#### **103RD GENERAL ASSEMBLY**

### State of Illinois

## 2023 and 2024

#### HB1498

Introduced 1/31/2023, by Rep. La Shawn K. Ford

#### SYNOPSIS AS INTRODUCED:

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Amends the Cannabis Regulation and Tax Act. Creates the Cannabis Equity and Oversight Commission. Provides that the Commission shall administer and enforce the provisions of the Act relating to the oversight, licensing, registration, and certification of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and agents, including, but not limited to, the issuance of identification cards and establishing limits on the potency or serving size of cannabis or cannabis products. Provides that the Commission may suspend or revoke the license of, or impose other penalties upon, dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and their principal officers, agents-in-charge, and agents for violations of the Act or any rules adopted under the Act. Contains other provisions. Changes and inserts provisions of the Compassionate Use of Medical Cannabis Program Act into the Cannabis Regulation and Tax Act as its own Article. Repeals the Compassionate Use of Medical Cannabis Program Act. Makes conforming changes throughout various Acts. Effective immediately.

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1 AN ACT concerning health.

# Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The State Finance Act is amended by changing
Section 6z-112 as follows:

6 (30 ILCS 105/6z-112)

7 Sec. 6z-112. The Cannabis Regulation Fund.

8 (a) There is created the Cannabis Regulation Fund in the 9 State treasury, subject to appropriations unless otherwise 10 provided in this Section. All moneys collected under the 11 Cannabis Regulation and Tax Act shall be deposited into the 12 Cannabis Regulation Fund, consisting of taxes, license fees, 13 other fees, and any other amounts required to be deposited or 14 transferred into the Fund.

(b) Whenever the Department of Revenue determines that a 15 16 refund should be made under the Cannabis Regulation and Tax 17 Act to a claimant, the Department of Revenue shall submit a voucher for payment to the State Comptroller, who shall cause 18 the order to be drawn for the amount specified and to the 19 20 person named in the notification from the Department of 21 Revenue. This subsection (b) shall constitute an irrevocable 22 and continuing appropriation of all amounts necessary for the payment of refunds out of the Fund as authorized under this 23

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1 subsection (b).

2 (c) On or before the 25th day of each calendar month, the 3 Department of Revenue shall prepare and certify to the State Comptroller the transfer and allocations of stated sums of 4 5 money from the Cannabis Regulation Fund to other named funds in the State treasury. The amount subject to transfer shall be 6 7 the amount of the taxes, license fees, other fees, and any 8 other amounts paid into the Fund during the second preceding 9 calendar month, minus the refunds made under subsection (b) 10 during the second preceding calendar month by the Department. 11 The transfers shall be certified as follows:

12 (1) The Department of Revenue shall first determine 13 allocations which shall remain in the Cannabis the 14 Regulation Fund, subject to appropriations, to pay for the and 15 direct indirect costs associated with the 16 implementation, administration, and enforcement of the 17 Cannabis Regulation and Tax Act by the Department of Revenue, the Department of State Police, the Cannabis 18 19 Equity and Oversight Commission the Department of Financial and Professional Regulation, the Department of 20 21 Agriculture, the Department of Public Health, the 22 Department of Commerce and Economic Opportunity, and the 23 Illinois Criminal Justice Information Authority.

(2) After the allocations have been made as provided
in paragraph (1) of this subsection (c), of the remainder
of the amount subject to transfer for the month as

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determined in this subsection (c), the Department shall 1 2 certify the transfer into the Cannabis Expungement Fund 3 1/12 of the fiscal year amount appropriated from the Cannabis Expungement Fund for payment of costs incurred by 4 5 State courts, the Attorney General, State's Attorneys, civil legal aid, as defined by Section 15 of the Public 6 7 Interest Attorney Assistance Act, and the Department of 8 State Police to facilitate petitions for expungement of 9 Minor Cannabis Offenses pursuant to Public Act 101-27, as 10 adjusted by any supplemental appropriation, plus 11 cumulative deficiencies in such transfers for prior 12 months.

13 (2.5) Beginning July 1, 2023, after allocations have 14 been made as provided in paragraphs (1) and (2), the 15 Department of Revenue shall certify to the State 16 Comptroller, and the State Treasurer shall transfer, an 17 amount that the Department of Revenue determines shall be 18 transferred according to the following:

19(A) 10% shall be transferred to the Cannabis20Business Development Fund to be used for the purposes21of issuing loans and grants to Social Equity22Applicants and Ancillary Social Equity Businesses, as23defined under Section 1-10 of the Cannabis Regulation24and Tax Act. Expenditures for these purposes shall be25subject to appropriation.

(3) After the allocations have been made as provided

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in paragraphs (1), and (2), and (2.5) of this subsection (c), the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer the amounts that the Department of Revenue determines shall be transferred into the following named funds according to the following:

7 (A) 2% shall be transferred to the Drug Treatment Fund to be used by the Department of Human Services 8 9 for: (i) developing and administering a scientifically 10 and medically accurate public education campaign 11 educating youth and adults about the health and safety 12 risks of alcohol, tobacco, illegal drug use (including prescription drugs), and cannabis, including use by 13 14 pregnant women; and (ii) data collection and analysis 15 of the public health impacts of legalizing the 16 recreational use of cannabis. Expenditures for these 17 purposes shall be subject to appropriations.

88 shall be transferred to the 18 (B) Local 19 Government Distributive Fund and allocated as provided 20 in Section 2 of the State Revenue Sharing Act. The 21 moneys shall be used to fund crime prevention 22 training, and interdiction programs, efforts, 23 detection, enforcement, and prevention including 24 efforts, relating to the illegal cannabis market and 25 driving under the influence of cannabis.

(C) 25% shall be transferred to the Criminal

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1 Justice Information Projects Fund to be used for the 2 purposes of the Restore, Reinvest, and Renew Program 3 to address economic development, violence prevention services, re-entry services, youth development, and 4 5 civil legal aid, as defined by Section 15 of the Public 6 Interest Attorney Assistance Act. The Restore, 7 Reinvest, and Renew Program shall address these issues through targeted investments and intervention programs 8 9 and promotion of an employment infrastructure and 10 capacity building related to the social determinants 11 of health in impacted community areas. Expenditures 12 for these purposes shall be subject to appropriations.

13 (D) 20% shall be transferred to the Department of 14 Human Services Community Services Fund, to be used to 15 address substance abuse and prevention and mental 16 health concerns, including treatment, education, and 17 prevention to address the negative impacts of 18 substance abuse and mental health issues, including 19 concentrated poverty, violence, and the historical 20 overuse of criminal justice responses in certain 21 communities, on the individual, family, and community, 22 including federal, State, and local governments, 23 institutions health care and providers, and 24 correctional facilities. Expenditures for these 25 purposes shall be subject to appropriations.

26 (E) 10% shall be transferred to the Budget

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Stabilization Fund.

2 (F) 35%, or any remaining balance, shall be
3 transferred to the General Revenue Fund.

As soon as may be practical, but no later than 10 days after receipt, by the State Comptroller of the transfer certification provided for in this subsection (c) to be given to the State Comptroller by the Department of Revenue, the State Comptroller shall direct and the State Treasurer shall transfer the respective amounts in accordance with the directions contained in such certification.

(d) On July 1, 2019 the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer \$5,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Regulation Fund.

(e) Notwithstanding any other law to the contrary and except as otherwise provided in this Section, this Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from this Fund into any other fund of the State.

20 (f) The Cannabis Regulation Fund shall retain a balance of
21 \$1,000,000 for the purposes of administrative costs.

(g) <u>(Blank)</u>. In Fiscal Year 2024 the allocations in subsection (c) of this Section shall be reviewed and adjusted if the General Assembly finds there is a greater need for funding for a specific purpose in the State as it relates to Public Act 101 27. HB1498

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1	(h) If the Cannabis Cultivation Privilege Tax imposed
2	under Article 60 of the Cannabis Regulation and Tax Act or the
3	Cannabis Excise Tax imposed under Article 65 of the Cannabis
4	Regulation and Tax Act is adjusted, the Cannabis Equity and
5	Oversight Commission must submit its recommendations to the
6	General Assembly for any changes to the allocations set under
7	subsection (c) within 180 calendar days after the effective
8	date of this amendatory Act of the 103rd General Assembly, if
9	the Cannabis Equity and Oversight Commission finds there is a
10	greater need for funding for a specific purpose in the State as
11	it relates to Public Act 101-27. The Cannabis Equity and
12	Oversight Commission may conduct a market study to support its
13	recommendations. The Commission's recommendations must be
14	submitted to the General Assembly in writing and posted on the
15	<u>Commission's website.</u>
16	(i) Within the next fiscal year after receiving the
17	Cannabis Equity and Oversight Commission's recommendations
18	under subsection (q), and not before, the General Assembly
19	must vote to maintain or change the allocations set under
20	subsection (c). The General Assembly may only adjust the
21	allocations set under subsection (c) if the General Assembly
22	finds that there is a greater need for funding for a specific
23	purpose in the State as it relates to Public Act 101-27.
24	(Source: P.A. 101-27, eff. 6-25-19; 102-558, eff. 8-20-21.)

25 Section 10. The Cannabis Regulation and Tax Act is amended

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by changing Sections 1-10, 5-5, 5-10, 5-15, 5-20, 5-25, 5-30, 1 5-45, 7-10, 7-15, 7-20, 7-25, 7-30, 10-5, 10-10, 10-15, 10-20, 2 10-35, 10-40, 10-45, 10-50, 15-5, 15-15, 15-20, 3 15-25, 15-30.20, 15-35.10, 15-35.20, 15-55, 15-75, 15-80, 15-85, 4 5 15-90, 15-100, 15-110, 15-120, 15-125, 15-135, 15-140, 15-145, 6 15-150, 15-155, 15-160, 15-165, 15-170, 15-175, 20-1, 20-5, 7 20-15, 20-21, 20-30, 20-55, 25-1, 25-5, 25-10, 25-15, 25-25, 25-30, 25-35, 25-40, 30-3, 30-5, 30-10, 30-20, 30-30, 30-45, 8 30-55, 35-3, 35-5, 35-10, 35-25, 35-31, 35-45, 40-1, 40-5, 9 40-10, 40-25, 40-45, 45-5, 45-10, 45-20, 50-5, 55-5, 55-10, 10 11 55-15, 55-21, 55-30, 55-35, 55-40, 55-45, 55-50, 55-55, 55-60, 12 55-65, 55-85, 65-5, and by adding Section 5-50 and Articles 70 and 75 as follows: 13

14 (410 ILCS 705/1-10)

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

16 "Adult Use Cultivation Center License" means a license
17 issued by the <u>Commission</u> Department of Agriculture that
18 permits a person to act as a cultivation center under this Act
19 and any administrative rule made in furtherance of this Act.

20 "Adult Use Dispensing Organization License" means a 21 license issued by the <u>Commission</u> Department of Financial and 22 Professional Regulation that permits a person to act as a 23 dispensing organization under this Act and any administrative 24 rule made in furtherance of this Act.

25 "Advertise" means to engage in promotional activities

including, but not limited to: newspaper, radio, Internet and electronic media, and television advertising; the distribution of fliers and circulars; billboard advertising; and the display of window and interior signs. "Advertise" does not mean exterior signage displaying only the name of the licensed cannabis business establishment.

7 <u>"Ancillary social equity business" means a small business</u> 8 <u>that provides goods or services in the medical and adult use</u> 9 <u>cannabis industry and that meets the criteria of a social</u> 10 <u>equity applicant, or other criteria that may be set forth by</u> 11 <u>rule.</u>

"Application points" means the number of points a
Dispensary Applicant receives on an application for a
Conditional Adult Use Dispensing Organization License.

15 "BLS Region" means a region in Illinois used by the United 16 States Bureau of Labor Statistics to gather and categorize 17 certain employment and wage data. The 17 such regions in Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion, 18 19 Champaign-Urbana, Chicago-Naperville-Elgin, Danville, 20 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria, 21 Rockford, St. Louis, Springfield, Northwest Illinois 22 nonmetropolitan area, West Central Illinois nonmetropolitan 23 area, East Central Illinois nonmetropolitan area, and South 24 Illinois nonmetropolitan area.

25 "By lot" means a randomized method of choosing between 2 26 or more Eligible Tied Applicants or 2 or more Qualifying

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1 Applicants.

"Cannabis" means marijuana, hashish, and other substances 2 3 that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such 4 5 as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the 6 plant; and any compound, manufacture, salt, derivative, 7 8 mixture, or preparation of the plant, its seeds, or resin, 9 including tetrahydrocannabinol (THC) and all other naturally 10 produced cannabinol derivatives, whether produced directly or 11 indirectly by extraction; however, "cannabis" does not include 12 the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other 13 compound, manufacture, salt, derivative, mixture, 14 or 15 preparation of the mature stalks (except the resin extracted 16 from it), fiber, oil or cake, or the sterilized seed of the 17 plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the 18 Industrial Hemp Act. "Cannabis" also means cannabis flower, 19 20 concentrate, and cannabis-infused products.

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization, or any other organization the Commission may determine is a cannabis business establishment.

26 "Cannabis concentrate" means a product derived from

that is produced by extracting cannabinoids, 1 cannabis 2 including tetrahydrocannabinol (THC), from the plant through 3 the use of propylene glycol, glycerin, butter, olive oil, or other typical cooking fats; water, ice, or dry ice; or butane, 4 5 propane, CO<sub>2</sub>, ethanol, or isopropanol and with the intended use of smoking or making a cannabis-infused product. The use 6 7 of any other solvent is expressly prohibited unless and until 8 it is approved by the Commission Department of Agriculture.

9 "Cannabis container" means a sealed or resealable, 10 traceable, container, or package used for the purpose of 11 containment of cannabis or cannabis-infused product during 12 transportation.

13 "Cannabis flower" means marijuana, hashish, and other 14 substances that are identified as including any parts of the 15 plant Cannabis sativa and including derivatives or subspecies, 16 such as indica, of all strains of cannabis; including raw 17 kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, 18 19 salt, derivative, mixture, or preparation of such plant, its 20 seeds, or resin.

21 "Cannabis-infused product" means a beverage, food, oil, 22 ointment, tincture, topical formulation, or another product 23 containing cannabis or cannabis concentrate that is not 24 intended to be smoked.

25 "Cannabis paraphernalia" means equipment, products, or 26 materials intended to be used for planting, propagating,

cultivating, growing, harvesting, manufacturing, producing,
 processing, preparing, testing, analyzing, packaging,
 repackaging, storing, containing, concealing, ingesting, or
 otherwise introducing cannabis into the human body.

5 "Cannabis plant monitoring system" or "plant monitoring system" means a system that includes, but is not limited to, 6 7 testing and data collection established and maintained by the cultivation center, craft grower, or processing organization 8 9 and that is available to the Commission and the Department of 10 Revenue, the Department of Agriculture, the Department of 11 Financial and Professional Regulation, and the Illinois State 12 Police for the purposes of documenting each cannabis plant and 13 monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a customer 14 15 from seed planting to final packaging.

16 "Cannabis testing facility" means an entity registered by 17 the <u>Commission</u> <del>Department of Agriculture</del> to test cannabis for 18 potency and contaminants.

19 "Clone" means a plant section from a female cannabis plant 20 not yet rootbound, growing in a water solution or other 21 propagation matrix, that is capable of developing into a new 22 plant.

# 23 <u>"Commission" means the Cannabis Equity and Oversight</u> 24 <u>Commission created under Section 5-50.</u>

#### 25 <u>"Commissioner" means a member of the Commission.</u>

26 "Community College Cannabis Vocational Training Pilot

Program faculty participant" means a person who is 21 years of age or older, licensed by the <u>Commission</u> <del>Department of</del> <del>Agriculture</del>, and is employed or contracted by an Illinois community college to provide student instruction using cannabis plants at an Illinois Community College.

6 "Community College Cannabis Vocational Training Pilot 7 Program faculty participant Agent Identification Card" means a 8 document issued by the <u>Commission Department of Agriculture</u> 9 that identifies a person as a Community College Cannabis 10 Vocational Training Pilot Program faculty participant.

11 <u>"Compassionate Use of Medical Cannabis Program" or</u> 12 <u>"Program" means the program established under the</u> 13 <u>Compassionate Use of Medical Cannabis Program Act, originally</u> 14 <u>codified under Public Act 101-363, that has been combined with</u> 15 <u>this Act for the purpose of streamlining the governance of the</u> 16 medical and adult use cannabis programs.

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

"Conditional Adult Use Cultivation Center License" means a
 license awarded to top-scoring applicants for an Adult Use
 Cultivation Center License that reserves the right to an Adult

Use Cultivation Center License if the applicant meets certain 1 2 conditions as determined by the Commission Department of Agriculture by rule, but does not entitle the recipient to 3 growing, processing, or selling 4 begin cannabis or 5 cannabis-infused products.

6 facility "Craft arower" means а operated bv an 7 organization or business that is licensed by the Commission 8 Department of Agriculture to cultivate, dry, cure, and package 9 cannabis and perform other necessary activities to make 10 cannabis available for sale at a dispensing organization or 11 use at a processing organization. A craft grower may contain 12 up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Commission Department of 13 Agriculture may authorize an increase or decrease of flowering 14 15 stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the 16 17 licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in 18 the flowering stage, which must be cultivated in all stages of 19 20 growth in an enclosed and secure area. A craft grower may share 21 premises with a processing organization or a dispensing 22 organization, or both, provided each licensee stores currency 23 and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access 24 or all licensees sharing a vault share more than 50% of the 25 26 same ownership.

1 "Craft grower agent" means a principal officer, board 2 member, employee, or other agent of a craft grower who is 21 3 years of age or older.

4 "Craft Grower Agent Identification Card" means a document
5 issued by the <u>Commission</u> Department of Agriculture that
6 identifies a person as a craft grower agent.

7 "Cultivation center" means a facility operated by an 8 organization or business that is licensed by the <u>Commission</u> 9 <del>Department of Agriculture</del> to cultivate, process, transport 10 (unless otherwise limited by this Act), and perform other 11 necessary activities to provide cannabis and cannabis-infused 12 products to cannabis business establishments.

13 "Cultivation center agent" means a principal officer, 14 board member, employee, or other agent of a cultivation center 15 who is 21 years of age or older.

16 "Cultivation Center Agent Identification Card" means a 17 document issued by the <u>Commission</u> <del>Department of Agriculture</del> 18 that identifies a person as a cultivation center agent.

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

20 "Dispensary" means a facility operated by a dispensing 21 organization at which activities licensed by this Act may 22 occur.

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

26 "Dispensing organization" means a facility operated by an

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organization or business that is licensed by the Commission 1 2 Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing 3 organization, or another dispensary for the purpose of selling 4 5 or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under this Act to 6 purchasers or to qualified registered medical cannabis 7 8 patients and careqivers. As used in this Act, "dispensing organization" includes a registered medical cannabis 9 10 organization as defined in the Compassionate Use of Medical 11 Cannabis Program Act or its successor Act that has obtained an 12 Early Approval Adult Use Dispensing Organization License.

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

16 "Dispensing organization agent identification card" means 17 a document issued by the <u>Commission</u> <del>Department of Financial</del> 18 <del>and Professional Regulation</del> that identifies a person as a 19 dispensing organization agent.

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

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

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

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1 (B) 75% or more of the children in the area 2 participate in the federal free lunch program 3 according to reported statistics from the State Board 4 of Education; or

5 (C) at least 20% of the households in the area 6 receive assistance under the Supplemental Nutrition 7 Assistance Program; or

8 (D) the area has an average unemployment rate, as 9 determined by the Illinois Department of Employment 10 Security, that is more than 120% of the national 11 unemployment average, as determined by the United 12 States Department of Labor, for a period of at least 2 13 consecutive calendar years preceding the date of the 14 application; and

(2) has high rates of arrest, conviction, and
incarceration related to the sale, possession, use,
cultivation, manufacture, or transport of cannabis; and -

18 (3) meets any other criteria determined by the
19 Commission using data sources, by rule.

20 "Early Approval Adult Use Cultivation Center License" 21 means a license that permits a medical cannabis cultivation 22 center licensed under the Compassionate Use of Medical 23 Cannabis Program Act as of the effective date of this Act to 24 begin cultivating, infusing, packaging, transporting (unless 25 otherwise provided in this Act), processing, and selling 26 cannabis or cannabis-infused product to cannabis business establishments for resale to purchasers as permitted by this
 Act as of January 1, 2020.

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

9 "Early Approval Adult Use Dispensing Organization at a 10 secondary site" means a license that permits a medical 11 cannabis dispensing organization licensed under the 12 Compassionate Use of Medical Cannabis Program Act as of the 13 effective date of this Act to begin selling cannabis or cannabis-infused product to purchasers as permitted by this 14 15 Act on January 1, 2020 at a different dispensary location from 16 its existing registered medical dispensary location.

17 "Eligible Tied Applicant" means a Tied Applicant that is 18 eligible to participate in the process by which a remaining 19 available license is distributed by lot pursuant to a Tied 20 Applicant Lottery.

21 "Enclosed, locked facility" means a room, greenhouse, 22 building, or other enclosed area equipped with locks or other 23 security devices that permit access only by cannabis business 24 establishment agents working for the licensed cannabis 25 business establishment or acting pursuant to this Act to 26 cultivate, process, store, or distribute cannabis. "Enclosed, locked space" means a closet, room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by authorized individuals under this Act. "Enclosed, locked space" may include:

6 (1) a space within a residential building that (i) is 7 the primary residence of the individual cultivating 5 or 8 fewer cannabis plants that are more than 5 inches tall and 9 (ii) includes sleeping quarters and indoor plumbing. The 10 space must only be accessible by a key or code that is 11 different from any key or code that can be used to access 12 the residential building from the exterior; or

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

20 "Financial institution" has the same meaning as "financial 21 organization" as defined in Section 1501 of the Illinois 22 Income Tax Act, and also includes the holding companies, 23 subsidiaries, and affiliates of such financial organizations.

24 "Flowering stage" means the stage of cultivation where and 25 when a cannabis plant is cultivated to produce plant material 26 for cannabis products. This includes mature plants as follows: 1 (1) if greater than 2 stigmas are visible at each 2 internode of the plant; or

3 (2) if the cannabis plant is in an area that has been 4 intentionally deprived of light for a period of time 5 intended to produce flower buds and induce maturation, 6 from the moment the light deprivation began through the 7 remainder of the marijuana plant growth cycle.

8 "Individual" means a natural person.

9 "Infuser organization" or "infuser" means a facility 10 operated by an organization or business that is licensed by 11 the <u>Commission</u> <del>Department of Agriculture</del> to directly 12 incorporate cannabis or cannabis concentrate into a product 13 formulation to produce a cannabis-infused product.

14 "Kief" means the resinous crystal-like trichomes that are 15 found on cannabis and that are accumulated, resulting in a 16 higher concentration of cannabinoids, untreated by heat or 17 pressure, or extracted using a solvent.

