: (i) a survey of

1 infusers; (ii) a market study on the sales trends of
2 cannabis-infused products manufactured by infusers; and (iii)
3 the costs cultivation centers and craft growers assume for the
4 raw materials they use in any cannabis-infused products they
5 manufacture.

6 (b-5) Each adult use cultivation center or Early Approval
7 Adult Use Cultivation Center License holder licensed under
8 Article 20 that produces THC oil extract shall set aside a
9 portion of its total monthly production of THC oil extract to
10 sell to infuser organizations at market price, quality, and
11 variety to provide infuser organizations with an adequate
12 supply for their infusion processes. The portion set aside by
13 each cultivation center or Early Approval Adult Use
14 Cultivation Center License holder shall be on a proportionate,
15 pro rata basis and based upon its total monthly production
16 compared to the industry total monthly production in the
17 previous year as determined by the Department of Agriculture.
18 The total monthly portion of THC oil extract set aside by all
19 cultivation centers and Early Approval Adult Use Cultivation
20 Center License holders shall be as follows:

21 (1) During calendar year 2023, 50,000 grams per month.

22 (2) During calendar year 2024, 60,000 grams per month.

23 (3) During calendar year 2025, 70,000 grams per month.

24 (4) During calendar year 2026, 80,000 grams per month.

25 (5) During calendar year 2027, 90,000 grams per month.

26 The price of THC oil extract shall be the average fair

1 market price as determined quarterly by the Department of
2 Agriculture or an amount equal to 900% of the U.S. Cannabis
3 Spot Index's price for cannabis flower if, during any quarter,
4 the Department fails to establish a fair market price based
5 upon quality and variety. After January 1, 2024, the monthly
6 portion of THC oil extract may be adjusted by the Department of
7 Agriculture based upon market assessments as provided in
8 subsections (c) and (d).

9 (c) The Department of Agriculture shall perform an
10 assessment of whether infusers have access to an adequate
11 supply of reasonably affordable raw materials that shall start
12 no sooner than January 1, 2024 ~~2022~~ and shall conclude no later
13 than April 1, 2024 ~~2022~~. The Department of Agriculture may
14 rely on data from the Illinois Cannabis Regulation Oversight
15 Officer as part of this assessment.

16 (d) The Department of Agriculture shall perform an
17 assessment of whether infusers have access to an adequate
18 supply of reasonably affordable raw materials that shall start
19 no sooner than January 1, 2025 ~~2023~~ and shall conclude no later
20 than April 1, 2025 ~~2023~~. The Department of Agriculture may
21 rely on data from the Cannabis Regulation Oversight Officer as
22 part of this assessment.

23 (e) The Department of Agriculture may by rule adopt
24 measures to ensure infusers have access to an adequate supply
25 of reasonably affordable raw materials necessary for the
26 manufacture of cannabis-infused products. Such measures may

1 include, but not be limited to (i) requiring cultivation
2 centers and craft growers to set aside a minimum amount of raw
3 materials for the wholesale market or (ii) enabling infusers
4 to apply for a processor license to extract raw materials from
5 cannabis flower.

6 (f) If the Department of Agriculture determines processor
7 licenses may be available to infuser organizations based upon
8 findings made pursuant to subsection (e), infuser
9 organizations may submit to the Department of Agriculture on
10 forms provided by the Department of Agriculture the following
11 information as part of an application to receive a processor
12 license:

13 (1) experience with the extraction, processing, or
14 infusing of oils similar to those derived from cannabis,
15 or other business practices to be performed by the
16 infuser;

17 (2) a description of the applicant's experience with
18 manufacturing equipment and chemicals to be used in
19 processing;

20 (3) expertise in relevant scientific fields;

21 (4) a commitment that any cannabis waste, liquid
22 waste, or hazardous waste shall be disposed of in
23 accordance with 8 Ill. Adm. Code 1000.460, except, to the
24 greatest extent feasible, all cannabis plant waste will be
25 rendered unusable by grinding and incorporating the
26 cannabis plant waste with compostable mixed waste to be

1 disposed of in accordance with Ill. Adm. Code
2 1000.460(g) (1); and

3 (5) any other information the Department of
4 Agriculture deems relevant.

5 (g) The Department of Agriculture may only issue an
6 infuser organization a processor license if, based on the
7 information pursuant to subsection (f) and any other criteria
8 set by the Department of Agriculture, which may include but
9 not be limited an inspection of the site where processing
10 would occur, the Department of Agriculture is reasonably
11 certain the infuser organization will process cannabis in a
12 safe and compliant manner.

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

14 (410 ILCS 705/40-25)

15 Sec. 40-25. Transporting organization requirements;
16 prohibitions.

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

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

1 facility, or as otherwise authorized by rule. A transporting
2 organization shall be specifically allowed to use the same
3 transport vehicle to pick up or deliver cannabis products from
4 and to multiple craft growers, processors, and dispensaries
5 during the transporting organization's pick up and delivery
6 process.

7 (c) All cannabis transported by a transporting
8 organization must be entered into a data collection system and
9 placed into a cannabis container for transport.

10 (d) Transporters are subject to random inspections by the
11 Department of Agriculture, the Department of Public Health,
12 the Illinois State Police, or as provided by rule.

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

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

20 (g) No person or individual who is not a transporting
21 organization agent shall be in a vehicle while transporting
22 cannabis goods.