"Labor peace agreement" means an agreement between a 18 19 cannabis business establishment and any labor organization 20 recognized under the National Labor Relations Act, referred to in this Act as a bona fide labor organization, that prohibits 21 22 labor organizations and members from engaging in picketing, 23 work stoppages, boycotts, and any other economic interference with the cannabis business establishment. This agreement means 24 25 that the cannabis business establishment has agreed not to 26 disrupt efforts by the bona fide labor organization to

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

11 "Limited access area" means a room or other area under the 12 control of a cannabis dispensing organization licensed under this Act and upon the licensed premises where cannabis sales 13 14 occur with access limited to purchasers, dispensing 15 organization owners and other dispensing organization agents, 16 service professionals conducting business with the or 17 dispensing organization, or, if sales to registered qualifying patients, caregivers, provisional patients, and 18 Opioid Alternative Pilot Program participants licensed pursuant to 19 20 Article 75 the Compassionate Use of Medical Cannabis Program 21 Act are also permitted at the dispensary, registered 22 qualifying patients, caregivers, provisional patients, and 23 Opioid Alternative Pilot Program participants.

24 <u>"Loan" means a loan or debt support from a facility</u>
25 established through a financial intermediary agreement.

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

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

21 years of age or older or who is a registered qualifying
 medical cannabis patient or caregiver under <u>Article 75</u> the
 Compassionate Use of Medical Cannabis Program Act.

includes "Principal officer" а cannabis business 4 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% interest of the total cannabis business establishment of a 8 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 assumes responsibility for the debts of the cannabis business 14 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 be determined by, without limitation, presence, tax filings; 18 Illinois driver's license, 19 address on an an Tllinois Identification Card, or an Illinois Person with a Disability 20 Identification Card; or voter registration. No person may have 21 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 <u>Commission</u> <del>Department of Agriculture</del> to either extract 26 constituent chemicals or compounds to produce cannabis

concentrate or incorporate cannabis or cannabis concentrate
 into a product 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 <u>Commission</u> <del>Department of Agriculture</del> 7 that 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 <u>Article 75</u> <del>the</del> 11 <del>Compassionate Use of Medical Cannabis Program Act</del>.

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

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

- 25 - LRB103 05062 CPF 50076 b HB1498 "Resided" means an individual's primary residence was 1 2 located within the relevant geographic area as established by 2 of the following: 3 (1) a signed lease agreement that includes the 4 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; (7) a utility bill; 14 15 (8) tax records; or 16 (9) any other proof of residency or other information 17 necessary to establish residence as provided by rule. "Smoking" means the inhalation of smoke caused by the 18 combustion of cannabis. 19 "Social Equity Applicant" means an applicant that is an 20 Illinois resident that meets one of the following criteria: 21 22 (1) an applicant with at least 51% ownership and 23 control by one or more individuals who have resided for at least 5 of the preceding 10 years in a Disproportionately 24 25 Impacted Area; 26 (2) an applicant with at least 51% ownership and

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control by one or more individuals who:

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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

(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

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

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

20 "Tied Applicant" means an application submitted by a Dispensary Applicant pursuant to Section 15-30 that received 21 22 the same number of application points under Section 15-30 as 23 the Dispensary Applicant's final score as one or more top-scoring applications in the same BLS Region and would have 24 25 been awarded a license but for the one or more other 26 top-scoring applications that received the same number of

application points. Each application for which a Dispensary
 Applicant was required to pay a required application fee for
 the application period ending January 2, 2020 shall be
 considered an application of a separate Tied Applicant.

5 "Tied Applicant Lottery" means the process established 6 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult 7 Use Dispensing Organization Licenses pursuant to Sections 8 15-25 and 15-30 among Eligible Tied Applicants.

9 "Tincture" means a cannabis-infused solution, typically 10 comprised of alcohol, glycerin, or vegetable oils, derived 11 either directly from the cannabis plant or from a processed 12 cannabis extract. A tincture is not an alcoholic liquor as 13 defined in the Liquor Control Act of 1934. A tincture shall 14 include a calibrated dropper or other similar device capable 15 of accurately measuring servings.

16 "Transporting organization" or "transporter" means an 17 organization or business that is licensed by the <u>Commission</u> 18 Department of Agriculture to transport cannabis or 19 cannabis-infused product on behalf of a cannabis business 20 establishment or a community college licensed under the 21 Community College Cannabis Vocational Training Pilot Program.

22 "Transporting organization agent" means a principal 23 officer, board member, employee, or agent of a transporting 24 organization.

25 "Transporting organization agent identification card"
26 means a document issued by the <u>Commission</u> <del>Department of</del>

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Agriculture that identifies a person as a transporting
 organization agent.

3 "Unit of local government" means any county, city,
4 village, or incorporated town.

5 "Vegetative stage" means the stage of cultivation in which 6 a cannabis plant is propagated to produce additional cannabis 7 plants or reach a sufficient size for production. This 8 includes seedlings, clones, mothers, and other immature 9 cannabis plants as follows:

10 (1) if the cannabis plant is in an area that has not 11 been intentionally deprived of light for a period of time 12 intended to produce flower buds and induce maturation, it 13 has no more than 2 stigmas visible at each internode of the 14 cannabis plant; or

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

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

21 (410 ILCS 705/5-5)

22 Sec. 5-5. Sharing of authority. Notwithstanding any 23 provision of law to the contrary, <u>on and after July 1, 2023 the</u> 24 <u>Commission may enter into intergovernmental cooperation</u> 25 <u>agreements with State departments that have any authority</u> 98 - 29 - LRB103 05062 CPF 50076 b

granted under this Act to carry out the functions, duties, and responsibilities of the Commission. The State departments shall collaborate and coordinate with the Commission to facilitate an efficient reorganization of the oversight and enforcement of the cannabis industry any authority granted to

6 any State agency or State employees or appointees under the 7 Compassionate Use of Medical Cannabis Program Act shall be 8 shared by any State agency or State employees or appointees 9 given authority to license, discipline, revoke, regulate, or 10 make rules under this Act.

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

12 (410 ILCS 705/5-10)

Sec. 5-10. Department of Agriculture; transfer of duties
 to the Cannabis Equity and Oversight Commission.

15 (a) The Department of Agriculture shall administer and 16 enforce provisions of this Act relating to the oversight and registration of cultivation centers, craft growers, infuser 17 organizations, and transporting organizations and agents, 18 19 identification cards including the issuance of and 20 establishing limits on potency or serving size for cannabis or 21 cannabis products. The Department of Agriculture may suspend 22 or revoke the license of, or impose other penalties upon cultivation centers, craft growers, infuser organizations, 23 transporting organizations, and their principal officers, 24 25 Agents-in-Charge, and agents for violations of this Act and

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1 any rules adopted under this Act.

(b) Notwithstanding subsection (a), all functions granted
to the Department of Agriculture under subsection (a) are
transferred to, and shall be carried out by, the Commission.
The Commission has all authority previously granted to the
Department of Agriculture to enforce this Act.

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

8 (410 ILCS 705/5-15)

9 Sec. 5-15. Department of Financial and Professional
10 Regulation; transfer of duties to the Cannabis Equity and
11 Oversight Commission.

12 Department of Financial and Professional (a) The Regulation shall enforce the provisions of this Act relating 13 14 to the oversight and registration of dispensing organizations 15 and agents, including the issuance of identification cards for 16 dispensing organization agents. The Department of Financial and Professional Regulation may suspend or revoke the license 17 18 of, or otherwise discipline dispensing organizations, 19 principal officers, agents-in-charge, and agents for violations of this Act and any rules adopted under this Act. 20

(b) Notwithstanding subsection (a), all functions granted to the Department of Financial and Professional Regulation under subsection (a) are transferred to, and shall be carried out by, the Commission. The Commission has all authority previously granted to the Department of Financial and - 31 - LRB103 05062 CPF 50076 b

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1 Professional Regulation to enforce this Act.

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

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3 (410 ILCS 705/5-20)

Sec. 5-20. Background checks; Illinois State Police.

5 (a) Through the Illinois State Police, the <u>Commission</u> 6 <del>licensing or issuing Department</del> shall conduct a criminal 7 history record check of the prospective principal officers, 8 board members, and agents of a cannabis business establishment 9 applying for a license or identification card under this Act.

Each cannabis business establishment prospective principal officer, board member, or agent shall submit his or her fingerprints to the Illinois State Police in the form and manner prescribed by the Illinois State Police.

14 Unless otherwise provided in this Act, such fingerprints 15 shall be transmitted through a live scan fingerprint vendor 16 licensed by the Department of Financial and Professional Regulation. These fingerprints shall be checked against the 17 fingerprint records now and hereafter filed in the Illinois 18 State Police and Federal Bureau of Investigation criminal 19 history records databases. The Illinois State Police shall 20 21 charge a fee for conducting the criminal history record check, 22 which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the State and national 23 24 criminal history record check. The Illinois State Police shall 25 furnish, pursuant to positive identification, all Illinois

1 conviction information and shall forward the national criminal 2 history record information to the Commission.÷

(i) the Department of Agriculture, with respect to a cultivation center, craft grower, infuser organization, or transporting organization; or

(ii) the Department of Financial and Professional Regulation, with respect to a dispensing organization.

When 8 applying for the initial (b) license or 9 identification card, the background checks for all prospective 10 principal officers, board members, and agents shall be 11 completed before submitting the application to the licensing 12 or issuing agency.

13 (c) All applications for licensure under this Act by 14 applicants with criminal convictions shall be subject to 15 Sections 2105-131, 2105-135, and 2105-205 of the Department of 16 Professional Regulation Law of the Civil Administrative Code 17 of Illinois.

18 (d) Notwithstanding any other provision of law, all authority granted to the Illinois State Police, including, but not limited to, conducting random inspections and investigations, provided under Sections 15-135, 25-30, 30-30, 35-25, 40-25, and 55-15 of this Act and Sections 105 and 130 of the Compassionate Use of Medical Cannabis Program Act are transferred to the Commission.

25 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 26 102-538, eff. 8-20-21.)

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(410 ILCS 705/5-25)

Sec. 5-25. Department of Public Health to make health
warning recommendations.

4 (a) The Department of Public Health shall make 5 recommendations to the Commission Department of Agriculture 6 and the Department of Financial and Professional Regulation on 7 appropriate health warnings for dispensaries and advertising, 8 which may apply to all cannabis products, including item-type 9 specific labeling or warning requirements, regulate the 10 facility where cannabis-infused products are made, regulate 11 cannabis-infused products as provided in subsection (e) of 12 Section 55-5, and facilitate the Adult Use Cannabis Health 13 Advisory Committee.

(b) An Adult Use Cannabis Health Advisory Committee is 14 15 hereby created and shall meet at least twice annually. The 16 Chairperson may schedule meetings more frequently upon his or her initiative or upon the request of a Committee member. 17 18 Meetings may be held in person or by teleconference. The Committee shall discuss and monitor changes in drug use data 19 20 in Illinois and the emerging science and medical information 21 relevant to the health effects associated with cannabis use 22 and may provide recommendations to the Department of Human Services and the Commission about public health awareness 23 24 campaigns and messages. The Committee shall include the 25 following members appointed by the Governor and shall

- 34 - LRB103 05062 CPF 50076 b HB1498 represent the geographic, ethnic, and racial diversity of the 1 2 State: (1)The Director of Public Health, or his or her 3 designee, who shall serve as the Chairperson. 4 5 (2) The Secretary of Human Services, or his or her designee, who shall serve as the Co-Chairperson. 6 7 (3) A representative of the poison control center. 8 (4) A pharmacologist. 9 (5) A pulmonologist. 10 (6) An emergency room physician. 11 (7)An emergency medical technician, paramedic, 12 emergency medical dispatcher, or other first responder. 13 (8) A nurse practicing in a school-based setting. 14 (9) A psychologist. 15 (10) A neonatologist. 16 (11) An obstetrician-gynecologist. 17 (12) A drug epidemiologist. (13) A medical toxicologist. 18 19 (14) An addiction psychiatrist. 20 (15) A pediatrician. 21 (16) A representative of a statewide professional 22 public health organization. 23 (17) A representative of a statewide hospital/health

(18) An individual registered as a patient in the
 Compassionate Use of Medical Cannabis Program.

system association.

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(19) An individual registered as a caregiver in the 1 2 Compassionate Use of Medical Cannabis Program. 3 (20) A representative of an organization focusing on cannabis-related policy. 4 5 (21) A representative of an organization focusing on the civil liberties of individuals who reside in Illinois. 6 7 (22) A representative of the criminal defense or civil 8 aid community of attorneys serving Disproportionately 9 Impacted Areas. 10 (23) A representative of licensed cannabis business 11 establishments. 12 (24) A Social Equity Applicant. 13 (25) A representative of a statewide community-based substance use disorder treatment provider association. 14 15 (26) A representative of a statewide community-based 16 mental health treatment provider association. 17 (27) A representative of a community-based substance use disorder treatment provider. 18 19 (28) A representative of a community-based mental 20 health treatment provider. 21 (29) A substance use disorder treatment patient 22 representative. 23 (30) A mental health treatment patient representative. 24 (c) The Committee shall provide a report by September 30, 25 2021, and every year thereafter, to the Commission and the 26 General Assembly. The Department of Public Health shall make

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the report available on its website.
(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
102-1006, eff. 1-1-23.)

4 (410 ILCS 705/5-30)

5 Sec. 5-30. Department of Human Services. The Department of 6 Human Services shall identify evidence-based programs for 7 preventive mental health, the prevention or treatment of 8 alcohol abuse, tobacco use, illegal drug use (including 9 prescription drugs), and cannabis use by pregnant women, and 10 make policy recommendations, as appropriate, to the Adult Use 11 Cannabis Health Advisory Committee and the Commission. The 12 Department of Human Services shall develop and disseminate educational materials for purchasers based on recommendations 13 14 received from the Department of Public Health, the Commission, 15 and the Adult Use Cannabis Health Advisory Committee. 16 Beginning July 1, 2023, the Commission may also develop and disseminate educational materials. 17

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

19 (410 ILCS 705/5-45)

Sec. 5-45. Illinois Cannabis Regulation Oversight Officer.
 (a) The position of Illinois Cannabis Regulation Oversight
 Officer is created within the <u>Commission</u> <del>Department of</del>
 Financial and Professional Regulation under the Secretary of
 Financial and Professional Regulation. The Cannabis Regulation

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Oversight Officer serves a coordinating role among State 1 2 agencies regarding this Act and the Compassionate Use of Medical Cannabis Program Act. The Illinois Cannabis Regulation 3 Oversight Officer shall be appointed by the Governor with the 4 5 advice and consent of the Senate. The term of office of the Officer shall expire on the third Monday of January in 6 7 odd-numbered years provided that he or she shall hold office 8 until a successor is appointed and qualified. In case of 9 vacancy in office during the recess of the Senate, the 10 Governor shall make a temporary appointment until the next 11 meeting of the Senate, when the Governor shall nominate some 12 person to fill the office, and any person so nominated who is 13 confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and 14 15 gualified.

16 (b) The Illinois Cannabis Regulation Oversight Officer has17 the authority to:

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maintain a staff;

19 (2) make recommendations for administrative and20 statutory changes;

(3) collect data both in Illinois and outside Illinois
 regarding the regulation of cannabis;

23 (4) compile or assist in the compilation of any
24 reports required by this Act;

(5) ensure the coordination of efforts between various
 State agencies involved in regulating and taxing the sale

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of cannabis in Illinois; and

2 (6) encourage, promote, suggest, and report best 3 practices for ensuring diversity in the cannabis industry in Illinois. 4

5 (c) The Illinois Cannabis Regulation Oversight Officer and the Officer's staff shall not: 6

7 (1) participate in the issuance or award of any 8 cannabis business establishment license; or

(2) participate in discipline related to any cannabis business establishment.

11 The Illinois Cannabis Regulation Officer is not prohibited 12 from coordinating with and making recommendations to agencies regarding licensing and disciplinary policies and procedures. 13

14 (d) Any funding required for the Illinois Cannabis Regulation Oversight Officer, its staff, or its activities 15 16 shall be drawn from the Cannabis Regulation Fund.

17 (e) The Illinois Cannabis Regulation Oversight Officer shall commission and publish one or more disparity and 18 availability studies that: (1) evaluates whether there exists 19 discrimination in the State's cannabis industry; and (2) if 20 so, evaluates the impact of such discrimination on the State 21 22 and includes recommendations to the Commission Department of 23 Financial and Professional Regulation and the Department of 24 Agriculture for reducing or eliminating any identified 25 barriers to entry in the cannabis market. Such disparity and availability studies shall examine each license type issued 26

pursuant to Sections 15-25, 15-30.1, or 15-35.20, subsection (a) of Section 30-5, or subsection (a) of Section 35-5, and shall be initiated within 180 days from the issuance of the first of each license authorized by those Sections. The results of each disparity and availability study shall be reported to the General Assembly and the Governor no later than 12 months after the commission of each study.

8 The Illinois Cannabis Regulation Oversight Officer shall 9 forward a copy of its findings and recommendations to the 10 <u>Commission</u> Department of Financial and Professional 11 Regulation, the Department of Agriculture, the Department of 12 Commerce and Economic Opportunity, the General Assembly, and 13 the Governor.

(f) The Illinois Cannabis Regulation Oversight Officer may 14 15 compile, collect, or otherwise gather data necessary for the 16 administration of this Act and to carry out the Officer's duty 17 relating to the recommendation of policy changes. The Illinois Cannabis Regulation Oversight Officer 18 may direct the 19 Commission Department of Agriculture, Department of Financial 20 and Professional Regulation, Department of Public Health, Department of Human Services, and Department of Commerce and 21 22 Economic Opportunity to assist in the compilation, collection, 23 and data gathering authorized pursuant to this subsection. The Illinois Cannabis Regulation Oversight Officer shall compile 24 25 all of the data into a single report and submit the report to 26 the Governor and the General Assembly and publish the report

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1 on its website.

2	(g) The Illinois Cannabis Regulation Oversight Officer,
3	the Illinois Cannabis Regulation Oversight Office, and all its
4	personnel and functions shall transfer to the Commission on or
5	as soon as practicable after July 1, 2023.

6 <u>(h) Notwithstanding any other provision of law, the</u> 7 <u>Cannabis Regulation Oversight Officer shall serve as the</u> 8 <u>initial Executive Director of the Commission and shall have</u> 9 <u>the authority to carry out the functions for the oversight and</u> 10 <u>enforcement of this Act.</u>

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

12 (410 ILCS 705/5-50 new)

13 <u>Sec. 5-50. Cannabis Equity and Oversight Commission.</u>

(a) There is hereby created the Cannabis Equity and 14 15 Oversight Commission, consisting of 5 members to be appointed 16 by the Governor with the advice and consent of the Senate, no 17 more than 3 of whom shall be members of the same political 18 party at the time of appointment. In case of a vacancy in the Commission office during the recess of the Senate, the 19 20 Governor shall make a temporary appointment until the next 21 meeting of the Senate, and the appointee shall hold his or her 22 office during the remainder of the term and until the 23 successor is qualified and appointed by the Governor. Each 24 member of the Commission shall hold office for a term of 5 years, beginning on the third Monday in January of the year in 25

1 which the predecessor's term expires.

2 Within 90 days, or as soon as practicable, after the 3 effective date of this amendatory Act of the 103rd General Assembly, the Governor shall appoint 3 members of the 4 5 Commission. One member shall be designated as the chairperson by a majority vote of the Commissioners. The Chairperson shall 6 7 serve as the chief executive officer of the Commission for the purpose of ensuring that the Commission's policies are 8 9 properly executed. Within 180 days after the effective date of 10 this amendatory Act of the 103rd General Assembly, the 11 Governor shall appoint the remaining 2 members of the 12 Commission. At the expiration of the term of any Commissioner the Governor shall reappoint the Commissioner or appoint a 13 14 successor of the Commissioner for a period of 5 years. The Governor may fill vacancies in the office of any Commissioner. 15 16 Each Commissioner shall serve until a successor is 17 appointed and gualified, except that if the Senate refuses to consent to the appointment of any Commissioner, such office 18 19 shall be deemed vacant, and within 2 weeks of the date the 20 Senate refuses to consent to the reappointment of any 21 Commissioner, such Commissioner shall vacate such office. 22 At least one Commissioner shall be an individual formerly 23 incarcerated for drug-related offenses or is a member of an 24 impacted family. At least 2 Commissioners shall reside in a 25 Disproportionately Impacted Area. At least 2 Commissioners

26 <u>shall meet at least one of the following qualifications:</u>

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1	(1) A business owner in a regulated industry that is
2	not regulated under this Act.
3	(2) A medical professional with a background in
4	substance use and abuse, mental health, or toxicology.
5	(3) A background in legal, policy, or social justice
6	issues.
7	<u>A majority of the Commissioners shall constitute a quorum</u>
8	to transact business, but no vacancy shall impair the right of
9	the remaining Commissioners to exercise all of the powers of
10	the Commission. Every act of a majority of the Commissioners
11	shall be deemed to be the act of the Commission. The Commission
12	shall keep a record of all proceedings, transactions,
13	communications, and official acts of the Commission and who
14	shall serve as a custodian of all records and perform such
15	other duties as the Commission may prescribe.
16	Each Commissioner and the Executive Director, and each
17	person appointed by the Commission, shall, before entering
18	upon the duties of their office, take and subscribe to the
19	constitutional oath of office. The Executive Director and each
20	inspector, clerk, and other employee shall devote his or her
21	entire time to the duties of their office.
22	No person appointed as a Commissioner, Executive Director,
23	inspector, or other employee may, directly, individually, or
24	as a member of a partnership, or as a shareholder of a
25	corporation, have any financial interest whatsoever in the
26	manufacture, sale, or distribution of cannabis, nor receive

1 any compensation or profit therefrom, nor have any interest 2 whatsoever in the purchase or sale made by the persons 3 authorized to do so under this Act. No provision of this 4 Section shall prevent any Commissioner, Executive Director, 5 inspector, or other employee from purchasing and keeping in his or her possession for their use or use of members of their 6 7 family or quest any cannabis product that may be purchased or 8 kept by any person by virtue of this Act.

9 No Commissioner, Executive Director, or person appointed 10 or employed by the Commission shall solicit or accept any 11 gift, gratuity, emolument, or employment from any person 12 subject to the provisions of this Act, or from any officer, agent, or employee thereof, nor solicit, request from, or 13 14 recommend, directly or indirectly, to any such person. Every officer, agent, or employee thereof is hereby forbidden to 15 16 offer to any Commissioner, Executive Director, or to any 17 person appointed or employed by the Commission any gift, gratuity, emolument, or employment. If any Commissioner, 18 19 Executive Director, or any person appointed or employed by the 20 Commission shall violate any of the provisions of this 21 Section, that person shall be removed from the office or 22 employment they hold. A person who violates the provisions of 23 this Section shall be quilty of a Class A misdemeanor.

24The Chairperson of the Commission shall receive an annual25salary of \$165,000 or such greater amount as may be set by the26Compensation Review Board. The other Commissioners shall

1	receive an annual salary of \$150,000 or such greater amount as
2	may be set by the Compensation Review Board. The Executive
3	Director of the Commission shall receive an annual salary of
4	\$175,000 or such greater amount as may be set by the
5	Compensation Review Board. All clerks, inspectors, and
6	employees of the Commission shall receive reasonable
7	compensation in an amount fixed by the Commission, subject to
8	the approval in writing of the Governor. The status and rights
9	of a transferred employee, and the rights of the State of
10	Illinois and its agencies, under the Personnel Code and
11	applicable collective bargaining agreements or under any
12	pension, retirement, or annuity plan are not affected (except
13	as provided in Sections 14-110 and 18-127 of the Illinois
14	Pension Code) by that transfer or by any other provision of
15	this amendatory Act of the 103rd General Assembly.
16	The Commission shall administer and enforce the provisions
17	of this Act relating to the oversight, licensing,
18	registration, and certification of dispensing organizations,
19	cultivation centers, craft growers, infuser organizations,
20	transporting organizations, laboratories, and agents,
21	including, but not limited to, the issuance of identification
22	cards and establishing limits on the potency or serving size
23	of cannabis or cannabis products. The Commission may suspend
24	or revoke the license of, or impose other penalties upon,
25	dispensing organizations, cultivation centers, craft growers,
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26 <u>infuser</u> organizations, transporting organizations,

1	laboratories, and their principal officers, agents-in-charge,
2	and agents for violations of this Act or any rules adopted
3	under this Act.
4	(b) To provide for the expeditious and timely
5	implementation of the provisions of this amendatory Act of the
6	103rd General Assembly, the Commission may adopt emergency
7	rules in accordance with Section 5-45 by the of the Illinois
8	Administrative Procedure Act. The adoption of emergency rules
9	authorized by Section 5-45 and this Section is deemed to be
10	necessary for the public interest, safety, and welfare.
11	This subsection is inactive one year after the effective
12	date of this amendatory Act of the 103rd General Assembly.
13	(c) The Commission shall have following powers, functions,
14	and duties:
14 15	<u>and duties:</u> (1) To administer and enforce provisions of this Act
15	(1) To administer and enforce provisions of this Act
15 16	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of
15 16 17	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft
15 16 17 18	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting
15 16 17 18 19	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other
15 16 17 18 19 20	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis.
15 16 17 18 19 20 21	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis. (2) To suspend or revoke the license of or otherwise
15 16 17 18 19 20 21 22	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis. (2) To suspend or revoke the license of or otherwise discipline dispensing organizations, cultivation centers,
15 16 17 18 19 20 21 22 23	(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis. (2) To suspend or revoke the license of or otherwise discipline dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting

1	(4) To establish by rule any fee required, including,
2	but not limited to, fees for cannabis business
3	establishments.
4	(5) To call upon other administrative departments of
5	the State, county and municipal governments, city police
6	departments, and prosecuting officers for such information
7	and assistance as the Commission deems necessary in the
8	performance of its duties.
9	(6) To establish market protections that protect
10	against unfair business practices, including, but not
11	limited to, price fixing, bid rigging, boycotts,
12	agreements to not compete, exclusive wholesale
13	arrangements for cannabis concentrate, cannabis flower,
14	cannabis infused products, and any product that is
15	licensed under this Act to ensure all license types have
16	equal access to the market without unfair competition.
17	(7) To establish market protections that protect
18	against unfair business practices and reduce or eliminate
19	any identified barriers to entry in the cannabis market
20	for cannabis business establishments owned by Social
21	Equity applicants and owners who qualify as Social Equity
22	applicants.
23	(8) To establish requirements for cannabis business
24	establishments and any other licenses, by rule, related to
25	public safety, including, but not limited to,
26	recordkeeping, security, destruction and disposal of

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1	cannabis, storage, inventory, point of sale technology, or
2	operating procedures.
3	(9) To inspect, or cause to be inspected, randomly and
4	without prior notice any premises of cannabis business
5	establishments.
6	(10) To amend or expand the definition of a Social
7	Equity Applicant under this Act.
8	(11) To develop a noncompetitive application and
9	selection process for licensing cannabis business
10	establishments that may be similar to licensing under the
11	Illinois Liquor Control Act.
12	(12) To develop and disseminate educational materials
13	for purchasers based on recommendations received from the
14	Adult Use Cannabis Health Advisory Committee. The
15	Commission shall collaborate with the Department of Human
16	Services, the Department of Public Health, and the Adult
17	<u>Use Cannabis Health Advisory Committee.</u>
18	(13) To ensure that that a criminal history record
19	check of the prospective principal officers, board
20	members, and agents of a cannabis business establishment
21	applying for a license or agent identification card under
22	this Act is completed in cooperation with the Department
23	of Financial and Professional Regulation, the Department
24	of Agriculture, and the Illinois State Police.
25	(14) To provide technical assistance and financial
26	support, as well as any other actions the Commission may

1	deem necessary, to aid Social Equity Applicants, owners
2	who qualify as Social Equity Applicants, and Ancillary
3	Social Equity Businesses.
4	(15) To develop and disseminate educational materials
5	for purchasers based on recommendations received from the
6	Adult Use Cannabis Health Advisory Committee.
7	(16) To coordinate and cooperate with the Department
8	of Public Health on completion of goals that include, but
9	are not limited to, the following:
10	(A) Establish and maintain a confidential registry
11	of qualifying patients authorized to engage in the
12	medical use of cannabis and their caregivers.
13	(B) Distribute educational materials about the
14	health benefits and risks associated with the use of
15	cannabis prescription medications.
16	(C) Adopt rules establishing food handling
17	requirements for cannabis infused products that are
18	prepared for human consumption.
19	(17) To submit an annual report to the General
20	Assembly and the Governor, by September 30 of each year,
21	that does not disclose any identifying information about
22	cultivation centers, craft growers, infuser organizations,
23	transportation organizations, or dispensing organizations
24	but does contain, at a minimum, all of the following
25	information for the previous fiscal year:
26	(A) The number of licenses issued to cannabis

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1	business establishments organizations by county, or,
2	in counties with greater than 3,000,000 residents, by
3	zip code.
4	(B) The total number of cannabis business
5	establishment organizations owners that are Social
6	Equity Applicants or minority persons, women, or
7	persons with disabilities as those terms are defined
8	under Section 2 of the Business Enterprise for
9	Minorities, Women, and Persons with Disabilities Act.
10	(C) The total number of revenues received from
11	cannabis business establishments, segregated from
12	revenues received from cannabis business
13	establishments under the Article 70, by county, and
14	separated by source of revenue.
15	(D) The total amount of revenue received from
16	dispensing organizations that share a premises or
17	majority ownership with a craft grower.
18	(E) The total amount of revenue received from
19	dispensing organizations that share a premises or
20	majority ownership with an infuser.
21	(F) The total amount of revenue received from
22	craft growers and infusers that share a premises or
23	majority ownership with a dispensing organization.
24	(G) The total amount of revenue received from
25	craft growers that share a premises or majority
26	ownership with an infuser, but do not share a premises

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or ownership with a dispensary. (H) The total amount of revenue received from infusers that share a premises or majority ownership with a craft grower, but do not share a premises or ownership with a dispensary. (I) The total amount of revenue received from

craft growers that share a premises or majority ownership with a dispensing organization, but do not share a premises or ownership with an infuser.

10(J) The total amount of revenue received from11infusers that share a premises or majority ownership12with a dispensing organization, but do not share a13premises or ownership with a craft grower.

14(K) The total amount of revenue received from15transporters.

16 <u>(L) The total amount of revenue received from</u> 17 <u>cannabis business establishment organizations that</u> 18 <u>share a premises or majority ownership with other</u> 19 <u>cannabis business establishments.</u>

20 <u>(M) An analysis of revenue generated from</u> 21 <u>taxation, licensing, and other fees for the State,</u> 22 <u>including recommendations to change the tax rate</u> 23 <u>applied.</u>

24 (18) To conduct or commission an annual survey of the
 25 cannabis industry, to be completed on or before January 1
 26 of each year. Each cannabis business establishment

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1	licensed under this Act shall report to the Commission, on
2	a form to be provided by the Commission, information that
3	will allow the Commission to assess the extent of
4	diversity in the medical and adult use cannabis industry
5	and methods for reducing or eliminating any identified
6	barriers to entry, including access to capital. Failure of
7	a cannabis business establishment to respond to the
8	request to complete the form, survey, or any other request
9	for information may be grounds for disciplinary action by
10	the Commission. The information to be collected shall be
11	designed, at a minimum, to identify the following:
12	(A) The number and percentage of licenses provided
13	to Social Equity Applicants and to businesses owned by
14	minorities, women, veterans, and persons with
15	<u>disabilities.</u>
16	(B) The total number and percentage of employees
17	in the cannabis industry who meet the criteria in
18	subparagraphs (i) or (ii) of paragraph (3) of the
19	definition of Social Equity Applicant or who are
20	minorities, women, veterans, or persons with
21	disabilities.
22	(C) The total number and percentage of contractors
23	and subcontractors in the cannabis industry that meet
24	the definition of a Social Equity Applicant, are

26 persons with disabilities, and are owned by persons

persons who are minorities, women, veterans, or

1	who are minorities, women, veterans, or persons with
2	disabilities, if known to the cannabis business
3	establishment.
4	(D) Recommendations for reducing or eliminating
5	any identified barriers to entry, including access to
6	capital, in the cannabis industry.
7	(d) The Commission shall establish by rule the information
8	required in an initial application or renewal application for
9	an agent identification card for dispensing organizations,
10	cultivation centers, craft growers, infusers, transporters, or
11	any other organization that may be submitted under this Act
12	and the nonrefundable fee to accompany the initial application
13	or renewal application. The Commission shall also perform the
14	following:
15	(1) Verify the information contained in an initial
16	application or renewal application for an agent
17	identification card submitted under this Act and approve
17 18	
	identification card submitted under this Act and approve
18	identification card submitted under this Act and approve or deny an application within 30 days after receiving a
18 19	identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and
18 19 20	identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and all supporting documentation required by rule.
18 19 20 21	identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and all supporting documentation required by rule. (2) Issue an agent identification card to a qualifying
18 19 20 21 22	identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and all supporting documentation required by rule. (2) Issue an agent identification card to a qualifying agent within 15 business days after approving the initial
18 19 20 21 22 23	identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and all supporting documentation required by rule. (2) Issue an agent identification card to a qualifying agent within 15 business days after approving the initial application or renewal application.

1	renewal application process and provide a confirmation by
2	electronic or other methods that an application has been
3	submitted.
4	(e) An agent must always keep his or her identification
5	card visible when on the property of the cannabis business
6	establishment at which the agent is employed. The agent
7	identification cards shall contain the following:
8	(1) The name of the cardholder.
9	(2) The date of issuance and expiration date of the
10	identification card.
11	(3) A random 10-digit alphanumeric identification
12	number containing at least 4 numbers and at least 4
13	letters that is unique to the cardholder.
14	(4) A photograph of the cardholder.
15	An agent identification card shall be immediately returned
16	to the cannabis business establishment of the agent upon
17	termination of the agent's employment.
18	Any agent identification card that is lost shall be
19	reported to the Illinois State Police and the Commission
20	immediately upon discovery of the loss.
21	The Commission shall not issue an agent identification
22	card if the applicant is delinquent in filing any required tax
23	return or paying any amount owed to the State of Illinois.
24	(f) The Commission shall require every cannabis business
25	establishment to designate, at a minimum, one agent-in-charge
26	for each licensed cannabis business establishment. The

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1 designated agent-in-charge must hold an agent identification card. Maintaining an agent-in-charge is a continuing 2 3 requirement for the license, except as provided under 4 subsection (g). 5 The agent-in-charge shall be a principal officer or a full-time agent of the cannabis business establishment and 6 7 shall manage the cannabis business establishment. 8 The agent-in-charge is responsible for promptly notifying 9 the Commission of any change of information required to be 10 reported to the Commission. 11 The agent-in-charge is responsible for notifying the 12 Commission of a change in the employment status of all cannabis business establishment agents within 5 business days 13 14 after the change, including notice to the Commission if the 15 termination of an agent was for diversion of product or theft 16 of currency. 17 (g) If there is a separation of an agent-in-charge due to death, incapacity, termination, or any other reason, and if 18 19 the cannabis business establishment does not have an active 20 agent-in-charge, the cannabis business establishment shall immediately contact the Commission and request a temporary 21 22 certificate of authority allowing the continuing operation of 23 the cannabis business establishment. The request shall include 24 the name of an interim agent-in-charge until a replacement is 25 identified, or shall include the name of the replacement. 26 The Commission shall issue a temporary certificate of

1 <u>authority promptly after it approves the request. If a</u> 2 <u>cannabis business establishment fails to promptly request a</u> 3 <u>temporary certificate of authority after the separation of the</u> 4 <u>agent-in-charge, its registration shall cease until the</u> 5 <u>Commission approves the temporary certificate of authority or</u> 6 <u>registers a new agent-in-charge.</u>

No temporary certificate of authority shall be valid for
 more than 90 days. The succeeding agent-in-charge shall
 register with the Commission in compliance with this Article.

10 <u>Once the permanent succeeding agent-in-charge is</u> 11 <u>registered with the Commission, the temporary certificate of</u> 12 <u>authority is void. No temporary certificate of authority shall</u> 13 <u>be issued for the separation of an agent-in-charge due to</u> 14 <u>disciplinary action by the Commission related to their conduct</u> 15 <u>on behalf of the cannabis business establishment.</u>

16 (h) The cannabis business establishment agent-in-charge 17 registration shall expire one year from the date it is issued. 18 The agent-in-charge's registration shall be renewed annually. 19 The Commission shall review the compliance history of the 20 cannabis business establishment when determining whether to 21 grant the request to renew.

(i) Upon termination of an agent-in-charge's employment, the cannabis business establishment shall immediately reclaim the agent identification card. The cannabis business establishment shall promptly return the identification card to the Commission.

1	(j) The Commission may deny an application or renewal or
2	discipline or revoke an agent-in-charge identification card
3	for any of the following reasons:
4	(1) Submission of misleading, incorrect, false, or
5	fraudulent information in the application or renewal
6	application.
7	(2) Violation of the requirements of this Act or rules
8	adopted under this Act.
9	(3) Fraudulent use of the agent-in-charge
10	identification card.
11	(4) Selling, distributing, transferring in any manner,
12	or giving cannabis to any unauthorized person.
13	(5) Theft of cannabis, currency, or any other items
14	from a cannabis business establishment.
15	(6) Tampering with, falsifying, altering, modifying,
16	or duplicating an agent-in-charge identification card.
17	(7) Tampering with, falsifying, altering, or modifying
18	the surveillance video footage, point-of-sale system, or
19	the State's verification system.
20	(8) Failure to notify the Commission immediately upon
21	discovery that an agent-in-charge identification card has
22	been lost, stolen, or destroyed.
23	(9) Failure to notify the Commission within 5 business

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(9) Failure to notify the Commission within 5 business
 days after a change in the information provided in the
 application for an agent-in-charge identification card.
 (10) Dispensing to purchasers in amounts above the

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1	limits provided in this Act.
2	(11) Delinquency in filing any required tax returns or
3	paying any amount owed to the State of Illinois.
4	(k) Adult Use Dispensing Organization Licenses issued on
5	or before July 1, 2023 shall expire on March 31 of
6	even-numbered years. Adult Use Dispensing Organizations
7	Licenses issued after July 1, 2023 shall expire annually.
8	However, the Commission may determine by rule when an Adult
9	Use Dispensing Organization Licenses will expire.
10	(1) Licenses for dispensing organizations, cultivation
11	centers, craft growers, infuser organizations, and
12	transporting organizations shall be renewed annually, with the
13	licensed period running until one year after the date the
14	cannabis business establishment license is issued. A cannabis
15	business establishment shall receive written or electronic
16	notice of the expiration of its current license at least 90
17	days before its expiration.
18	(m) The Commission shall grant a renewal within 45 days
19	after submission of a complete renewal application if the
20	cannabis business establishment submits the following as
21	required under this Act or rules adopted under this Act:
22	(1) A renewal application as provided by the
23	Commission.
24	(2) Nonrefundable renewal fees, or another amount as
25	the Commission may set by rule after July 1, 2023, to be
26	deposited into the Cannabis Regulation Fund.

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1	(3) Verification on a form provided by the Commission
2	of submission of an environmental impact report.
3	(4) Verification on a form provided by the Commission
4	that the annual diversity report issued by the Cannabis
5	Regulation Oversight Officer or the Commission was
6	completed and submitted.
7	(n) The Commission shall not grant a license renewal in
8	the following instances:
9	(1) If the license is currently under revocation or
10	suspension for violation of this Act or any rules adopted
11	under this Act, the licensee, principal officer, board
12	member, person has a financial or voting interest of 5% or
13	greater in the licensee, or an agent of the license holder
14	is delinquent in filing any required tax return or paying
15	any amount owed to the State of Illinois.
16	(2) If a cannabis business establishment fails to
17	renew its license before expiration, the cannabis business
18	establishment shall cease operation until the license is
19	renewed.
20	(o) Any cannabis business establishment that continues to
21	operate and that fails to renew its license is subject to
22	penalty as provided under Section 45-5 or any rules that may be
23	adopted under this Act.
24	(p) All fees and fines collected from the renewal of a
25	cannabis business establishment license shall be deposited
26	into the Cannabis Regulation Fund.

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(410 ILCS 705/7-10)

Sec. 7-10. Cannabis Business Development Fund.

(a) There is created in the State treasury a special fund,
which shall be held separate and apart from all other State
moneys, to be known as the Cannabis Business Development Fund.
The Cannabis Business Development Fund shall be exclusively
used for the following purposes:

8 (1) to provide low-interest rate loans to Qualified 9 Social Equity Applicants to pay for ordinary and necessary 10 expenses to start and operate a cannabis business 11 establishment permitted by this Act;

12 (2) to provide grants to Qualified Social Equity 13 Applicants to pay for ordinary and necessary expenses to 14 start and operate a cannabis business establishment 15 permitted by this Act;

16 (3) to compensate the Department of Commerce and 17 Economic Opportunity for any costs related to the 18 provision of low-interest loans and grants to Qualified 19 Social Equity Applicants;

20 (4) to pay for outreach that may be provided or
21 targeted to attract and support Social Equity Applicants
22 and Qualified Social Equity Applicants;

23 (5) (blank);

(6) to conduct any study or research concerning the
 participation of minorities, women, veterans, or people

1 with disabilities in the cannabis industry, including, 2 without limitation, barriers to such individuals entering 3 the industry as equity owners of cannabis business 4 establishments;

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(7) (blank); and

6 (8) to assist with job training and technical 7 assistance for residents in Disproportionately Impacted 8 Areas.

9 (b) All moneys collected under Sections 15-15 and 15-20 10 for Early Approval Adult Use Dispensing Organization Licenses 11 issued before January 1, 2021 and remunerations made as a 12 result of transfers of permits awarded to Qualified Social 13 Equity Applicants shall be deposited into the Cannabis 14 Business Development Fund.

soon as practical after July 1, 2019, 15 (C) As the 16 Comptroller shall order and the Treasurer shall transfer 17 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Business Development Fund. After July 1, 18 19 2023, the Comptroller shall order the transfer of the amount 20 specified in subsection (2.5) of subsection (c) of Section 21 6z-112 of the State Finance Act, which will serve as a 22 reoccurring revenue stream for the benefit of Social Equity 23 Applicants, Social Equity Applicant owners, and Ancillary 24 Social Equity Businesses.

(d) Notwithstanding any other law to the contrary, the
 Cannabis Business Development Fund is not subject to sweeps,

administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Cannabis Business Development Fund into any other fund of the State.

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

6 (410 ILCS 705/7-15)

Sec. 7-15. Loans and grants to Social Equity Applicants
and Ancillary Social Equity Businesses.

9 (a) The Department of Commerce and Economic Opportunity 10 shall establish grant and loan programs, subject to 11 appropriations from the Cannabis Business Development Fund, 12 for the purposes of providing financial assistance, loans, 13 grants, and technical assistance to Social Equity Applicants.

14 (b) The Department of Commerce and Economic Opportunity15 has the power to:

16 (1) provide Cannabis Social Equity loans and grants
17 from appropriations from the Cannabis Business Development
18 Fund to assist Qualified Social Equity Applicants in
19 gaining entry to, and successfully operating in, the
20 State's regulated cannabis marketplace;

(2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with <u>financial</u> <u>intermediaries</u>, private entities, and agencies of State or local government to carry out the purposes of this

1 Section;

(3) fix, determine, charge, and collect any premiums,
fees, charges, costs and expenses, including application
fees, commitment fees, program fees, financing charges, or
publication fees in connection with its activities under
this Section;

7 (4) coordinate assistance under these loan programs
8 with activities of the Illinois Department of Financial
9 and Professional Regulation, the Illinois Department of
10 Agriculture, <u>the Commission</u>, and other agencies as needed
11 to maximize the effectiveness and efficiency of this Act;

12 (5) provide staff, administration, and related support
13 required to administer this Section;

14 (6) take whatever actions are necessary or appropriate 15 to protect the State's interest in the event of 16 bankruptcy, default, foreclosure, or noncompliance with 17 the terms and conditions of financial assistance provided under this Section, including the ability to recapture 18 19 funds if the recipient is found to be noncompliant with 20 the terms and conditions of the financial assistance 21 agreement;

(7) establish application, notification, contract, and
 other forms, procedures, or rules deemed necessary and
 appropriate;

25 <del>and</del>

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(7.5) enter into financial intermediary agreements

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that facilitate lending to Qualified Social Equity 1 2 Applicants and Ancillary Social Equity Businesses, which 3 may provide for, but need not be limited to, participation agreements in which the Department of Commerce and 4 5 Economic Opportunity purchases an undivided interest in a loan, establishment of collateral support funds, financial 6 7 aid for loan loss reserve accounts, or similar forms of 8 support intended to leverage private investment; and

9 (8) utilize vendors or contract work to carry out the 10 purposes of this Act.

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(c) Loans made under this Section:

12 (1) shall only be made if, in the Department's
13 judgment, the project furthers the goals set forth in this
14 Act; and

15 (2) shall be in such principal amount and form and 16 contain such terms and provisions with respect to 17 insurance, reporting, delinquency charges, security, default remedies, and other matters as the Department 18 19 shall determine appropriate to protect the public interest 20 and to be consistent with the purposes of this Section. 21 The terms and provisions may be less than required for 22 similar loans not covered by this Section.