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

25 (i) It is unlawful for any person to offer or deliver
26 money, or anything else of value, directly or indirectly, to

1 any of the following persons to obtain preferential placement
2 within the dispensing organization, including, without
3 limitation, on shelves and in display cases where purchasers
4 can view products, or on the dispensing organization's
5 website:

6 (1) a person having a transporting organization
7 license, or any officer, associate, member,
8 representative, or agent of the licensee;

9 (2) a person having an Early Applicant Adult Use
10 Dispensing Organization License, an Adult Use Dispensing
11 Organization License, or a medical cannabis dispensing
12 organization license issued under the Compassionate Use of
13 Medical Cannabis Program Act;

14 (3) a person connected with or in any way
15 representing, or a member of the family of, a person
16 holding 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; or

21 (4) a stockholder, officer, manager, agent, or
22 representative of a corporation engaged in the retail sale
23 of cannabis, an Early Applicant Adult Use Dispensing
24 Organization License, an Adult Use Dispensing Organization
25 License, or a medical cannabis dispensing organization
26 license issued under the Compassionate Use of Medical

1 Cannabis Program Act.

2 (j) A transporting organization agent must keep his or her
3 identification card visible at all times when on the property
4 of a cannabis business establishment and during the
5 transporting of cannabis when acting under his or her duties
6 as a transportation organization agent. During these times,
7 the transporting organization agent must also provide the
8 identification card upon request of any law enforcement
9 officer engaged in his or her official duties.

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

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

15 (m) A vehicle transporting cannabis must not bear any
16 markings to indicate the vehicle contains cannabis or bear the
17 name or logo of the cannabis business establishment.

18 (n) Cannabis must be transported in an enclosed, locked
19 storage compartment or security cage that is secured or
20 affixed to the vehicle.

21 (o) The Department of Agriculture may, by rule, impose any
22 other requirements or prohibitions on the transportation of
23 cannabis.

24 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
25 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
26 5-13-22.)

1 (410 ILCS 705/55-20)

2 Sec. 55-20. Advertising and promotions.

3 (a) No cannabis business establishment nor any other
4 person or entity shall engage in advertising that contains any
5 statement or illustration that:

6 (1) is false or misleading;

7 (2) promotes overconsumption of cannabis or cannabis
8 products;

9 (3) depicts the actual consumption of cannabis or
10 cannabis products;

11 (4) depicts a person under 21 years of age consuming
12 cannabis;

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

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

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

21 (8) includes a description of or reference to a
22 cannabis product as "craft", unless that product or the
23 raw material used to create that product is produced by a
24 craft grower licensed under this Act.

25 (b) No cannabis business establishment nor any other

1 person or entity shall place or maintain, or cause to be placed
2 or maintained, an advertisement of cannabis or a
3 cannabis-infused product in any form or through any medium:

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

9 (2) on or in a public transit vehicle or public
10 transit shelter;

11 (3) on or in publicly owned or publicly operated
12 property; or

13 (4) that contains information that:

14 (A) is false or misleading;

15 (B) promotes excessive consumption;

16 (C) depicts a person under 21 years of age
17 consuming cannabis;

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

19 (E) includes any image designed or likely to
20 appeal to minors, including cartoons, toys, animals,
21 or children, or any other likeness to images,
22 characters, or phrases that are popularly used to
23 advertise to children, or any imitation of candy
24 packaging or labeling, or that promotes consumption of
25 cannabis.

26 (c) Subsections (a) and (b) do not apply to an educational

1 message.

2 (d) Sales promotions. No cannabis business establishment
3 nor any other person or entity may encourage the sale of
4 cannabis or cannabis products by giving away cannabis or
5 cannabis products, by conducting games or competitions related
6 to the consumption of cannabis or cannabis products, or by
7 providing promotional materials or activities of a manner or
8 type that would be appealing to children.

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

10 (410 ILCS 705/60-10)

11 Sec. 60-10. Tax imposed.

12 (a) Beginning September 1, 2019, a tax is imposed upon the
13 privilege of cultivating cannabis at the rate of 7% of the
14 gross receipts from the first sale of cannabis by a
15 cultivator. The sale of any product that contains any amount
16 of cannabis or any derivative thereof is subject to the tax
17 under this Section on the full selling price of the product.
18 The Department may determine the selling price of the cannabis
19 when the seller and purchaser are affiliated persons, when the
20 sale and purchase of cannabis is not an arm's length
21 transaction, or when cannabis is transferred by a craft grower
22 to the craft grower's dispensing organization or infuser or
23 processing organization and a value is not established for the
24 cannabis. The value determined by the Department shall be
25 commensurate with the actual price received for products of

1 like quality, character, and use in the area. If there are no
2 sales of cannabis of like quality, character, and use in the
3 same area, then the Department shall establish a reasonable
4 value based on sales of products of like quality, character,
5 and use in other areas of the State, taking into consideration
6 any other relevant factors.

7 (a-5) The tax imposed under this Article shall not be
8 assessed against or collected from any craft grower awarded a
9 craft grower license under this Act until 2 years after the
10 date that the license is awarded to the craft grower.

11 (b) The Cannabis Cultivation Privilege Tax imposed under
12 this Article is solely the responsibility of the cultivator
13 who makes the first sale and is not the responsibility of a
14 subsequent purchaser, a dispensing organization, or an
15 infuser. Persons subject to the tax imposed under this Article
16 may, however, reimburse themselves for their tax liability
17 hereunder by separately stating reimbursement for their tax
18 liability as an additional charge.

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

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

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.