(d) Grants made under this Section shall be awarded on a competitive and annual basis under the Grant Accountability and Transparency Act. Grants made under this Section shall further and promote the goals of this Act, including promotion - 64 - LRB103 05062 CPF 50076 b

1 of Social Equity Applicants, job training and workforce 2 technical assistance to development, and Social Equity 3 Applicants. The Department of Commerce and Economic Opportunity shall coordinate with the Commission and may enter 4 5 into intergovernmental agreements for the purposes of 6 establishing policies and administering the grant program.

(e) Beginning January 1, 2021 and each year thereafter,
the Department <u>shall collaborate with the Commission on data</u>
<u>collection and reporting</u> shall annually report to the Governor
and the General Assembly on the outcomes and effectiveness of
this Section that shall include the following:

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(1) the number of persons or businesses receiving financial assistance under this Section;

14 (2) the amount in financial assistance awarded in the
15 aggregate, in addition to the amount of loans made that
16 are outstanding and the amount of grants awarded;

17 (3) the location of the project engaged in by the18 person or business; and

(4) if applicable, the number of new jobs and other
forms of economic output created as a result of the
financial assistance.

(f) The Department of Commerce and Economic Opportunity shall include engagement with individuals with limited English proficiency as part of its outreach provided or targeted to attract and support Social Equity Applicants.

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

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1 (410 ILCS 705/7-20)
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2 Sec. 7-20. Fee waivers.

3 Social Equity Applicants, the (a) For Commission Department of Financial and Professional Regulation and the 4 Department of Agriculture shall waive 50% of any nonrefundable 5 6 license application fees, any nonrefundable fees associated with purchasing a license to operate a cannabis business 7 establishment, and any surety bond or other financial 8 9 requirements, provided a Social Equity Applicant meets the 10 following qualifications at the time the payment is due:

11 (1) the applicant, including all individuals and 12 entities with 10% or greater ownership and all parent 13 companies, subsidiaries, and affiliates, has less than a 14 total of \$750,000 of income in the previous calendar year; 15 and

16 (2) the applicant, including all individuals and
17 entities with 10% or greater ownership and all parent
18 companies, subsidiaries, and affiliates, has no more than
19 2 other licenses for cannabis business establishments in
20 the State of Illinois.

(b) The <u>Commission</u> Department of Financial and Professional Regulation and the Department of Agriculture may require Social Equity Applicants to attest that they meet the requirements for a fee waiver as provided in subsection (a) and to provide evidence of annual total income in the previous

1 calendar year.

2 the Commission Department of Financial and (C) Ιf Professional Regulation or the Department of Agriculture 3 determines that an applicant who applied as a Social Equity 4 5 Applicant is not eligible for such status, the applicant shall be provided an additional 10 days to provide alternative 6 7 evidence that he or she qualifies as a Social Equity 8 Applicant. Alternatively, the applicant may pay the remainder 9 of the waived fee and be considered as a non-Social Equity 10 Applicant. If the applicant cannot do either, then the 11 Departments may keep the initial application fee and the 12 application shall not be graded.

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

14 (410 ILCS 705/7-25)

Sec. 7-25. Transfer of license awarded to Qualified Social Equity Applicant.

(a) In the event a Qualified Social Equity Applicant seeks
to transfer, sell, or grant a cannabis business establishment
license within 5 years after it was issued to a person or
entity that does not qualify as a Social Equity Applicant, the
transfer agreement shall require the new license holder to pay
the Cannabis Business Development Fund an amount equal to:

(1) any fees that were waived by any State agency
based on the applicant's status as a Social Equity
Applicant, if applicable;

(2) any outstanding amount owed by the Qualified
 Social Equity Applicant for a loan through the Cannabis
 Business Development Fund, if applicable; and

4 (3) the full amount of any grants that the Qualified
5 Social Equity Applicant received from the Department of
6 Commerce and Economic Opportunity, if applicable.

7 (b) Transfers of cannabis business establishment licenses
8 awarded to a Social Equity Applicant are subject to all other
9 provisions of this Act, the Compassionate Use of Medical
10 Cannabis Program Act, and rules regarding transfers.

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

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(410 ILCS 705/7-30)

Sec. 7-30. Reporting. By January 1, 2021, and on January 1 13 14 of every year thereafter, or upon request by the Illinois 15 Cannabis Regulation Oversight Officer, each cannabis business 16 establishment licensed under this Act and the Compassionate Use of Medical Cannabis Program Act shall report to the 17 18 Illinois Cannabis Regulation Oversight Officer, on a form to be provided by the Illinois Cannabis Regulation Oversight 19 Officer, information that will allow it to assess the extent 20 21 of diversity in the medical and adult use cannabis industry 22 and methods for reducing or eliminating any identified barriers to entry, including access to capital. Failure of a 23 24 cannabis business establishment to respond to the request of 25 the Cannabis Regulation Oversight Officer to complete the

form, report, and any other request for information may be grounds for disciplinary action by the <u>Commission</u> <del>Department</del> <del>of Financial and Professional Regulation or the Department of</del> <del>Agriculture</del>. The information to be collected shall be designed to identify the following:

6 (1) the number and percentage of licenses provided to 7 Social Equity Applicants and to businesses owned by 8 minorities, women, veterans, and people with disabilities;

9 (2) the total number and percentage of employees in 10 the cannabis industry who meet the criteria in (3)(i) or 11 (3)(ii) in the definition of Social Equity Applicant or 12 who are minorities, women, veterans, or people with 13 disabilities;

14 (3) the total number and percentage of contractors and 15 subcontractors in the cannabis industry that meet the 16 definition of a Social Equity Applicant or who are owned 17 minorities, women, veterans, or people by with 18 disabilities, if known to the cannabis business 19 establishment: and

20 (4) recommendations on reducing or eliminating any
21 identified barriers to entry, including access to capital,
22 in the cannabis industry.

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

24 (410 ILCS 705/10-5)

25 Sec. 10-5. Personal use of cannabis; restrictions on

1 cultivation; penalties.

(a) Beginning January 1, 2020, notwithstanding any other
provision of law, and except as otherwise provided in this
Act, the following acts are not a violation of this Act and
shall not be a criminal or civil offense under State law or the
ordinances of any unit of local government of this State or be
a basis for seizure or forfeiture of assets under State law for
persons other than natural individuals under 21 years of age:

9 (1) possession, consumption, use, purchase, obtaining, 10 or transporting cannabis paraphernalia or an amount of 11 cannabis for personal use that does not exceed the 12 possession limit under Section 10-10 or otherwise in 13 accordance with the requirements of this Act;

14 (2) cultivation of cannabis for personal use in15 accordance with the requirements of this Act; and

16 (3) controlling property if actions that are 17 authorized by this Act occur on the property in accordance 18 with this Act.

(a-1) Beginning January 1, 2020, notwithstanding any other 19 provision of law, and except as otherwise provided in this 20 21 Act, possessing, consuming, using, purchasing, obtaining, or 22 transporting cannabis paraphernalia or an amount of cannabis 23 purchased or produced in accordance with this Act that does not exceed the possession limit under subsection (a) of 24 25 Section 10-10 shall not be a basis for seizure or forfeiture of assets under State law. 26

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(b) Cultivating cannabis for personal use is subject to
 the following limitations:

3 (1) An Illinois resident 21 years of age or older who is a registered qualifying patient under the Compassionate 4 Use of Medical Cannabis Program Act may cultivate cannabis 5 plants, with a limit of 5 plants that are more than 5 6 7 inches tall, per household without a cultivation center or craft grower license. In this Section, "resident" means a 8 9 person who has been domiciled in the State of Illinois for 10 a period of 30 days before cultivation.

11 (2) Cannabis cultivation must take place in an 12 enclosed, locked space.

13 (3) Adult registered qualifying patients may purchase 14 cannabis seeds from a dispensary for the purpose of home 15 cultivation. Seeds may not be given or sold to any other 16 person.

(4) Cannabis plants shall not be stored or placed in a
location where they are subject to ordinary public view,
as defined in this Act. A registered qualifying patient
who cultivates cannabis under this Section shall take
reasonable precautions to ensure the plants are secure
from unauthorized access, including unauthorized access by
a person under 21 years of age.

(5) Cannabis cultivation may occur only on residential
 property lawfully in possession of the cultivator or with
 the consent of the person in lawful possession of the

- property. An owner or lessor of residential property may
   prohibit the cultivation of cannabis by a lessee.
- 3

(6) (Blank).

4 (7) A dwelling, residence, apartment, condominium
5 unit, enclosed, locked space, or piece of property not
6 divided into multiple dwelling units shall not contain
7 more than 5 plants at any one time.

8 (8) Cannabis plants may only be tended by registered 9 qualifying patients who reside at the residence, or their 10 authorized agent attending to the residence for brief 11 periods, such as when the qualifying patient is 12 temporarily away from the residence.

(9) A registered qualifying patient who cultivates
more than the allowable number of cannabis plants, or who
sells or gives away cannabis plants, cannabis, or
cannabis-infused products produced under this Section, is
liable for penalties as provided by law, including the
Cannabis Control Act, in addition to loss of home
cultivation privileges as established by rule.

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

21 (410 ILCS 705/10-10)

22 Sec. 10-10. Possession limit.

(a) Except if otherwise authorized by this Act, for a
person who is 21 years of age or older and a resident of this
State, the possession limit is as follows:

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(1) 30 grams of cannabis flower;
 (2) no more than 500 milligrams of THC contained in
 cannabis-infused product;
 (3) 5 grams of cannabis concentrate; and

5 (4) for registered qualifying patients, any cannabis 6 produced by cannabis plants grown under subsection (b) of 7 Section 10-5, provided any amount of cannabis produced in 8 excess of 30 grams of raw cannabis or its equivalent must 9 remain secured within the residence or residential 10 property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

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(1) 15 grams of cannabis flower;

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(2) 2.5 grams of cannabis concentrate; and

15 (3) 250 milligrams of THC contained in a16 cannabis-infused product.

17 (c) The possession limits found in subsections (a) and (b)18 of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Program Act.

(e) Cannabis and cannabis-derived substances regulatedunder the Industrial Hemp Act are not covered by this Act.

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

2 (410 ILCS 705/10-15)

3 Sec. 10-15. Persons under 21 years of age.

(a) Nothing in this Act is intended to permit the transfer
of cannabis, with or without remuneration, to a person under
21 years of age, or to allow a person under 21 years of age to
purchase, possess, use, process, transport, grow, or consume
cannabis except where authorized by the Compassionate Use of
Medical Cannabis Program Act or by the Community College
Cannabis Vocational Pilot Program.

11 Notwithstanding any other provisions of (b) law 12 authorizing the possession of medical cannabis, nothing in 13 this Act authorizes a person who is under 21 years of age to 14 possess cannabis. A person under 21 years of age with cannabis 15 in his or her possession is guilty of a civil law violation as 16 outlined in paragraph (a) of Section 4 of the Cannabis Control 17 Act.

(c) If the person under the age of 21 was in a motor vehicle at the time of the offense, the Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6-206 of the Illinois Vehicle Code and the rules adopted under it.

(d) It is unlawful for any parent or guardian to knowingly
permit his or her residence, any other private property under
his or her control, or any vehicle, conveyance, or watercraft

under his or her control to be used by an invitee of the 1 2 parent's child or the quardian's ward, if the invitee is under the age of 21, in a manner that constitutes a violation of this 3 Section. A parent or quardian is deemed to have knowingly 4 5 permitted his or her residence, any other private property under his or her control, or any vehicle, conveyance, or 6 7 watercraft under his or her control to be used in violation of this Section if he or she knowingly authorizes or permits 8 9 consumption of cannabis by underage invitees. Any person who 10 violates this subsection (d) is quilty of a Class A 11 misdemeanor and the person's sentence shall include, but shall 12 not be limited to, a fine of not less than \$500. If a violation of this subsection (d) directly or indirectly results in great 13 14 bodily harm or death to any person, the person violating this subsection is quilty of a Class 4 felony. In this subsection 15 16 (d), where the residence or other property has an owner and a 17 tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or 18 19 lessee.

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

21

(410 ILCS 705/10-20)

Sec. 10-20. Identification; false identification; penalty.
 (a) To protect personal privacy, the <u>Commission</u> <del>Department</del>
 of Financial and Professional Regulation shall not require a
 purchaser to provide a dispensing organization with personal

information other than government-issued identification to 1 determine the purchaser's age, and a dispensing organization 2 3 shall not obtain and record personal information about a purchaser without the purchaser's consent. A dispensing 4 organization shall use an electronic reader or electronic 5 scanning device to scan a purchaser's government-issued 6 7 identification, if applicable, to determine the purchaser's 8 age and the validity of the identification. Any identifying or 9 personal information of a purchaser obtained or received in 10 accordance with this Section shall not be retained, used, 11 shared or disclosed for any purpose except as authorized by 12 this Act.

(b) A person who is under 21 years of age may not present or offer to a cannabis business establishment or the cannabis business establishment's principal or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of:

(1) purchasing, attempting to purchase, or otherwise
obtaining or attempting to obtain cannabis or any cannabis
product; or

21 (2) gaining access to a cannabis business22 establishment.

(c) A violation of this Section is a Class A misdemeanor consistent with Section 6-20 of the Liquor Control Act of 1934.

26 (d) The Secretary of State may suspend or revoke the

driving privileges of any person for a violation of this
 Section under Section 6-206 of the Illinois Vehicle Code and
 the rules adopted under it.

(e) No agent or employee of the licensee shall be 4 5 disciplined or discharged for selling or furnishing cannabis or cannabis products to a person under 21 years of age if the 6 agent or employee demanded and was shown, before furnishing 7 8 cannabis or cannabis products to a person under 21 years of 9 age, adequate written evidence of age and identity of the 10 person. This subsection (e) does not apply if the agent or 11 employee accepted the written evidence knowing it to be false 12 or fraudulent. Adequate written evidence of age and identity 13 of the person is a document issued by a federal, State, county, 14 or municipal government, or subdivision or agency thereof, 15 including, but not limited to, a motor vehicle operator's 16 license, a registration certificate issued under the Military 17 Selective Service Act, or an identification card issued to a member of the Armed Forces. Proof that the licensee or his or 18 19 her employee or agent was shown and reasonably relied upon such written evidence in any transaction forbidden by this 20 Section is an affirmative defense in any criminal prosecution 21 22 therefor or to any proceedings for the suspension or 23 revocation of any license based thereon.

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

25 (410 ILCS 705/10-35)

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Sec. 10-35. Limitations and penalties.

(a) This Act does not permit any person to engage in, and
does not prevent the imposition of any civil, criminal, or
other penalties for engaging in, any of the following conduct:

5 (1) undertaking any task under the influence of 6 cannabis when doing so would constitute negligence, 7 professional malpractice, or professional misconduct;

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(2) possessing cannabis:

9 (A) in a school bus, unless permitted for a 10 qualifying patient or caregiver pursuant to the 11 Compassionate Use of Medical Cannabis Program Act;

(B) on the grounds of any preschool or primary or
secondary school, unless permitted for a qualifying
patient or caregiver pursuant to the Compassionate Use
of Medical Cannabis Program Act;

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(C) in any correctional facility;

17 (D) in a vehicle not open to the public unless the 18 cannabis is in a reasonably secured, sealed or 19 resealable container and reasonably inaccessible while 20 the vehicle is moving; or

(E) in a private residence that is used at any time
to provide licensed child care or other similar social
service care on the premises;

(3) using cannabis:

(A) in a school bus, unless permitted for a
 qualifying patient or caregiver pursuant to the

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Compassionate Use of Medical Cannabis Program Act; 1 2 (B) on the grounds of any preschool or primary or 3 secondary school, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use 4 5 of Medical Cannabis Program Act; 6 (C) in any correctional facility; 7 (D) in any motor vehicle; 8 (E) in a private residence that is used at any time 9 to provide licensed child care or other similar social 10 service care on the premises; 11 (F) in any public place; or 12 knowingly in close physical proximity to (G) 13 anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use 14 15 of Medical Cannabis Program Act; 16 (4) smoking cannabis in any place where smoking is

prohibited under the Smoke Free Illinois Act;

(5) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, watercraft, or snowmobile while using or under the influence of cannabis in violation of Section 11-501 or 11-502.1 of the Illinois Vehicle Code, Section 5-16 of the Boat Registration and Safety Act, or Section 5-7 of the Snowmobile Registration and Safety Act;

(6) facilitating the use of cannabis by any person who
 is not allowed to use cannabis under this Act or the

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## Compassionate Use of Medical Cannabis Program Act;

(7) transferring cannabis to any person contrary to this Act <del>or the Compassionate Use of Medical Cannabis Program Act</del>;

5 (8) the use of cannabis by a law enforcement officer, 6 corrections officer, probation officer, or firefighter 7 while on duty; nothing in this Act prevents a public 8 of law enforcement officers, employer corrections 9 officers, probation officers, paramedics, or firefighters 10 from prohibiting or taking disciplinary action for the 11 consumption, possession, sales, purchase, or delivery of 12 cannabis or cannabis-infused substances while on or off duty, unless provided for in the employer's policies. 13 14 However, an employer may not take adverse employment 15 action against an employee based solely on the lawful 16 possession or consumption of cannabis or cannabis-infused 17 substances by members of the employee's household. To the extent that this Section conflicts with any applicable 18 19 collective bargaining agreement, the provisions of the 20 collective bargaining agreement shall prevail. Further, 21 nothing in this Act shall be construed to limit in any way 22 the right to collectively bargain over the subject matters 23 contained in this Act; or

(9) the use of cannabis by a person who has a school
bus permit or a Commercial Driver's License while on duty.
As used in this Section, "public place" means any place

where a person could reasonably be expected to be observed by 1 2 others. "Public place" includes all parts of buildings owned 3 in whole or in part, or leased, by the State or a unit of local government. "Public place" includes all areas in a park, 4 5 recreation area, wildlife area, or playground owned in whole or in part, leased, or managed by the State or a unit of local 6 7 government. "Public place" does not include a private 8 residence unless the private residence is used to provide 9 licensed child care, foster care, or other similar social 10 service care on the premises.

11 (b) Nothing in this Act shall be construed to prevent the 12 arrest or prosecution of a person for reckless driving or 13 driving under the influence of cannabis, operating a 14 watercraft under the influence of cannabis, or operating a 15 snowmobile under the influence of cannabis if probable cause 16 exists.

(c) Nothing in this Act shall prevent a private business from restricting or prohibiting the use of cannabis on its property, including areas where motor vehicles are parked.

(d) Nothing in this Act shall require an individual or business entity to violate the provisions of federal law, including colleges or universities that must abide by the Drug-Free Schools and Communities Act Amendments of 1989, that require campuses to be drug free.

25 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 26 102-98, eff. 7-15-21.)

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(410 ILCS 705/10-40)

Sec. 10-40. Restore, Reinvest, and Renew Program.

3 (a) The General Assembly finds that in order to address 4 the disparities described below, aggressive approaches and 5 targeted resources to support local design and control of 6 community-based responses to these outcomes are required. To 7 carry out this intent, the Restore, Reinvest, and Renew (R3) 8 Program is created for the following purposes:

9 (1) to directly address the impact of economic 10 disinvestment, violence, and the historical overuse of 11 criminal justice responses to community and individual 12 needs by providing resources to support local design and 13 control of community-based responses to these impacts;

14 (2) to substantially reduce both the total amount of15 gun violence and concentrated poverty in this State;

16 (3) to protect communities from gun violence through
17 targeted investments and intervention programs, including
18 economic growth and improving family violence prevention,
19 community trauma treatment rates, gun injury victim
20 services, and public health prevention activities;

(4) to promote employment infrastructure and capacity
building related to the social determinants of health in
the eligible community areas.

(b) In this Section, "Authority" means the Illinois
Criminal Justice Information Authority in coordination with

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the Justice, Equity, and Opportunity Initiative of the
 Lieutenant Governor's Office.

(c) Eligibility of R3 Areas. Within 180 days after the 3 effective date of this Act, the Authority shall identify as 4 5 eligible, areas in this State by way of historically recognized geographic boundaries, to be designated by the 6 7 Restore, Reinvest, and Renew Program Board as R3 Areas and 8 therefore eligible to apply for R3 funding. Local groups 9 within R3 Areas will be eligible to apply for State funding 10 through the Restore, Reinvest, and Renew Program Board. 11 Qualifications for designation as an R3 Area are as follows:

12 (1) Based on an analysis of data, communities in this State that are high need, underserved, disproportionately 13 14 impacted by historical economic disinvestment, and ravaged 15 by violence as indicated by the highest rates of gun 16 injury, unemployment, child poverty rates, and commitments 17 and returns from the Illinois to Department of Corrections. 18

19 (2) The Authority shall send to the Legislative Audit Commission and make publicly available its analysis and 20 identification of eligible R3 Areas and shall recalculate 21 22 the eligibility data every 4 years. On an annual basis, 23 the Authority shall analyze data and indicate if data 24 covering any R3 Area or portion of an Area has, for 4 25 consecutive years, substantially deviated from the average 26 of statewide data on which the original calculation was

1 made to determine the Areas, including disinvestment, 2 violence, gun injury, unemployment, child poverty rates, 3 or commitments to or returns from the Illinois Department 4 of Corrections.

5 (d) The Restore, Reinvest, and Renew Program Board shall 6 encourage collaborative partnerships within each R3 Area to 7 minimize multiple partnerships per Area.

8 The Restore, Reinvest, and Renew Program Board is (e) 9 created and shall reflect the diversity of the State of 10 Illinois, including geographic, racial, and ethnic diversity. 11 Using the data provided by the Authority, the Restore, 12 Reinvest, and Renew Program Board shall be responsible for designating the R3 Area boundaries and for the selection and 13 14 oversight of R3 Area grantees. The Restore, Reinvest, and 15 Renew Program Board ex officio members shall, within 4 months 16 after the effective date of this Act, convene the Board to 17 appoint a full Restore, Reinvest, and Renew Program Board and oversee, provide guidance to, and develop an administrative 18 19 structure for the R3 Program.

20

(1) The ex officio members are:

(A) The Lieutenant Governor, or his or her
 designee, who shall serve as chair.

(B) The Attorney General, or his or herdesignee.

(C) The Director of Commerce and Economic
 Opportunity, or his or her designee.

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1		(D) The Director of Public Health, or his or
2		her designee.
3		(E) The Director of Corrections, or his or her
4		designee.
5		(F) The Director of Juvenile Justice, or his
6		or her designee.
7		(G) The Director of Children and Family
8		Services, or his or her designee.
9		(H) The Executive Director of the Illinois
10		Criminal Justice Information Authority, or his or
11		her designee.
12		(I) The Director of Employment Security, or
13		his or her designee.
14		(J) The Secretary of Human Services, or his or
15		her designee.
16		(K) A member of the Senate, designated by the
17		President of the Senate.
18		(L) A member of the House of Representatives,
19		designated by the Speaker of the House of
20		Representatives.
21		(M) A member of the Senate, designated by the
22		Minority Leader of the Senate.
23		(N) A member of the House of Representatives,
24		designated by the Minority Leader of the House of
25		Representatives.
26	(2)	Within 90 days after the R3 Areas have been

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designated by the Restore, Reinvest, and Renew Program Board, the following members shall be appointed to the Board by the R3 board chair:

4 (A) Eight public officials of municipal geographic
5 jurisdictions in the State that include an R3 Area, or
6 their designees;

7 (B) Four community-based providers or community development organization representatives who provide 8 services to treat violence and address the social 9 10 determinants of health, or promote community 11 investment, including, but not limited to, services 12 such as job placement and training, educational 13 services, workforce development programming, and 14 wealth building. The community-based organization 15 representatives shall work primarily in jurisdictions 16 that include an R3 Area and no more than 2 17 representatives shall work primarily in Cook County. At least one of the community-based providers shall 18 19 have expertise in providing services to an immigrant 20 population;

(C) Two experts in the field of violence
 reduction;

(D) One male who has previously been incarcerated and is over the age of 24 at the time of appointment;

(E) One female who has previously been
 incarcerated and is over the age of 24 at the time of

1 appointment;

2 (F) Two individuals who have previously been 3 incarcerated and are between the ages of 17 and 24 at 4 the time of appointment; and

5 (G) Eight individuals who live or work in an R3 6 Area.

7 As used in this paragraph (2), "an individual who has been previously incarcerated" means a person who has been 8 9 convicted of or pled guilty to one or more felonies, who 10 was sentenced to a term of imprisonment, and who has 11 completed his or her sentence. Board members shall serve 12 without compensation and may be reimbursed for reasonable 13 expenses incurred in the performance of their duties from 14 funds appropriated for that purpose. Once all its members 15 have been appointed as outlined in items (A) through (F) 16 of this paragraph (2), the Board may exercise any power, 17 perform any function, take any action, or do anything in furtherance of its purposes and goals upon the appointment 18 of a quorum of its members. The Board terms of the non-ex 19 20 officio and General Assembly Board members shall end 4 21 years from the date of appointment. The R3 board chair may 22 remove an individual appointed to the Board who does not 23 regularly attend Board meetings, based on criteria 24 approved by the Board.

(f) Within 12 months after the effective date of this Act,the Board shall:

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(1) develop a process to solicit applications from
 eligible R3 Areas;

(2) develop a standard template for both planning and implementation activities to be submitted by R3 Areas to the State;

6 (3) identify resources sufficient to support the full 7 administration and evaluation of the R3 Program, including 8 building and sustaining core program capacity at the 9 community and State levels;

10 (4) review R3 Area grant applications and proposed
 11 agreements and approve the distribution of resources;

12 (5) develop a performance measurement system that13 focuses on positive outcomes;

14 (6) develop a process to support ongoing monitoring15 and evaluation of R3 programs; and

16 (7) deliver an annual report to the General Assembly 17 and to the Governor to be posted on the Governor's Office 18 and General Assembly websites and provide to the public an 19 annual report on its progress.

20 (g) R3 Area grants.

21 (1) Grant funds shall be awarded by the Illinois 22 Criminal Justice Information Authority, in coordination 23 with the R3 board, based on the likelihood that the plan will achieve the outcomes outlined in subsection (a) and 24 25 consistent with the requirements of the Grant 26 Accountability and Transparency Act, but compliance with 1 the Grant Accountability and Transparency Act is not a
2 <u>necessary prerequisite for an organization to receive</u>
3 <u>funds</u>. The R3 Program shall also facilitate the provision
4 of training and technical assistance for capacity building
5 within and among R3 Areas.

6 (2) R3 Program Board grants shall be used to address
7 economic development, violence prevention services,
8 re-entry services, youth development, and civil legal aid.

9 (3) The Restore, Reinvest, and Renew Program Board and 10 the R3 Area grantees shall, within a period of no more than 11 120 days from the completion of planning activities 12 described in this Section, finalize an agreement on the 13 plan for implementation. Implementation activities may:

14 (A) have a basis in evidence or best practice
15 research or have evaluations demonstrating the
16 capacity to address the purpose of the program in
17 subsection (a);

(B) collect data from the inception of planning
activities through implementation, with data
collection technical assistance when needed, including
cost data and data related to identified meaningful
short-term, mid-term, and long-term goals and metrics;

(C) report data to the Restore, Reinvest, and
 Renew Program Board biannually; and

(D) report information as requested by the R3
 Program Board.

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- 90 - LRB103 05062 CPF 50076 b HB1498 oversee, provide quidance to, and develop an administrative 1 2 structure for the Cannabis Equity Commission. The ex officio 3 members are: (1) The Governor, or his or her designee, who shall 4 5 serve as chair. (2) The Attorney General, or his or her designee. 6 7 (3) The Director of Commerce and Economic Opportunity, 8 or his or her designee. 9 (4) The Director of Public Health, or his or her 10 designee. 11 (5) The Director of Corrections, or his or her 12 designee. 13 The Director of Financial and Professional (6) Regulation, or his or her designee. 14 15 (7) The Director of Agriculture, or his or her 16 designee. 17 (8) The Executive Director of the Illinois Criminal Justice Information Authority, or his or her designee. 18 19 (9) The Secretary of Human Services, or his or her 20 designee. (10) A member of the Senate, designated by the 21 22 President of the Senate. 23 (11) A member of the House of Representatives, 24 designated by the Speaker of the House of Representatives. 25 (12) A member of the Senate, designated by the 26 Minority Leader of the Senate.

(13) A member of the House of Representatives,
 designated by the Minority Leader of the House of
 Representatives.

4 (c) Within 90 days after the ex officio members convene,
5 the following members shall be appointed to the Commission by
6 the chair:

Four community-based providers or community 7 (1)8 development organization representatives who provide 9 services to treat violence and address the social 10 determinants of health, or promote community investment, 11 including, but not limited to, services such as job 12 placement and training, educational services, workforce 13 development programming, and wealth building. No more than 2 community-based organization representatives shall work 14 15 primarily in Cook County. At least one of the 16 community-based providers shall have expertise in 17 providing services to an immigrant population.

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(2) Two experts in the field of violence reduction.

19 (3) One male who has previously been incarcerated and20 is over the age of 24 at the time of appointment.

21 (4) One female who has previously been incarcerated
22 and is over the age of 24 at the time of appointment.

(5) Two individuals who have previously been
incarcerated and are between the ages of 17 and 24 at the
time of appointment.

As used in this subsection (c), "an individual who has

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been previously incarcerated" has the same meaning as defined in paragraph (2) of subsection (e) of Section 10-40.

3 (Source: P.A. 101-658, eff. 3-23-21.)

4 (410 ILCS 705/10-50)

5 Sec. 10-50. Employment; employer liability.

6 (a) Nothing in this Act shall prohibit an employer from 7 adopting reasonable zero tolerance or drug free workplace 8 policies, or employment policies concerning drug testing, 9 smoking, consumption, storage, or use of cannabis in the 10 workplace or while on call provided that the policy is applied 11 in a nondiscriminatory manner.

(b) Nothing in this Act shall require an employer to permit an employee to be under the influence of or use cannabis in the employer's workplace or while performing the employee's job duties or while on call.

16 (c) Nothing in this Act shall limit or prevent an employer 17 from disciplining an employee or terminating employment of an 18 employee for violating an employer's employment policies or 19 workplace drug policy.

(d) An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech,

1 physical dexterity, agility, coordination, demeanor, 2 irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety 3 of the employee or others, or involvement in any accident that 4 5 results in serious damage to equipment or property; disruption of a production or manufacturing process; or carelessness that 6 7 results in any injury to the employee or others. If an employer 8 elects to discipline an employee on the basis that the 9 employee is under the influence or impaired by cannabis, the 10 employer must afford the employee a reasonable opportunity to 11 contest the basis of the determination.

12 (e) Nothing in this Act shall be construed to create or13 imply a cause of action for any person against an employer for:

(1) actions taken pursuant to an employer's reasonable workplace drug policy, including but not limited to subjecting an employee or applicant to reasonable drug and alcohol testing, reasonable and nondiscriminatory random drug testing, and discipline, termination of employment, or withdrawal of a job offer due to a failure of a drug test;

(2) actions based on the employer's good faith belief that an employee used or possessed cannabis in the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's employment policies;

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(3) actions, including discipline or termination of

employment, based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or

7 (4) injury, loss, or liability to a third party if the
8 employer neither knew nor had reason to know that the
9 employee was impaired.

10 (f) Nothing in this Act shall be construed to enhance or 11 diminish protections afforded by any other law, including but 12 not limited to the Compassionate Use of Medical Cannabis 13 Program Act or the Opioid Alternative Pilot Program.

(g) Nothing in this Act shall be construed to interfere with any federal, State, or local restrictions on employment including, but not limited to, the United States Department of Transportation regulation 49 CFR 40.151(e) or impact an employer's ability to comply with federal or State law or cause it to lose a federal or State contract or funding.

20 As used in this Section, "workplace" means (h) the employer's premises, including any building, real property, 21 22 and parking area under the control of the employer or area used 23 by an employee while in the performance of the employee's job duties, and vehicles, whether leased, rented, or owned. 24 25 "Workplace" may be further defined by the employer's written 26 employment policy, provided that the policy is consistent with - 95 - LRB103 05062 CPF 50076 b

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1 this Section.

(i) For purposes of this Section, an employee is deemed
"on call" when such employee is scheduled with at least 24
hours' notice by his or her employer to be on standby or
otherwise responsible for performing tasks related to his or
her employment either at the employer's premises or other
previously designated location by his or her employer or
supervisor to perform a work-related task.

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

10 (410 ILCS 705/15-5)

11 Sec. 15-5. Authority.

12 (a) In this Article:  $\tau$ 

## 13 <u>"Commission" means the Cannabis Equity and Oversight</u> 14 Commission.

15 "Department" means the Department of Financial and 16 Professional Regulation.

17 (b) It is the duty of the <u>Commission</u> Department to 18 administer and enforce the provisions of this Act relating to 19 the licensure and oversight of dispensing organizations and 20 dispensing organization agents unless otherwise provided in 21 this Act.

(c) No person shall operate a dispensing organization for the purpose of serving purchasers of cannabis or cannabis products without a license issued under this Article by the <u>Commission</u> <del>Department</del>. No person shall be an officer, director, manager, or employee of a dispensing organization without having been issued a dispensing organization agent card by the Commission Department.

4 (d) Subject to the provisions of this Act, the <u>Commission</u>
 5 <del>Department</del> may exercise the following powers and duties:

6 (1) Prescribe forms to be issued for the 7 administration and enforcement of this Article.

8 (2) Examine, inspect, and investigate the premises, 9 operations, and records of dispensing organization 10 applicants and licensees.

11 (3) Conduct investigations of possible violations of 12 this Act pertaining to dispensing organizations and 13 dispensing organization agents.

14 (4) Conduct hearings on proceedings to refuse to issue 15 or renew licenses or to revoke, suspend, place on 16 probation, reprimand, or otherwise discipline a license 17 under this Article or take other nondisciplinary action.

18 (5) Adopt rules required for the administration of 19 this Article.

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

21 (410 ILCS 705/15-15)

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

(a) Any medical cannabis dispensing organization holding a
 valid registration under the Compassionate Use of Medical

1 Cannabis Program Act as of the effective date of this Act may, 2 within 60 days of the effective date of this Act, apply to the 3 <u>Commission</u> Department for an Early Approval Adult Use 4 Dispensing Organization License to serve purchasers at any 5 medical cannabis dispensing location in operation on the 6 effective date of this Act, pursuant to this Section.

7 (b) A medical cannabis dispensing organization seeking 8 of Early Approval Adult Use issuance an Dispensing 9 Organization License to serve purchasers at any medical 10 cannabis dispensing location in operation as of the effective 11 date of this Act shall submit an application on forms provided 12 by the Commission <del>Department</del>. The application must be 13 submitted by the same person or entity that holds the medical cannabis dispensing organization registration and include the 14 15 following:

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

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

(3) Certification that the applicant will comply with
 the requirements contained in <u>Article 75</u> the Compassionate
 Use of Medical Cannabis Program Act except as provided in
 this Act;

(4) The legal name of the dispensing organization;
(5) The physical address of the dispensing
organization;

1 (6) The name, address, social security number, and 2 date of birth of each principal officer and board member 3 of the dispensing organization, each of whom must be at 4 least 21 years of age;

5 (7) A nonrefundable Cannabis Business Development Fee 6 equal to 3% of the dispensing organization's total sales 7 between June 1, 2018 to June 1, 2019, or \$100,000, 8 whichever is less, to be deposited into the Cannabis 9 Business Development Fund; and

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

12 (A) Make a contribution of 3% of total sales from
13 June 1, 2018 to June 1, 2019, or \$100,000, whichever is
14 less, to the Cannabis Business Development Fund. This
15 is in addition to the fee required by item (7) of this
16 subsection (b);

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

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

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(D) Participate as a host in a cannabis business

1 establishment incubator program approved by the 2 Department of Commerce and Economic Opportunity, and 3 in which an Early Approval Adult Use Dispensing Organization License holder agrees to provide a loan 4 5 of at least \$100,000 and mentorship to incubate, for at least a year, a Social Equity Applicant intending 6 to seek a license or a licensee that qualifies as a 7 8 Social Equity Applicant. As used in this Section, 9 "incubate" means providing direct financial assistance 10 and training necessary to engage in licensed cannabis 11 industry activity similar to that of the host 12 licensee. The Early Approval Adult Use Dispensing 13 Organization License holder or the same entity holding 14 any other licenses issued pursuant to this Act shall 15 not take an ownership stake of greater than 10% in any 16 business receiving incubation services to comply with 17 this subsection. If an Early Approval Adult Use Dispensing Organization License holder fails to find a 18 19 business to incubate to comply with this subsection 20 before its Early Approval Adult Use Dispensing 21 Organization License expires, it may opt to meet the 22 requirement of this subsection by completing another 23 item from this subsection; or

(E) Participate in a sponsorship program for at
 least 2 years approved by the Department of Commerce
 and Economic Opportunity in which an Early Approval

Adult Use Dispensing Organization License holder agrees to provide an interest-free loan of at least \$200,000 to a Social Equity Applicant. The sponsor shall not take an ownership stake in any cannabis business establishment receiving sponsorship services to comply with this subsection.

7 (b-5) Beginning 90 days after the effective date of this 8 amendatory Act of the 102nd General Assembly, an Early 9 Approval Adult Use Dispensing Organization licensee whose 10 license was issued pursuant to this Section may apply to 11 relocate within the same geographic district where its 12 existing associated medical cannabis dispensing organization 13 dispensary licensed under Article 75 the Compassionate Use of Medical Cannabis Act is authorized to operate. A request to 14 15 relocate under this subsection is subject to approval by the 16 Commission Department. An Early Approval Adult Use Dispensing 17 Organization's application to relocate its license under this subsection shall be deemed approved 30 days following the 18 submission of a complete application to relocate, unless 19 20 sooner approved or denied in writing by the Commission Department. If an application to relocate is denied, the 21 22 Commission Department shall provide, in writing, the specific 23 reason for denial.

An Early Approval Adult Use Dispensing Organization may request to relocate under this subsection if:

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(1) its existing location is within the boundaries of

a unit of local government that prohibits the sale of
 adult use cannabis; or

3 (2)the Early Approval Adult Use Dispensing Organization has obtained the approval of the municipality 4 5 or, if outside the boundaries of a municipality in an unincorporated area of the county, the approval of the 6 7 county where the existing license is located to move to 8 another location within that unit of local government.

9 At no time may an Early Approval Adult Use Dispensing 10 Organization dispensary licensed under this Section operate in 11 a separate facility from its associated medical cannabis 12 dispensing organization dispensary licensed under Article 75 the Compassionate Use of Medical Cannabis Act. The relocation 13 of an Early Approval Adult Use Dispensing Organization License 14 15 under this subsection shall be subject to Sections 55-25 and 16 55-28 of this Act.

17 (c) The license fee required by paragraph (1) of 18 subsection (b) of this Section shall be in addition to any 19 license fee required for the renewal of a registered medical 20 cannabis dispensing organization license.

(d) Applicants must submit all required information, including the requirements in subsection (b) of this Section, to the <u>Commission</u> <del>Department</del>. Failure by an applicant to submit all required information may result in the application being disgualified.

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(e) If the Commission Department receives an application

1 that fails to provide the required elements contained in 2 subsection (b), the <u>Commission</u> Department shall issue a 3 deficiency notice to the applicant. The applicant shall have 4 10 calendar days from the date of the deficiency notice to 5 submit complete information. Applications that are still 6 incomplete after this opportunity to cure may be disqualified.

7 (f) If an applicant meets all the requirements of 8 subsection (b) of this Section, the <u>Commission</u> <del>Department</del> 9 shall issue the Early Approval Adult Use Dispensing 10 Organization License within 14 days of receiving a completed 11 application unless:

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

15 (2) The <u>Commission</u> Secretary of Financial and 16 Professional Regulation determines there is reason, based 17 on documented compliance violations, the licensee is not 18 entitled to an Early Approval Adult Use Dispensing 19 Organization License; or

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

23 (q) A registered medical cannabis dispensing organization 24 that obtains an Early Approval Adult Use Dispensing 25 Organization License may begin selling cannabis, 26 cannabis-infused products, paraphernalia, and related items to

purchasers under the rules of this Act no sooner than January
 1, 2020.

(h) A dispensing organization holding a medical cannabis 3 dispensing organization license issued under the Compassionate 4 5 Use of Medical Cannabis Program Act must maintain an adequate supply of cannabis and cannabis-infused products for purchase 6 by qualifying patients, caregivers, provisional patients, and 7 8 Opioid Alternative Pilot Program participants. For the 9 purposes of this subsection, "adequate supply" means a monthly 10 inventory level that is comparable in type and quantity to 11 those medical cannabis products provided to patients and 12 caregivers on an average monthly basis for the 6 months before 13 the effective date of this Act.

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

(j) Notwithstanding any law or rule to the contrary, a person that holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act and an Early Approval Adult Use Dispensing Organization License may permit purchasers into a limited access area as that term is defined in administrative rules made under the authority in the Compassionate Use of Medical
 Cannabis Program Act.

(k) An Early Approval Adult Use Dispensing Organization 3 License is valid until March 31, 2021. A 4 dispensing organization that obtains an Early Approval 5 Adult Use 6 Dispensing Organization License shall receive written or 7 electronic notice 90 days before the expiration of the license 8 that the license will expire, and that informs the license 9 holder that it may apply to renew its Early Approval Adult Use 10 Dispensing Organization License on forms provided by the 11 Commission Department. The Commission Department shall renew 12 the Early Approval Adult Use Dispensing Organization License 13 within 60 days of the renewal application being deemed 14 complete if:

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

(2) the Commission Department has not suspended or 18 19 permanently revoked the Early Approval Adult Use 20 Dispensing Organization License or a medical cannabis 21 dispensing organization license on the same premises for 22 violations of this Act, the Compassionate Use of Medical 23 Cannabis Program Act, or rules adopted pursuant to this 24 Act those Acts;

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

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

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

7 (1) 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 may apply for an Adult Use holder that it Dispensing Organization License on forms provided by the Commission 14 15 Department. The Commission Department shall grant an Adult Use 16 Dispensing Organization License within 60 days of an 17 application being deemed complete if the applicant has met all of the criteria in Section 15-36. 18

If a dispensing organization fails to submit an 19 (m) 20 application for renewal of an Early Approval Adult Use Dispensing Organization License or for an Adult Use Dispensing 21 22 Organization License before the expiration dates provided in 23 subsections (k) and (1) of this Section, the dispensing organization shall cease serving purchasers and cease all 24 operations until it receives a renewal or an Adult Use 25 26 Dispensing Organization License, as the case may be.

1 (n) A dispensing organization agent who holds a valid 2 dispensing organization agent identification card issued under 3 the Compassionate Use of Medical Cannabis Program Act and is 4 an officer, director, manager, or employee of the dispensing 5 organization licensed under this Section may engage in all 6 activities authorized by this Article to be performed by a 7 dispensing organization agent.

8 (o) If the Commission <del>Department</del> suspends, permanently 9 revokes, or otherwise disciplines the Early Approval Adult Use 10 Dispensing Organization License of a dispensing organization 11 that also holds a medical cannabis dispensing organization 12 license issued under the Compassionate Use of Medical Cannabis 13 Program Act, the Commission Department may consider the suspension, permanent revocation, or other discipline of the 14 15 medical cannabis dispensing organization license.

16 (p) All fees collected pursuant to this Section shall be 17 deposited into the Cannabis Regulation Fund, unless otherwise 18 specified.

19 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 20 102-98, eff. 7-15-21.)

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(410 ILCS 705/15-20)

Sec. 15-20. Early Approval Adult Use Dispensing
Organization License; secondary site.

(a) Any medical cannabis dispensing organization holding a
 valid registration under the Compassionate Use of Medical

Cannabis Program Act as of the effective date of this Act may, 1 2 within 60 days of the effective date of this Act, apply to the Adult 3 Commission Department for an Early Approval Use Dispensing Organization License to operate a dispensing 4 5 organization to serve purchasers at a secondary site not 6 within 1,500 feet of another medical cannabis dispensing 7 organization or adult use dispensing organization. The Early Approval Adult Use Dispensing Organization secondary site 8 9 shall be within any BLS Region that shares territory with the 10 dispensing organization district to which the medical cannabis 11 dispensing organization is assigned under the administrative 12 rules for dispensing organizations under the Compassionate Use 13 of Medical Cannabis Program Act.

(a-5) If, within 360 days of the effective date of this 14 15 Act, a dispensing organization is unable to find a location 16 within the BLS Regions prescribed in subsection (a) of this 17 Section in which to operate an Early Approval Adult Use Dispensing Organization at a secondary site because 18 no jurisdiction within the prescribed area allows the operation 19 20 of an Adult Use Cannabis Dispensing Organization, the 21 Commission Department of Financial and Professional Regulation 22 may waive the geographic restrictions of subsection (a) of 23 this Section and specify another BLS Region into which the dispensary may be placed. 24

25 (b) (Blank).

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(c) A medical cannabis dispensing organization seeking

1 issuance of an Early Approval Adult Use Dispensing 2 Organization License at a secondary site to serve purchasers 3 at a secondary site as prescribed in subsection (a) of this Section shall submit an application on forms provided by the 4 5 Commission Department. The application must meet or include the following gualifications: 6

7 (1) a payment of a nonrefundable application fee of 8 \$30,000;

9 (2) proof of registration as a medical cannabis 10 dispensing organization that is in good standing;

(3) submission of the application by the same person or entity that holds the medical cannabis dispensing organization registration;

14 (4) the legal name of the medical cannabis dispensing15 organization;

16 (5) the physical address of the medical cannabis
17 dispensing organization and the proposed physical address
18 of the secondary site;

(6) a copy of the current local zoning ordinance 19 20 Sections relevant to dispensary operations and documentation of the approval, the conditional approval or 21 22 the status of a request for zoning approval from the local 23 zoning office that the proposed dispensary location is in compliance with the local zoning rules; 24

(7) a plot plan of the dispensary drawn to scale. Theapplicant shall submit general specifications of the

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building exterior and interior layout;

2 (8) a statement that the dispensing organization
3 agrees to respond to the <u>Commission's</u> <del>Department's</del>
4 supplemental requests for information;

5 (9) for the building or land to be used as the proposed6 dispensary:

(A) if the property is not owned by the applicant,
a written statement from the property owner and
landlord, if any, certifying consent that the
applicant may operate a dispensary on the premises; or

(B) if the property is owned by the applicant,confirmation of ownership;

13 (10) a copy of the proposed operating bylaws;

14 (11) a copy of the proposed business plan that 15 complies with the requirements in this Act, including, at 16 a minimum, the following:

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

(B) a description of the process of dispensingcannabis;

(12) a copy of the proposed security plan that
 complies with the requirements in this Article, including:

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

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1 (B) the process or controls that will be 2 implemented to monitor the dispensary, secure the 3 premises, agents, patients, and currency, and prevent 4 the diversion, theft, or loss of cannabis; and

5 (C) the process to ensure that access to the 6 restricted access areas is restricted to, registered 7 agents, service professionals, transporting 8 organization agents, <u>Commission Department</u> inspectors, 9 and security personnel;

10 (13) a proposed inventory control plan that complies11 with this Section;

12 (14) the name, address, social security number, and 13 date of birth of each principal officer and board member 14 of the dispensing organization; each of those individuals 15 shall be at least 21 years of age;

16 (15) a nonrefundable Cannabis Business Development Fee
17 equal to \$200,000, to be deposited into the Cannabis
18 Business Development Fund; and

19 (16) a commitment to completing one of the following20 Social Equity Inclusion Plans in subsection (d).

21 (d) Before receiving an Early Approval Adult Use 22 Dispensing Organization License at a secondary site, a 23 dispensing organization shall indicate the Social Equity 24 Inclusion Plan that the applicant plans to achieve before the 25 expiration of the Early Approval Adult Use Dispensing 26 Organization License from the list below:

1 (1) make a contribution of 3% of total sales from June 2 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to 3 the Cannabis Business Development Fund. This is in 4 addition to the fee required by paragraph (16) of 5 subsection (c) of this Section;

6 (2) make a grant of 3% of total sales from June 1, 2018 7 to June 1, 2019, or \$100,000, whichever is less, to a 8 cannabis industry training or education program at an 9 Illinois community college as defined in the Public 10 Community College Act;

(3) make a donation of \$100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;

15 (4) participate as a host in a cannabis business 16 establishment incubator program approved by the Department 17 of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Dispensing Organization License 18 19 at a secondary site holder agrees to provide a loan of at 20 least \$100,000 and mentorship to incubate, for at least a 21 year, a Social Equity Applicant intending to seek a 22 license or a licensee that qualifies as a Social Equity 23 this paragraph (4), "incubate" means Applicant. In 24 providing direct financial assistance and training 25 necessary to engage in licensed cannabis industry activity 26 similar to that of the host licensee. The Early Approval

Adult Use Dispensing Organization License holder or the 1 2 same entity holding any other licenses issued under this 3 Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply 4 5 with this subsection. If an Early Approval Adult Use 6 Dispensing Organization License at a secondary site holder fails to find a business to incubate in order to comply 7 8 with this subsection before its Early Approval Adult Use 9 Dispensing Organization License at a secondary site 10 expires, it may opt to meet the requirement of this 11 subsection by completing another item from this subsection 12 before the expiration of its Early Approval Adult Use 13 Dispensing Organization License at a secondary site to 14 avoid a penalty; or

15 (5) participate in a sponsorship program for at least 16 years approved by the Department of Commerce and 2 17 Economic Opportunity in which an Early Approval Adult Use Dispensing Organization License at a secondary site holder 18 agrees to provide an interest-free loan of at least 19 20 \$200,000 to a Social Equity Applicant. The sponsor shall not take an ownership stake of greater than 10% in any 21 22 business receiving sponsorship services to comply with 23 this subsection.

(e) The license fee required by paragraph (1) of
subsection (c) of this Section is in addition to any license
fee required for the renewal of a registered medical cannabis

1 dispensing organization license.

(f) Applicants must submit all required information, including the requirements in subsection (c) of this Section, to the <u>Commission Department</u>. Failure by an applicant to submit all required information may result in the application being disqualified. Principal officers shall not be required to submit to the fingerprint and background check requirements of Section 5-20.

9 (g) If the <u>Commission</u> Department receives an application 10 that fails to provide the required elements contained in 11 subsection (c), the <u>Commission</u> Department shall issue a 12 deficiency notice to the applicant. The applicant shall have 13 10 calendar days from the date of the deficiency notice to 14 submit complete information. Applications that are still 15 incomplete after this opportunity to cure may be disqualified.

(h) Once all required information and documents have been 16 17 Commission <del>Department</del> will submitted, the review the application. The Commission Department may request revisions 18 19 and retains final approval over dispensary features. Once the 20 application is complete and meets the Commission's 21 Department's approval, the Commission Department shall 22 conditionally approve the license. Final approval is 23 contingent on the build-out and Commission Department 24 inspection.

(i) Upon submission of the Early Approval Adult UseDispensing Organization at a secondary site application, the

applicant shall request an inspection and the <u>Commission</u>
 Department may inspect the Early Approval Adult Use Dispensing
 Organization's secondary site to confirm compliance with the
 application and this Act.

5 (j) The <u>Commission</u> <del>Department</del> shall only issue an Early 6 Approval Adult Use Dispensing Organization License at a 7 secondary site after the completion of a successful 8 inspection.

9 (k) If an applicant passes the inspection under this 10 Section, the <u>Commission</u> <del>Department</del> shall issue the Early 11 Approval Adult Use Dispensing Organization License at a 12 secondary site within 10 business days unless:

(1) The licensee, any principal officer or board
member of the licensee, or any person having a financial
or voting interest of 5% or greater in the licensee is
delinquent in filing any required tax returns or paying
any amounts owed to the State of Illinois; or

18 (2) The <u>Commission</u> Secretary of Financial and
 19 Professional Regulation determines there is reason, based
 20 on documented compliance violations, the licensee is not
 21 entitled to an Early Approval Adult Use Dispensing
 22 Organization License at its secondary site.

(1) Once the <u>Commission</u> <del>Department</del> has issued a license,
 the dispensing organization shall notify the <u>Commission</u>
 Department of the proposed opening date.

(m) A registered medical cannabis dispensing organization

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1 that obtains an Early Approval Adult Use Dispensing 2 Organization License at a secondary site may begin selling 3 cannabis, cannabis-infused products, paraphernalia, and related items to purchasers under the rules of this Act no 4 5 sooner than January 1, 2020.

6 (n) If there is a shortage of cannabis or cannabis-infused 7 products, a dispensing organization holding both a dispensing 8 organization license under the Compassionate Use of Medical 9 Cannabis Program Act and this Article shall prioritize serving 10 qualifying patients and caregivers before serving purchasers.

11 (o) An Early Approval Adult Use Dispensing Organization 12 License at a secondary site is valid until March 31, 2021. A 13 dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License at a secondary site shall 14 15 receive written or electronic notice 90 days before the 16 expiration of the license that the license will expire, and 17 inform the license holder that it may renew its Early Approval Adult Use Dispensing Organization License at a secondary site. 18 19 The Commission <del>Department</del> shall renew an Early Approval Adult 20 Use Dispensing Organization License at a secondary site within 21 60 days of submission of the renewal application being deemed 22 complete if:

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

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(2) the Commission Department has not suspended or

permanently revoked the Early Approval Adult Use Dispensing Organization License or a medical cannabis dispensing organization license held by the same person or entity for violating this Act or rules adopted under this Act or the Compassionate Use of Medical Cannabis Program Act or rules adopted under that Act; and

7 (3) the dispensing organization has completed a Social 8 Equity Inclusion Plan provided by paragraph (1), (2), or 9 (3) of subsection (d) of this Section or has made 10 substantial progress toward completing a Social Equity 11 Inclusion Plan provided by paragraph (4) or (5) of 12 subsection (d) of this Section.

13 (p) The Early Approval Adult Use Dispensing Organization Licensee at a secondary site renewed pursuant to subsection 14 15 (o) shall receive written or electronic notice 90 days before 16 the expiration of the license that the license will expire, 17 and that informs the license holder that it may apply for an Adult Use Dispensing Organization License on forms provided by 18 19 the Commission Department. The Commission Department shall 20 grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant 21 22 has meet all of the criteria in Section 15-36.

(q) If a dispensing organization fails to submit an
 application for renewal of an Early Approval Adult Use
 Dispensing Organization License or for an Adult Use Dispensing
 Organization License before the expiration dates provided in

subsections (o) and (p) of this Section, the dispensing
 organization shall cease serving purchasers until it receives
 a renewal or an Adult Use Dispensing Organization License.

4 (r) A dispensing organization agent who holds a valid 5 dispensing organization agent identification card issued under 6 the Compassionate Use of Medical Cannabis Program Act and is 7 an officer, director, manager, or employee of the dispensing 8 organization licensed under this Section may engage in all 9 activities authorized by this Article to be performed by a 10 dispensing organization agent.

11 (s) If the Commission Department suspends, permanently 12 revokes, or otherwise disciplines the Early Approval Adult Use 13 Dispensing Organization License of a dispensing organization that also holds a medical cannabis dispensing organization 14 15 license issued under the Compassionate Use of Medical Cannabis 16 Program Act, the Commission Department may consider the 17 suspension, permanent revocation, or other discipline as grounds to take disciplinary action against the medical 18 19 cannabis dispensing organization.

20 (t) All fees collected pursuant to this Section shall be 21 deposited into the Cannabis Regulation Fund, unless otherwise 22 specified.

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

24 (410 ILCS 705/15-30.20)

25 Sec. 15-30.20. Tied Applicant Lottery; additional

1 requirements; timing.

2 (a) If awarding a license in a Tied Applicant Lottery 3 would result in a Tied Applicant possessing more than 10 Early Approval Adult Use Dispensing Organization Licenses, Early 4 5 Approval Adult Use Dispensing Organization Licenses at a 6 secondary site, Conditional Adult Use Dispensing Organization 7 Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof, the Tied Applicant must choose which 8 license to abandon pursuant to subsection (d) of Section 15-36 9 10 and notify the Commission Department in writing within 5 11 business days after the date that the Tied Applicant Lottery 12 is conducted.

13 (b) The <u>Commission</u> Department shall publish the certified 14 results of a Tied Applicant Lottery within 2 business days 15 after the Tied Applicant Lottery is conducted.

16 (Source: P.A. 102-98, eff. 7-15-21.)

17 (410 ILCS 705/15-35.10)

Sec. 15-35.10. Social Equity Justice Involved Lottery for
 Conditional Adult Use Dispensing Organization Licenses.

(a) In addition to any of the licenses issued under
Section 15-15, Section 15-20, Section 15-25, Section 15-30.20,
or Section 15-35, within 10 business days after the resulting
final scores for all scored applications pursuant to Sections
15-25 and 15-30 are released, the <u>Commission Department</u> shall
issue up to 55 Conditional Adult Use Dispensing Organization

Licenses by lot, pursuant to the application process adopted under this Section. In order to be eligible to be awarded a Conditional Adult Use Dispensing Organization License by lot, a Dispensary Applicant must be a Qualifying Social Equity Justice Involved Applicant.

- 6 The licenses issued under this Section shall be awarded in 7 each BLS Region in the following amounts:
- 8 (1) Bloomington: 1.
- 9 (2) Cape Girardeau: 1.
- 10 (3) Carbondale-Marion: 1.
- 11 (4) Champaign-Urbana: 1.
- 12 (5) Chicago-Naperville-Elgin: 36.
- 13 (6) Danville: 1.
- 14 (7) Davenport-Moline-Rock Island: 1.
- 15 (8) Decatur: 1.
- 16 (9) Kankakee: 1.
- 17 (10) Peoria: 2.
- 18 (11) Rockford: 1.
- 19 (12) St. Louis: 3.
- 20 (13) Springfield: 1.
- 21 (14) Northwest Illinois nonmetropolitan: 1.
- 22 (15) West Central Illinois nonmetropolitan: 1.
- 23 (16) East Central Illinois nonmetropolitan: 1.
- 24 (17) South Illinois nonmetropolitan: 1.

25 (a-5) Prior to issuing licenses under subsection (a), the
 26 <u>Commission</u> <del>Department</del> may adopt rules through emergency

rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

6 (b) The <u>Commission</u> Department shall distribute the 7 available licenses established under this Section subject to 8 the following:

9 (1) The drawing by lot for all available licenses 10 established under this Section shall occur on the same day 11 when practicable.

(2) Within each BLS Region, the first Qualifying
Social Equity Justice Involved Applicant drawn will have
the first right to an available license. The second
Qualifying Social Equity Justice Involved Applicant drawn
will have the second right to an available license. The
same pattern will continue for each subsequent applicant
drawn.

19 (3) The process for distributing available licenses
 20 under this Section shall be recorded by the <u>Commission</u>
 21 Department in a format selected by the <u>Commission</u>
 22 Department.

(4) A Dispensary Applicant is prohibited from becoming
 a Qualifying Social Equity Justice Involved Applicant if a
 principal officer resigns after the resulting final scores
 for all scored applications pursuant to Sections 15-25 and

1 15-30 are released.

(5) No Qualifying Social Equity Justice Involved
Applicant may be awarded more than 2 Conditional Adult Use
Dispensing Organization Licenses at the conclusion of a
lottery conducted under this Section.

6 (6) No individual may be listed as a principal officer 7 of more than 2 Conditional Adult Use Dispensing 8 Organization Licenses awarded under this Section.

9 (7) If, upon being selected for an available license 10 established under this Section, a Qualifying Social Equity 11 Justice Involved Applicant exceeds the limits under 12 paragraph (5) or (6), the Qualifying Social Equity Justice 13 Involved Applicant must choose which license to abandon 14 and notify the Commission Department in writing within 5 15 business days on forms prescribed by the Commission 16 Department. If the Qualifying Social Equity Justice 17 Involved Applicant does not notify the Commission Department as required, the Commission Department shall 18 19 refuse to issue the Qualifying Social Equity Justice 20 Involved Applicant all available licenses established 21 under this Section obtained by lot in all BLS Regions.

(8) If, upon being selected for an available license
established under this Section, a Qualifying Social Equity
Justice Involved Applicant has a principal officer who is
a principal officer in more than 10 Early Approval Adult
Use Dispensing Organization Licenses, Conditional Adult

Use Dispensing Organization Licenses, Adult Use Dispensing 1 2 Organization Licenses, or any combination thereof, the 3 licensees and the Qualifying Social Equity Justice Involved Applicant listing that principal officer must 4 5 choose which license to abandon pursuant to subsection (d) of Section 15-36 and notify the Commission Department in 6 7 writing within 5 business days on forms prescribed by the 8 Commission Department. If the Dispensary Applicant or 9 licensees do not notify the Commission Department as 10 required, the Commission Department shall refuse to issue 11 the Qualifying Social Equity Justice Involved Applicant 12 all available licenses established under this Section obtained by lot in all BLS Regions. 13

14 (9) All available licenses that have been abandoned 15 under paragraph (7) or (8) shall be distributed to the 16 next Qualifying Social Equity Justice Involved Applicant 17 drawn by lot.

Any and all rights conferred or obtained under this subsection shall be limited to the provisions of this subsection.

(c) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of the award to identify a physical location for the dispensing organization's retail storefront. The applicant shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization,

unless the applicant is a Social Equity Applicant or Social 1 2 Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under 3 Section 15-15 or Section 15-20. If an applicant is unable to 4 5 find a suitable physical address in the opinion of the Commission Department within 180 days from the issuance of the 6 Conditional Adult Use Dispensing Organization License, the 7 8 Commission Department may extend the period for finding a 9 physical address another 180 days if the Conditional Adult Use 10 Dispensing Organization License holder demonstrates a concrete 11 attempt to secure a location and a hardship. If the Commission 12 Department denies the extension or the Conditional Adult Use Dispensing Organization License holder is unable to find a 13 14 location or become operational within 360 days of being 15 awarded a Conditional Adult Use Dispensing Organization License under this Section, the Commission Department shall 16 17 rescind the Conditional Adult Use Dispensing Organization License and award it pursuant to subsection (b) and notify the 18 new awardee at the email address provided in the awardee's 19 20 application, provided the applicant receiving the Conditional Adult Use Dispensing Organization License: (i) confirms a 21 22 continued interest in operating a dispensing organization; 23 (ii) can provide evidence that the applicant continues to meet requirements for holding a Conditional 24 all Adult Use Dispensing Organization License set forth in this Act; and 25 26 (iii) has not otherwise become ineligible to be awarded a

1 Conditional Adult Use Dispensing Organization License. If the 2 new awardee is unable to accept the Conditional Adult Use 3 Dispensing Organization License, the <u>Commission</u> <del>Department</del> 4 shall award the Conditional Adult Use Dispensing Organization 5 License pursuant to subsection (b). The new awardee shall be 6 subject to the same required deadlines as provided in this 7 subsection.

(d) If, within 180 days of being awarded a Conditional 8 9 Adult Use Dispensing Organization License, a dispensing organization is unable to find a location within the BLS 10 11 Region in which it was awarded a Conditional Adult Use 12 Dispensing Organization License under this Section because no 13 jurisdiction within the BLS Region allows for the operation of 14 Adult Use Dispensing Organization, the Commission an 15 Department may authorize the Conditional Adult Use Dispensing 16 Organization License holder to transfer its Conditional Adult 17 Use Dispensing Organization License to a BLS Region specified by the Commission <del>Department</del>. 18

19 (e) dispensing organization that is awarded А а 20 Conditional Adult Use Dispensing Organization License under this Section shall not purchase, possess, sell, or dispense 21 22 cannabis or cannabis-infused products until the dispensing 23 organization has received an Adult Use Dispensing Organization License issued by the Commission Department pursuant to 24 25 Section 15-36.

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(f) The <u>Commission</u> <del>Department</del> shall conduct a background

check of the prospective dispensing organization agents in 1 2 order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal 3 history record check, which shall be deposited into the State 4 5 Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing 6 7 organization agent shall submit a full set of fingerprints to 8 the Illinois State Police for the purpose of obtaining a State 9 and federal criminal records check. These fingerprints shall 10 be checked against the fingerprint records now and hereafter, 11 to the extent allowed by law, filed with the Illinois State 12 Police and the Federal Bureau of Investigation criminal history records databases. The Illinois State Police shall 13 14 furnish, following positive identification, all Illinois 15 conviction information to the Commission Department.

16 (g) The <u>Commission</u> Department may verify information 17 contained in each application and accompanying documentation 18 to assess the applicant's veracity and fitness to operate a 19 dispensing organization.

(h) The <u>Commission</u> Department may, in its discretion,
refuse to issue an authorization to an applicant who meets any
of the following criteria:

(1) An applicant who is unqualified to perform theduties required of the applicant.

(2) An applicant who fails to disclose or states
 falsely any information called for in the application.

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(3) An applicant who has been found quilty of a 1 violation of this Act, who has had any disciplinary order 2 3 entered against the applicant by the Commission Department, who has entered into a disciplinary or 4 5 nondisciplinary agreement with the Commission Department, whose medical cannabis dispensing organization, medical 6 7 cannabis cultivation organization, Early Approval Adult 8 Use Dispensing Organization License, Early Approval Adult 9 Use Dispensing Organization License at a secondary site, 10 Early Approval Cultivation Center License, Conditional 11 Adult Use Dispensing Organization License, or Adult Use 12 Dispensing Organization License was suspended, restricted, 13 revoked, or denied for just cause, or whose cannabis 14 business establishment license was suspended, restricted, 15 revoked, or denied in any other state.

16 (4) An applicant who has engaged in a pattern or
17 practice of unfair or illegal practices, methods, or
18 activities in the conduct of owning a cannabis business
19 establishment or other business.

(i) The <u>Commission</u> Department shall deny the license if
any principal officer, board member, or person having a
financial or voting interest of 5% or greater in the licensee
is delinquent in filing any required tax return or paying any
amount owed to the State of Illinois.

(j) The <u>Commission</u> <del>Department</del> shall verify an applicant's
 compliance with the requirements of this Article and rules

adopted under this Article before issuing a Conditional Adult
 Use Dispensing Organization License.

(k) If an applicant is awarded a Conditional Adult Use 3 Dispensing Organization License under this Section, 4 the 5 information and plans provided in the application, including any plans submitted for bonus points, shall become a condition 6 of the Conditional Adult Use Dispensing Organization License 7 8 and any Adult Use Dispensing Organization License issued to 9 holder of the Conditional Adult Use the Dispensing 10 Organization License, except as otherwise provided by this Act 11 or by rule. Dispensing organizations have a duty to disclose 12 any material changes to the application. The Commission 13 Department shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision 14 regarding the awarding of a Conditional Adult Use Dispensing 15 16 Organization License, including, but not limited to, 17 suspending or permanently revoking a Conditional Adult Use Dispensing Organization License. Failure to comply with the 18 conditions or requirements in the application may subject the 19 20 dispensing organization to discipline up to and including suspension or permanent revocation of its authorization or 21 22 Conditional Adult Use Dispensing Organization License by the 23 Commission Department.

(1) If an applicant has not begun operating as a
 dispensing organization within one year after the issuance of
 the Conditional Adult Use Dispensing Organization License

under this Section, the <u>Commission</u> Department may permanently revoke the Conditional Adult Use Dispensing Organization License and award it to the next highest scoring applicant in the BLS Region if a suitable applicant indicates a continued interest in the Conditional Adult Use Dispensing Organization License or may begin a new selection process to award a Conditional Adult Use Dispensing Organization License.

8 (Source: P.A. 102-98, eff. 7-15-21.)

9 (410 ILCS 705/15-35.20)

Sec. 15-35.20. Conditional Adult Use Dispensing
 Organization Licenses on or after January 1, 2022.

12 In addition to any of the licenses issued under (a) Section 15-15, Section 15-20, Section 15-25, Section 15-35, or 13 Section 15-35.10, by January 1, 2022, the 14 Commission 15 Department may publish an application to issue additional 16 Conditional Adult Use Dispensing Organization Licenses, and the Department shall collaborate with the Commission to 17 18 complete the issuance of licenses under this Section, pursuant to the application process adopted under this Section. The 19 20 Commission and the Department may adopt rules to issue any 21 Conditional Adult Use Dispensing Organization Licenses under 22 this Section. Such rules may:

(1) Modify or change the BLS Regions as they apply to
 this Article or modify or raise the number of Adult
 Conditional Use Dispensing Organization Licenses assigned

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to each BLS Region based on the following factors:

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(A) Purchaser wait times.

(B) Travel time to the nearest dispensary for
 potential purchasers.

5 (C) Percentage of cannabis sales occurring in Illinois not in the regulated market using data from 6 7 the Substance Abuse and Mental Health Services 8 Administration, National Survey on Drug Use and 9 Health, Illinois Behavioral Risk Factor Surveillance 10 System, and tourism data from the Illinois Office of 11 Tourism to ascertain total cannabis consumption in 12 Illinois compared to the amount of sales in licensed 13 dispensing organizations.

(D) Whether there is an adequate supply of
 cannabis and cannabis-infused products to serve
 registered medical cannabis patients.

(E) Population increases or shifts.

18 (F) Density of dispensing organizations in a19 region.

20 (G) The <u>Commission's</u> <del>Department's</del> capacity to 21 appropriately regulate additional licenses.

(H) The findings and recommendations from the
disparity and availability study commissioned by the
Illinois Cannabis Regulation Oversight Officer in
subsection (e) of Section 5-45 to reduce or eliminate
any identified barriers to entry in the cannabis

1 industry.

2 (I) Any other criteria the <u>Commission</u> <del>Department</del>
3 deems relevant.

4 (2) Modify or change the licensing application process 5 to reduce or eliminate the barriers identified in the 6 disparity and availability study commissioned by the 7 Illinois Cannabis Regulation Oversight Officer and make 8 modifications to remedy evidence of discrimination.

9 (b) At no time shall the <u>Commission</u> <del>Department</del> issue more 10 than 500 Adult Use Dispensing Organization Licenses.

(c) The <u>Commission</u> Department shall issue at least 50
additional Conditional Adult Use Dispensing Organization
Licenses on or before December 21, 2022.

14 (Source: P.A. 102-98, eff. 7-15-21.)

15 (410 ILCS 705/15-55)

16 15-55. Financial responsibility. Evidence Sec. of financial responsibility is a requirement for the issuance, 17 maintenance, or reactivation of a license under this Article. 18 19 Evidence of financial responsibility shall be used to 20 dispensing organization timely quarantee that the and 21 successfully completes dispensary construction, operates in a 22 manner that provides an uninterrupted supply of cannabis, faithfully pays registration renewal fees, keeps accurate 23 24 books and records, makes regularly required reports, complies with State tax requirements, and conducts the dispensing 25

organization in conformity with this Act and rules. Evidence of financial responsibility shall be provided by one of the following:

4 (1) Establishing and maintaining an escrow or surety
5 account in a financial institution in the amount of
6 \$50,000, with escrow terms, approved by the <u>Commission</u>
7 Department, that it shall be payable to the <u>Commission</u>
8 Department in the event of circumstances outlined in this
9 Act and rules.

10 (A) A financial institution may not return money 11 in an escrow or surety account to the dispensing 12 organization that established the account or a 13 representative of the organization unless the 14 organization or representative presents a statement 15 issued by the Commission Department indicating that 16 the account may be released.

17 (B) The escrow or surety account shall not be canceled on less than 30 days' notice in writing to the 18 19 Commission Department, unless otherwise approved by 20 the Commission Department. If an escrow or surety 21 account is canceled and the registrant fails to secure 22 a new account with the required amount on or before the 23 effective date of cancellation, the registrant's 24 registration may be permanently revoked. The total and 25 aggregate liability of the surety on the bond is 26 limited to the amount specified in the escrow or

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1 surety account.
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(2) Providing a surety bond in the amount of \$50,000,
naming the dispensing organization as principal of the
bond, with terms, approved by the <u>Commission</u> <del>Department</del>,
that the bond defaults to the <u>Commission</u> <del>Department</del> in the
event of circumstances outlined in this Act and rules.
Bond terms shall include:

8 (A) The business name and registration number on 9 the bond must correspond exactly with the business 10 name and registration number in the <u>Commission's</u> 11 <del>Department's</del> records.

(B) The bond must be written on a form approved by
 the <u>Commission</u> <del>Department</del>.

14(C) A copy of the bond must be received by the15Commission Department within 90 days after the16effective date.

17 (D) The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Commission 18 Department. If a bond is canceled and the registrant 19 20 fails to file a new bond with the Commission Department in the required amount on or before the 21 22 effective date of cancellation, the registrant's 23 registration may be permanently revoked. The total and 24 aggregate liability of the surety on the bond is 25 limited to the amount specified in the bond.

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

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(410 ILCS 705/15-75)

Sec. 15-75. Inventory control system. (a) A dispensing 2 3 organization agent-in-charge shall have primary oversight of 4 the dispensing organization's cannabis inventory verification 5 point-of-sale system. system, and its The inventorv point-of-sale system shall be real-time, 6 web-based, and 7 accessible by the Commission Department at any time. The point-of-sale system shall track, at a minimum the date of 8 9 sale, amount, price, and currency.

(b) A dispensing organization shall establish an account
with the State's verification system that documents:

12 (1) Each sales transaction at the time of sale and
13 each day's beginning inventory, acquisitions, sales,
14 disposal, and ending inventory.

15 (2) Acquisition of cannabis and cannabis-infused
 16 products from a licensed adult use cultivation center,
 17 craft grower, infuser, or transporter, including:

(i) A description of the products, including the
quantity, strain, variety, and batch number of each
product received;

(ii) The name and registry identification number of the licensed adult use cultivation center, craft grower, or infuser providing the cannabis and cannabis-infused products;

(iii) The name and registry identification number

of the licensed adult use cultivation center, craft
 grower, infuser, or transporting agent delivering the
 cannabis;

4 (iv) The name and registry identification number 5 of the dispensing organization agent receiving the 6 cannabis; and

(v) The date of acquisition.

(3) The disposal of cannabis, including:

9 (i) A description of the products, including the 10 quantity, strain, variety, batch number, and reason 11 for the cannabis being disposed;

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(ii) The method of disposal; and

(iii) The date and time of disposal.

(c) Upon cannabis delivery, a dispensing organization shall confirm the product's name, strain name, weight, and identification number on the manifest matches the information on the cannabis product label and package. The product name listed and the weight listed in the State's verification system shall match the product packaging.

(d) The agent-in-charge shall conduct daily inventory reconciliation documenting and balancing cannabis inventory by confirming the State's verification system matches the dispensing organization's point-of-sale system and the amount of physical product at the dispensary.

(1) A dispensing organization must receive <u>Commission</u>
 Department approval before completing an inventory

adjustment. It shall provide a detailed reason for the adjustment. Inventory adjustment documentation shall be kept at the dispensary for 2 years from the date performed.

5 (2)If the dispensing organization identifies an imbalance in the amount of cannabis after the daily 6 7 inventory reconciliation due to mistake, the dispensing 8 organization shall determine how the imbalance occurred 9 immediately upon discovery take and and document 10 corrective action. If the dispensing organization cannot 11 identify the reason for the mistake within 2 calendar days 12 after first discovery, it shall inform the Commission Department immediately in writing of the imbalance and the 13 14 corrective action taken to date. The dispensing 15 organization shall work diligently to determine the reason 16 for the mistake.

17 (3) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily 18 19 inventory reconciliation or through other means due to 20 theft, criminal activity, or suspected criminal activity, 21 the dispensing organization shall immediately determine 22 the reduction occurred and take and document how 23 corrective action. Within 24 hours after the first 24 discovery of the reduction due to theft, criminal 25 activity, or suspected criminal activity, the dispensing 26 organization shall inform the Commission Department and

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the Illinois State Police in writing.

2 (4) The dispensing organization shall file an annual 3 compilation report with the Commission Department, including a financial statement that shall include, but 4 5 not be limited to, an income statement, balance sheet, profit and loss statement, statement of cash flow, 6 wholesale cost and sales, and any other documentation 7 8 requested by the Commission Department in writing. The 9 financial statement shall include any other information 10 the <u>Commission</u> <del>Department</del> deems necessary in order to 11 effectively administer this Act and all rules, orders, and 12 final decisions promulgated under this Act. Statements 13 required by this Section shall be filed with the 14 Commission Department within 60 days after the end of the 15 calendar year. The compilation report shall include a 16 letter authored by a licensed certified public accountant 17 that it has been reviewed and is accurate based on the dispensing organization, 18 information provided. The 19 financial statement, and accompanying documents are not 20 required to be audited unless specifically requested by 21 the Commission Department.

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(e) A dispensing organization shall:

(1) Maintain the documentation required in this
Section in a secure locked location at the dispensing
organization for 5 years from the date on the document;
(2) Provide any documentation required to be

1 maintained in this Section to the <u>Commission</u> <del>Department</del> 2 for review upon request; and

3 (3) If maintaining a bank account, retain for a period
4 of 5 years a record of each deposit or withdrawal from the
5 account.

6 (f) If a dispensing organization chooses to have a return 7 policy for cannabis and cannabis products, the dispensing 8 organization shall seek prior approval from the <u>Commission</u> 9 <del>Department</del>.

10 (g) The Commission may change the storage requirements for 11 dispensing cannabis by rule.

12 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
13 102-538, eff. 8-20-21.)

14 (410 ILCS 705/15-80)

15 Sec. 15-80. Storage requirements. (a) Authorized 16 on-premises storage. A dispensing organization must store 17 inventory on its premises. All inventory stored on the 18 premises must be secured in a restricted access area and 19 tracked consistently with the inventory tracking rules.

20 (b) A dispensary shall be of suitable size and 21 construction to facilitate cleaning, maintenance, and proper 22 operations.

(c) A dispensary shall maintain adequate lighting,
 ventilation, temperature, humidity control, and equipment.

25 (d) Containers storing cannabis that have been tampered

1 with, damaged, or opened shall be labeled with the date opened 2 and quarantined from other cannabis products in the vault 3 until they are disposed.

4 (e) Cannabis that was tampered with, expired, or damaged
5 shall not be stored at the premises for more than 7 calendar
6 days.

7 (f) Cannabis samples shall be in a sealed container.8 Samples shall be maintained in the restricted access area.

9 (g) The dispensary storage areas shall be maintained in 10 accordance with the security requirements in this Act and 11 rules.

12 (h) Cannabis must be stored at appropriate temperatures 13 and under appropriate conditions to help ensure that its 14 packaging, strength, quality, and purity are not adversely 15 affected.

## 16 <u>(i) The Commission may change the storage requirements for</u> 17 <u>dispensing cannabis by rule.</u>

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

19 (410 ILCS 705/15-85)

20 Sec. 15-85. Dispensing cannabis. (a) Before a 21 dispensing organization agent dispenses cannabis to a 22 purchaser, the agent shall:

(1) Verify the age of the purchaser by checking a
 government-issued identification card by use of an
 electronic reader or electronic scanning device to scan a

purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification;

(2) Verify the validity of the government-issued 4 5 identification card by use of an electronic reader or electronic scanning device to 6 scan а purchaser's 7 government-issued identification, if applicable, to 8 determine the purchaser's age and the validity of the identification: 9

10 (3) Offer any appropriate purchaser education or 11 support materials;

12 (4) Enter the following information into the State's13 cannabis electronic verification system:

14 (i) The dispensing organization agent's 15 identification number, or if the agent's card 16 application is pending the Commission's Department's 17 approval, a temporary and unique identifier until the agent's card application is approved or denied by the 18 19 Commission Department;

20 (ii) The dispensing organization's identification 21 number;

(iii) The amount, type (including strain, if applicable) of cannabis or cannabis-infused product dispensed;

25 (iv) The date and time the cannabis was dispensed.
26 (b) A dispensing organization shall refuse to sell

cannabis or cannabis-infused products to any person unless the person produces a valid identification showing that the person is 21 years of age or older. A medical cannabis dispensing organization may sell cannabis or cannabis-infused products to a person who is under 21 years of age if the sale complies with the provisions of the Compassionate Use of Medical Cannabis Program Act and rules.

8 (c) For the purposes of this Section, valid identification 9 must:

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Be valid and unexpired;

11 (2) Contain a photograph and the date of birth of the 12 person.

13 (d) The Commission may change the requirements for
 14 dispensing cannabis by rule.

15 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 16 102-98, eff. 7-15-21.)

17 (410 ILCS 705/15-90)

18 Sec. 15-90. Destruction and disposal of cannabis. (a) 19 Cannabis and cannabis-infused products must be destroyed by 20 rendering them unusable using methods approved by the 21 <u>Commission Department</u> that comply with this Act and rules.

(b) Cannabis waste rendered unusable must be promptly disposed according to this Act and rules. Disposal of the cannabis waste rendered unusable may be delivered to a permitted solid waste facility for final disposition.

1 Acceptable permitted solid waste facilities include, but are 2 not limited to:

3 (1) Compostable mixed waste: Compost, anaerobic 4 digester, or other facility with approval of the 5 jurisdictional health department.

6 (2) Noncompostable mixed waste: Landfill, incinerator,
7 or other facility with approval of the jurisdictional
8 health department.

9 (c) All waste and unusable product shall be weighed, 10 recorded, and entered into the inventory system before 11 rendering it unusable. All waste and unusable cannabis 12 concentrates and cannabis-infused products shall be recorded 13 and entered into the inventory system before rendering it unusable. Verification of this event shall be performed by an 14 15 agent-in-charge and conducted in an area with video 16 surveillance.

17 (d) Electronic documentation of destruction and disposal18 shall be maintained for a period of at least 5 years.

(e) The Commission may change the requirements for the
 destruction and disposal of cannabis by rule.

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

22 (410 ILCS 705/15-100)

23 Sec. 15-100. Security. (a) A dispensing organization 24 shall implement security measures to deter and prevent entry 25 into and theft of cannabis or currency.

1 (b) A dispensing organization shall submit any changes to 2 the floor plan or security plan to the <u>Commission</u> <del>Department</del> 3 for pre-approval. All cannabis shall be maintained and stored 4 in a restricted access area during construction.

5 (c) The dispensing organization shall implement security 6 measures to protect the premises, purchasers, and dispensing 7 organization agents including, but not limited to the 8 following:

9 (1) Establish a locked door or barrier between the 10 facility's entrance and the limited access area;

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

14 (3) Develop a policy that addresses the maximum 15 capacity and purchaser flow in the waiting rooms and 16 limited access areas;

17 (4) Dispose of cannabis in accordance with this Act18 and rules;

19 (5) During hours of operation, store and dispense all 20 cannabis from the restricted access area. During 21 operational hours, cannabis shall be stored in an enclosed 22 locked room or cabinet and accessible only to specifically 23 authorized dispensing organization agents;

(6) When the dispensary is closed, store all cannabis
 and currency in a reinforced vault room in the restricted
 access area and in a manner as to prevent diversion,

theft, or loss;

2 (7) Keep the reinforced vault room and any other 3 equipment or cannabis storage areas securely locked and 4 protected from unauthorized entry;

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

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

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

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

(12) Prohibit accessibility of security measures,
 including combination numbers, passwords, or electronic or
 biometric security systems to persons other than
 specifically authorized dispensing organization agents;

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

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

(15) Develop emergency policies and procedures for
 securing all product and currency following any instance
 of diversion, theft, or loss of cannabis, and conduct an

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- 1 assessment to determine whether additional safeguards are 2 necessary; and

3 (16) Develop sufficient additional safeguards in
4 response to any special security concerns, or as required
5 by the <u>Commission Department</u>.

6 (d) The <u>Commission</u> Department may request or approve 7 alternative security provisions that it determines are an 8 adequate substitute for a security requirement specified in 9 this Article. Any additional protections may be considered by 10 the <u>Commission</u> Department in evaluating overall security 11 measures.

(e) A dispensing organization may share premises with a craft grower or an infuser organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.

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

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(g) Restricted access areas.

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

1 (2) All restricted access areas shall be clearly 2 described in the floor plan of the premises, in the form 3 and manner determined by the <u>Commission</u> <del>Department</del>, 4 reflecting walls, partitions, counters, and all areas of 5 entry and exit. The floor plan shall show all storage, 6 disposal, and retail sales areas.

7 (3) All restricted access areas must be secure, with
8 locking devices that prevent access from the limited
9 access areas.

10 (h) Security and alarm.

(1) A dispensing organization shall have an adequate security plan and security system to prevent and detect diversion, theft, or loss of cannabis, currency, or unauthorized intrusion using commercial grade equipment installed by an Illinois licensed private alarm contractor or private alarm contractor agency that shall, at a minimum, include:

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

20 (ii) Security shatterproof tinted film on exterior
 21 windows;

(iii) A failure notification system that provides
an audible, text, or visual notification of any
failure in the surveillance system, including, but not
limited to, panic buttons, alarms, and video
monitoring system. The failure notification system

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shall provide an alert to designated dispensing organization agents within 5 minutes after the failure, either by telephone or text message;

4 (iv) A duress alarm, panic button, and alarm, or
5 holdup alarm and after-hours intrusion detection alarm
6 that by design and purpose will directly or indirectly
7 notify, by the most efficient means, the Public Safety
8 Answering Point for the law enforcement agency having
9 primary jurisdiction;

10 (V) Security equipment to deter and prevent 11 unauthorized entrance into the dispensary, including 12 electronic door locks on the limited and restricted 13 access areas that include devices or a series of 14 devices to detect unauthorized intrusion that may 15 include a signal system interconnected with a radio 16 frequency method, cellular, private radio signals or 17 other mechanical or electronic device.

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

(3) Access to surveillance monitoring recording equipment shall be limited to persons who are essential to surveillance operations, law enforcement authorities acting within their jurisdiction, security system service personnel, and the <u>Commission</u> <del>Department</del>. A current list of authorized dispensing organization agents and service personnel that have access to the surveillance equipment must be
 available to the Commission Department upon request.

3 (4) All security equipment shall be inspected and 4 tested at regular intervals, not to exceed one month from 5 the previous inspection, and tested to ensure the systems 6 remain functional.

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

10 (6) The dispensary shall ensure all access doors are 11 not solely controlled by an electronic access panel to 12 ensure that locks are not released during a power outage.

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

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

17 (2) Unobstructed video surveillance of all enclosed dispensary areas, unless prohibited by law, including all 18 19 points of entry and exit that shall be appropriate for the 20 normal lighting conditions of the area under surveillance. The cameras shall be directed so all areas are captured, 21 22 including, but not limited to, safes, vaults, sales areas, 23 and areas where cannabis is stored, handled, dispensed, or destroyed. Cameras shall be angled to allow for facial 24 25 recognition, capture of clear the and certain 26 identification of any person entering or exiting the

1 dispensary area and in lighting sufficient during all 2 times of night or day;

(3) Unobstructed video surveillance of outside areas, 3 storefront, and the parking lot, that shall be 4 the 5 appropriate for the normal lighting conditions of the area under surveillance. Cameras shall be angled so as to allow 6 7 for the capture of facial recognition, clear and certain 8 identification of any person entering or exiting the 9 dispensary and the immediate surrounding area, and license 10 plates of vehicles in the parking lot;

11 (4) 24-hour recordings from all video cameras 12 for immediate viewing by the available Commission Department upon request. Recordings shall not be destroyed 13 14 or altered and shall be retained for at least 90 days. 15 Recordings shall be retained as long as necessary if the 16 dispensing organization is aware of the loss or theft of 17 cannabis or a pending criminal, civil, or administrative investigation or legal proceeding for which the recording 18 19 may contain relevant information;

20 (5) The ability to immediately produce a clear, color 21 still photo from the surveillance video, either live or 22 recorded;

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

1 (7) The ability to remain operational during a power 2 outage and ensure all access doors are not solely 3 controlled by an electronic access panel to ensure that 4 locks are not released during a power outage;

5 (8) All video surveillance equipment shall allow for the exporting of still images in an industry standard 6 7 image format, including .jpg, .bmp, and .gif. Exported 8 shall have the ability to be archived in a video 9 proprietary format that ensures authentication of the 10 video and guarantees that no alteration of the recorded 11 image has taken place. Exported video shall also have the 12 ability to be saved in an industry standard file format 13 that can be played on a standard computer operating 14 system. All recordings shall be erased or destroyed before 15 disposal;

16 (9) The video surveillance system shall be operational 17 during a power outage with a 4-hour minimum battery 18 backup;

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

(11) A failure notification system that provides an
 audible and visual notification of any failure in the

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1 electronic video monitoring system; and

(12) All electronic video surveillance monitoring must
record at least the equivalent of 8 frames per second and
be available as recordings to the <u>Commission</u> <del>Department</del>
and the Illinois State Police 24 hours a day via a secure
web-based portal with reverse functionality.

7 (j) The requirements contained in this Act are minimum 8 requirements for operating a dispensing organization. The 9 <u>Commission</u> <del>Department</del> may <u>change existing or</u> establish 10 additional requirements by rule.

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

13 (410 ILCS 705/15-110)

14 Sec. 15-110. Recordkeeping.

(a) Dispensing organization records must be maintained electronically for 3 years and be available for inspection by the <u>Commission</u> <del>Department</del> upon request. Required written records include, but are not limited to, the following:

- 19 (1) Operating procedures;
- 20 (2) Inventory records, policies, and procedures;
- 21 (3) Security records;
- 22 (4) Audit records;

23 (5) Staff training plans and completion documentation;

24 (6) Staffing plan; and

25 (7) Business records, including but not limited to:

1

(i) Assets and liabilities;

2 (ii) Monetary transactions;

3 (iii) Written or electronic accounts, including
4 bank statements, journals, ledgers, and supporting
5 documents, agreements, checks, invoices, receipts, and
6 vouchers; and

7 (iv) Any other financial accounts reasonably
8 related to the dispensary operations.

9 (b) Storage and transfer of records. If a dispensary 10 closes due to insolvency, revocation, bankruptcy, or for any 11 other reason, all records must be preserved at the expense of 12 the dispensing organization for at least 3 years in a form and 13 location in Illinois acceptable to the Commission Department. The dispensing organization shall keep the records longer if 14 15 requested by the Commission <del>Department</del>. The dispensing 16 organization shall notify the Commission Department of the 17 location where the dispensary records are stored or transferred. 18

19(c) The Commission may change the recordkeeping20requirements by rule.

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

22 (410 ILCS 705/15-120)

23 Sec. 15-120. Closure of a dispensary. (a) If a 24 dispensing organization decides not to renew its license or 25 decides to close its business, it shall promptly notify the <u>Commission</u> Department not less than 3 months before the
 effective date of the closing date or as otherwise authorized
 by the Commission Department.

4 (b) The dispensing organization shall work with the 5 <u>Commission</u> Department to develop a closure plan that 6 addresses, at a minimum, the transfer of business records, 7 transfer of cannabis products, and anything else the 8 Commission Department finds necessary.

9 <u>(c) The Commission may change the requirements for closure</u> 10 <u>of a dispensary by rule.</u>

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

12 (410 ILCS 705/15-125)

Sec. 15-125. Fees. After January 1, 2022, the <u>Commission</u> <del>Department</del> may by rule modify any fee established under this Article.

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

17 (410 ILCS 705/15-135)

18 Sec. 15-135. Investigations.

19 (a) Dispensing organizations are subject to random and 20 unannounced dispensary inspections and cannabis testing by the 21 <u>Commission</u> <del>Department</del>, the Illinois State Police, local law 22 enforcement, or as provided by rule.

(b) The <u>Commission</u> <del>Department</del> and its authorized
 representatives may enter any place, including a vehicle, in

which cannabis is held, stored, dispensed, sold, produced, 1 2 delivered, transported, manufactured, or disposed of and inspect, in a reasonable manner, the place and all pertinent 3 equipment, containers and labeling, and all things including 4 5 records, files, financial data, sales data, shipping data, pricing data, personnel data, research, papers, processes, 6 controls, and facility, and inventory any stock of cannabis 7 8 and obtain samples of any cannabis or cannabis-infused product, any 9 labels or containers for cannabis. or 10 paraphernalia.

11 (c) The Commission Department may conduct an investigation 12 of applicant, application, dispensing organization, an principal officer, dispensary agent, third party vendor, or 13 any other party associated with a dispensing organization for 14 an alleged violation of this Act or rules or to determine 15 16 qualifications to be granted a registration by the Commission 17 Department.

(d) The <u>Commission</u> Department may require an applicant or holder of any license issued pursuant to this Article to produce documents, records, or any other material pertinent to the investigation of an application or alleged violations of this Act or rules. Failure to provide the required material may be grounds for denial or discipline.

(e) Every person charged with preparation, obtaining, or
 keeping records, logs, reports, or other documents in
 connection with this Act and rules and every person in charge,

or having custody, of those documents shall, upon request by the <u>Commission</u> <del>Department</del>, make the documents immediately available for inspection and copying by the <u>Commission</u> <del>Department</del>, the <u>Commission's</u> <del>Department's</del> authorized representative, or others authorized by law to review the documents.

7 <u>The Commission may change the requirements for</u>
8 investigations by rule.

9 (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21;
10 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)

11 (410 ILCS 705/15-140)

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12 Sec. 15-140. Citations. The Commission Department may issue nondisciplinary citations for minor violations. Any such 13 14 citation issued by the Commission <del>Department</del> mav be accompanied by a fee. The fee shall not exceed \$20,000 per 15 16 violation. The citation shall be issued to the licensee and shall contain the licensee's name and address, the licensee's 17 license number, a brief factual statement, the Sections of the 18 law allegedly violated, and the fee, if any, imposed. The 19 20 citation must clearly state that the licensee may choose, in 21 lieu of accepting the citation, to request a hearing. If the 22 licensee does not dispute the matter in the citation with the Commission Department within 30 days after the citation is 23 24 served, then the citation shall become final and not subject 25 to appeal. The penalty shall be a fee or other conditions as

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1 established by rule.

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- 2 (Source: P.A. 101-27, eff. 6-25-19.)
- 3

(410 ILCS 705/15-145)

15-145. Grounds 4 Sec. for discipline. (a) The 5 Commission Department may deny issuance, refuse to renew or 6 restore, or may reprimand, place on probation, suspend, 7 revoke, or take other disciplinary or nondisciplinary action against any license or agent identification card or may impose 8 9 a fine for any of the following:

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(1) Material misstatement in furnishing information to the Commission Department;

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(2) Violations of this Act or rules;

13 (3) Obtaining an authorization or license by fraud or14 misrepresentation;

15 (4) A pattern of conduct that demonstrates 16 incompetence or that the applicant has engaged in conduct 17 or actions that would constitute grounds for discipline 18 under this Act;

19 (5) Aiding or assisting another person in violating
20 any provision of this Act or rules;

(6) Failing to respond to a written request for
 information by the <u>Commission</u> <del>Department</del> within 30 days;

(7) Engaging in unprofessional, dishonorable, or
unethical conduct of a character likely to deceive,
defraud, or harm the public;

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(8) Adverse action by another United States
 jurisdiction or foreign nation;

3 (9) A finding by the <u>Commission</u> Department that the 4 licensee, after having his or her license placed on 5 suspended or probationary status, has violated the terms 6 of the suspension or probation;

7 (10) Conviction, entry of a plea of guilty, nolo
8 contendere, or the equivalent in a State or federal court
9 of a principal officer or agent-in-charge of a felony
10 offense in accordance with Sections 2105-131, 2105-135,
11 and 2105-205 of the Department of Professional Regulation
12 Law of the Civil Administrative Code of Illinois;

13 (11) Excessive use of or addiction to alcohol, 14 narcotics, stimulants, or any other chemical agent or 15 drug;

16 (12) A finding by the <u>Commission</u> <del>Department</del> of a
 17 discrepancy in a <u>Commission</u> <del>Department</del> audit of cannabis;

18 (13) A finding by the <u>Commission</u> Department of a 19 discrepancy in a <u>Commission</u> Department audit of capital or 20 funds;

(14) A finding by the <u>Commission</u> Department of acceptance of cannabis from a source other than an Adult Use Cultivation Center, craft grower, infuser, or transporting organization <del>licensed by the Department of</del> Agriculture, or <del>a</del> dispensing organization licensed by the <u>Commission</u> <del>Department</del>; - 157 - LRB103 05062 CPF 50076 b

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1 (15) An inability to operate using reasonable 2 judgment, skill, or safety due to physical or mental 3 illness or other impairment or disability, including, 4 without limitation, deterioration through the aging 5 process or loss of motor skills or mental incompetence;

6 (16) Failing to report to the <u>Commission</u> <del>Department</del> 7 within the time frames established, or if not identified, 8 days, of any adverse action taken against the 14 9 dispensing organization or an agent by a licensing 10 jurisdiction in any state or any territory of the United 11 States or any foreign jurisdiction, any governmental 12 agency, any law enforcement agency or any court defined in 13 this Section;

(17) Any violation of the dispensing organization's
 policies and procedures submitted to the <u>Commission</u>
 Department annually as a condition for licensure;

17 (18) Failure to inform the <u>Commission</u> <del>Department</del> of
 18 any change of address within 10 business days;

(19) Disclosing customer names, personal information,
 or protected health information in violation of any State
 or federal law;

(20) Operating a dispensary before obtaining a license
 from the <u>Commission</u> <del>Department</del>;

24 (21) Performing duties authorized by this Act prior to
 25 receiving a license to perform such duties;

26 (22) Dispensing cannabis when prohibited by this Act

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1 or rules;

2 (23) Any fact or condition that, if it had existed at
3 the time of the original application for the license,
4 would have warranted the denial of the license;

5 (24) Permitting a person without a valid agent 6 identification card to perform licensed activities under 7 this Act;

8 (25) Failure to assign an agent-in-charge as required
9 by this Article;

10 (26) Failure to provide the training required by 11 paragraph (3) of subsection (i) of Section 15-40 within 12 the provided timeframe;

13 (27) Personnel insufficient in number or unqualified 14 in training or experience to properly operate the 15 dispensary business;

16 (28) Any pattern of activity that causes a harmful 17 impact on the community; and

18 (29) Failing to prevent diversion, theft, or loss of19 cannabis.

(b) All fines and fees imposed under this Section shall be
paid within 60 days after the effective date of the order
imposing the fine or as otherwise specified in the order.

(c) A circuit court order establishing that an agent-in-charge or principal officer holding an agent identification card is subject to involuntary admission as that term is defined in Section 1-119 or 1-119.1 of the Mental

- 159 - LRB103 05062 CPF 50076 b HB1498 Health and Developmental Disabilities Code shall operate as a 1 2 suspension of that card. (d) The Commission may change the requirements for grounds 3 for discipline by rule. 4 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 5 6 (410 ILCS 705/15-150) 7 Sec. 15-150. Temporary suspension. 8 (a) The Commission Secretary of Financial and Professional 9 Regulation may temporarily suspend a dispensing organization 10 license or an agent registration without a hearing if the 11 Commission Secretary finds that public safety or welfare

requires emergency action. The <u>Commission</u> <del>Secretary</del> shall cause the temporary suspension by issuing a suspension notice in connection with the institution of proceedings for a hearing.

(b) If the <u>Commission</u> Secretary temporarily suspends a license or agent registration without a hearing, the licensee or agent is entitled to a hearing within 45 days after the suspension notice has been issued. The hearing shall be limited to the issues cited in the suspension notice, unless all parties agree otherwise.

(c) If the <u>Commission</u> Department does not hold a hearing with 45 days after the date the suspension notice was issued, then the suspended license or registration shall be automatically reinstated and the suspension vacated.

1 (d) The suspended licensee or agent may seek a continuance 2 of the hearing date, during which time the suspension remains 3 in effect and the license or registration shall not be 4 automatically reinstated.

5 (e) Subsequently discovered causes of action by the 6 <u>Commission</u> Department after the issuance of the suspension 7 notice may be filed as a separate notice of violation. The 8 <u>Commission</u> Department is not precluded from filing a separate 9 action against the suspended licensee or agent.

10 <u>(f) The Commission may change the requirements for</u> 11 <u>temporary suspension by rule.</u>

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

13 (410 ILCS 705/15-155)

15-155. Unlicensed practice; violation; 14 Sec. civil 15 penalty. (a) In addition to any other penalty provided by 16 law, any person who practices, offers to practice, attempts to practice, or holds oneself out to practice as a licensed 17 18 dispensing organization owner, principal officer, 19 agent-in-charge, or agent without being licensed under this 20 Act shall, in addition to any other penalty provided by law, 21 pay a civil penalty to the Commission Department of Financial 22 and Professional Regulation in an amount not to exceed \$10,000 for each offense as determined by the Commission Department. 23 24 The civil penalty shall be assessed by the Commission 25 Department after a hearing is held in accordance with the

provisions set forth in this Act regarding the provision of a
 hearing for the discipline of a licensee.

3 (b) The <u>Commission</u> <del>Department</del> has the authority and power
4 to investigate any and all unlicensed activity.

5 (c) The civil penalty shall be paid within 60 days after 6 the effective date of the order imposing the civil penalty or 7 in accordance with the order imposing the civil penalty. The 8 order shall constitute a judgment and may be filed and 9 execution had thereon in the same manner as any judgment from 10 any court of this State.

11 <u>(d) The Commission may change the requirements for</u> 12 <u>temporary suspension by rule.</u>

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

14 (410 ILCS 705/15-160)

15 Sec. 15-160. Notice; hearing. (a) The Commission 16 Department shall, before disciplining an applicant or licensee, at least 30 days before the date set for the hearing: 17 (i) notify the accused in writing of the charges made and the 18 19 time and place for the hearing on the charges; (ii) direct him 20 or her to file a written answer to the charges under oath 21 within 20 days after service; and (iii) inform the applicant 22 or licensee that failure to answer will result in a default being entered against the applicant or licensee. 23

(b) At the time and place fixed in the notice, the hearing
 officer appointed by the <u>Commission</u> Secretary shall proceed to

hear the charges, and the parties or their counsel shall be 1 2 accorded ample opportunity to present any pertinent 3 statements, testimony, evidence, and arguments. The hearing officer may continue the hearing from time to time. In case the 4 5 person, after receiving the notice, fails to file an answer, his or her license may, in the discretion of the Commission 6 7 Secretary, having first received the recommendation of the 8 hearing officer, be suspended, revoked, or placed on 9 probationary status, or be subject to whatever disciplinary 10 action the Commission Secretary considers proper, including a fine, without hearing, if that act or acts charged constitute 11 12 sufficient grounds for that action under this Act.

13 (c) The written notice and any notice in the subsequent 14 proceeding may be served by regular mail or email to the 15 licensee's or applicant's address of record.

16 <u>(d) The Commission may change the requirements for notice</u>
17 <u>and hearing by rule.</u>

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

19 (410 ILCS 705/15-165)

20 Sec. 15-165. Subpoenas; oaths.

21 <u>(a)</u> The <u>Commission</u> Department shall have the power to 22 subpoena and bring before it any person and to take testimony 23 either orally or by deposition, or both, with the same fees and 24 mileage and in the same manner as prescribed by law in judicial 25 proceedings in civil cases in courts in this State. The

<u>Commission</u> Secretary or the hearing officer shall each have
 the power to administer oaths to witnesses at any hearings
 that the Commission Department is authorized to conduct.

4 (b) The Commission may change the requirements for this 5 Section by rule.

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

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(410 ILCS 705/15-170)

8 Sec. 15-170. Hearing; motion for rehearing. (a) The 9 hearing officer shall hear evidence in support of the formal 10 charges and evidence produced by the licensee. At the 11 conclusion of the hearing, the hearing officer shall present 12 to the <u>Commission</u> <del>Secretary</del> a written report of his or her 13 findings of fact, conclusions of law, and recommendations.

14 (b) At the conclusion of the hearing, a copy of the hearing officer's report shall be served upon the applicant or 15 16 licensee by the Commission <del>Department</del>, either personally or as provided in this Act for the service of a notice of hearing. 17 Within 20 calendar days after service, the applicant or 18 licensee may present to the Commission Department a motion in 19 20 writing for rehearing, which shall specify the particular 21 grounds for rehearing. The Commission Department may respond 22 to the motion for rehearing within 20 calendar days after its service on the Commission Department. If no motion for 23 24 rehearing is filed, then, upon the expiration of the time 25 specified for filing such motion or upon denial of a motion for

1 rehearing, the <u>Commission</u> Secretary may enter an order in 2 accordance with the recommendation of the hearing officer. If 3 the applicant or licensee orders from the reporting service 4 and pays for a transcript of the record within the time for 5 filing a motion for rehearing, the 20-day period within which 6 a motion may be filed shall commence upon the delivery of the 7 transcript to the applicant or licensee.

8 (c) If the <u>Commission</u> <del>Secretary</del> disagrees in any regard 9 with the report of the hearing officer, the <u>Commission</u> 10 <del>Secretary</del> may issue an order contrary to the report.

(d) Whenever the <u>Commission</u> Secretary is not satisfied that substantial justice has been done, the <u>Commission</u> <del>Secretary</del> may order a rehearing by the same or another hearing officer.

(e) At any point in any investigation or disciplinary proceeding under in this Article, both parties may agree to a negotiated consent order. The consent order shall be final upon signature of the <u>Commission</u> <del>Secretary</del>.

19 (f) The Commission may change the requirements of this
 20 Section by rule.

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

22 (410 ILCS 705/15-175)

Sec. 15-175. Review under the Administrative Review Law.
 (a) All final administrative decisions of the <u>Commission</u>
 Department hereunder shall be subject to judicial review under

the provisions of the Administrative Review Law, and all amendment and modifications thereof. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

5 (b) Proceedings for judicial review shall be commenced in 6 the circuit court of the county in which the party applying for 7 review resides, but if the party is not a resident of Illinois, 8 the venue shall be in Sangamon County.

9 (c) The Commission Department shall not be required to 10 certify any record to the court, file any answer in court, or 11 otherwise appear in any court in a judicial review proceeding, 12 unless and until the Commission Department has received from the plaintiff payment of the costs of 13 furnishing and 14 certifying the record, which costs shall be determined by the 15 Commission Department. Failure on the part of the plaintiff to 16 file a receipt in court shall be grounds for dismissal of the 17 action.

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

19 (410 ILCS 705/20-1)

20 Sec. 20-1. Definition. In this Article: 7

21 <u>"Commission" means the Cannabis Equity and Oversight</u>
22 <u>Commission.</u>

23 "Department" means the Department of Agriculture.
24 (Source: P.A. 101-27, eff. 6-25-19.)

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(410 ILCS 705/20-5)

Sec. 20-5. Issuance of licenses. On or after July 1, 2021,
the <u>Commission</u> <del>Department of Agriculture</del> by rule may:

4 (1) Modify or change the number of cultivation center
5 licenses available, which shall at no time exceed 30
6 cultivation center licenses. In determining whether to
7 exercise the authority granted by this subsection, the
8 <u>Commission Department of Agriculture</u> must consider the
9 following factors:

10 (A) The percentage of cannabis sales occurring in 11 Illinois not in the regulated market using data from 12 the Substance Abuse and Mental Health Services 13 Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance 14 15 System, and tourism data from the Illinois Office of 16 Tourism to ascertain total cannabis consumption in 17 Illinois compared to the amount of sales in licensed 18 dispensing organizations;

(B) Whether there is an adequate supply of
cannabis and cannabis-infused products to serve
registered medical cannabis patients;

(C) Whether there is an adequate supply of
 cannabis and cannabis-infused products to serve
 purchasers;

(D) Whether there is an oversupply of cannabis in
 Illinois leading to trafficking of cannabis to any

other state; 1 2 (E) Population increases or shifts; 3 (F) Changes to federal law; (G) Perceived security risks of increasing the 4 number or location of cultivation centers; 5 The past security records of cultivation 6 (H) 7 centers; (I) The Commission's Department of Agriculture's 8 9 capacity to appropriately regulate additional 10 licensees: 11 (J) The findings and recommendations from the 12 disparity and availability study commissioned by the 13 Illinois Cannabis Regulation Oversight Officer referenced in subsection (e) of Section 5-45 or by the 14 15 Commission to reduce or eliminate any identified 16 barriers to entry in the cannabis industry; and 17 (K) Any other criteria the Commission Department of Agriculture deems relevant. 18 19 (2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the 20 disparity and availability study commissioned commission 21 22 by the Illinois Cannabis Regulation Oversight Officer or 23 by the Commission and shall make modifications to remedy evidence of discrimination. 24 25 (Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/20-15) 1 2 Sec. 20-15. Conditional Adult Use Cultivation Center 3 application. (a) If the Commission Department of Agriculture makes 4 5 available additional cultivation center licenses pursuant to Section 20-5, applicants 6 for a Conditional Adult Use 7 Cultivation Center License shall electronically submit the 8 following in such form as the Commission Department <del>-of</del> Agriculture may direct: 9 10 (1) the nonrefundable application fee set by rule by 11 the Commission Department of Agriculture, to be deposited 12 into the Cannabis Regulation Fund; (2) the legal name of the cultivation center; 13 14 (3) the proposed physical address of the cultivation 15 center; 16 (4) the name, address, social security number, and 17 date of birth of each principal officer and board member of the cultivation center; each principal officer and 18 19 board member shall be at least 21 years of age; 20 (5) the details of any administrative or judicial 21 proceeding in which any of the principal officers or board 22 members of the cultivation center (i) pled quilty, were 23 convicted, were fined, or had a registration or license 24 suspended or revoked, or (ii) managed or served on the 25 board of a business or non-profit organization that pled 26 quilty, was convicted, was fined, or had a registration or

1 license suspended or revoked;

2 (6) proposed operating bylaws that include procedures 3 for the oversight of the cultivation center, including the development and implementation of a plant monitoring 4 5 accurate recordkeeping, staffing plan, system, and 6 security plan approved by the Illinois State Police that 7 are in accordance with the rules issued by the Commission Department of Agriculture under this Act. A physical 8 9 inventory shall be performed of all plants and cannabis on 10 a weekly basis by the cultivation center;

11 (7) verification from the Illinois State Police that 12 all background checks of the prospective principal 13 officers, board members, and agents of the cannabis 14 business establishment have been conducted;

(8) a copy of the current local zoning ordinance or permit and verification that the proposed cultivation center is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;

(9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;

(10) whether an applicant can demonstrate experience
 in or business practices that promote economic empowerment

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in Disproportionately Impacted Areas;

(11) experience with the cultivation of agricultural
or horticultural products, operating an agriculturally
related business, or operating a horticultural business;

5 (12) a description of the enclosed, locked facility 6 where cannabis will be grown, harvested, manufactured, 7 processed, packaged, or otherwise prepared for 8 distribution to a dispensing organization;

9 (13) a survey of the enclosed, locked facility,
10 including the space used for cultivation;

(14) cultivation, processing, inventory, and packagingplans;

13 (15) a description of the applicant's experience with 14 agricultural cultivation techniques and industry 15 standards;

16 (16) a list of any academic degrees, certifications, 17 or relevant experience of all prospective principal 18 officers, board members, and agents of the related 19 business;

20 (17) the identity of every person having a financial 21 or voting interest of 5% or greater in the cultivation 22 center operation with respect to which the license is 23 sought, whether a trust, corporation, partnership, limited 24 liability company, or sole proprietorship, including the 25 name and address of each person;

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(18) a plan describing how the cultivation center will

1 address each of the following:

(i) energy needs, including estimates of monthly
electricity and gas usage, to what extent it will
procure energy from a local utility or from on-site
generation, and if it has or will adopt a sustainable
energy use and energy conservation policy;

7 (ii) water needs, including estimated water draw
8 and if it has or will adopt a sustainable water use and
9 water conservation policy; and

(iii) waste management, including if it has or
will adopt a waste reduction policy;

(19) a diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity;

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(20) any other information required by rule;

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(21) a recycling plan:

(A) Purchaser packaging, including cartridges,
 shall be accepted by the applicant and recycled.

(B) Any recyclable waste generated by the cannabis
cultivation facility shall be recycled per applicable
State and local laws, ordinances, and rules.

(C) Any cannabis waste, liquid waste, or hazardous
waste shall be disposed of in accordance with 8 Ill.
Adm. Code 1000.460, except, to the greatest extent

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feasible, all cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with 8 Ill. Adm. Code 1000.460(g)(1);

6 (22) commitment to comply with local waste provisions: 7 a cultivation facility must remain in compliance with 8 applicable State and federal environmental requirements, 9 including, but not limited to:

10 (A) storing, securing, and managing all 11 recyclables and waste, including organic waste 12 composed of or containing finished cannabis and 13 cannabis products, in accordance with applicable State 14 and local laws, ordinances, and rules; and

15 (B) disposing liquid waste containing cannabis or 16 byproducts of cannabis processing in compliance with 17 applicable State and federal requirements, all not limited to, 18 including, but the cannabis cultivation facility's permits under Title X of the 19 20 Environmental Protection Act; and

(23) a commitment to a technology standard for
 resource efficiency of the cultivation center facility.

(A) A cannabis cultivation facility commits to use
resources efficiently, including energy and water. For
the following, a cannabis cultivation facility commits
to meet or exceed the technology standard identified

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1	in items (i), (ii), (iii), and (iv), which may be
2	modified by rule:
3	(i) lighting systems, including light bulbs;
4	(ii) HVAC system;
5	(iii) water application system to the crop;
6	and
7	(iv) filtration system for removing
8	contaminants from wastewater.
9	(B) Lighting. The Lighting Power Densities (LPD)
10	for cultivation space commits to not exceed an average
11	of 36 watts per gross square foot of active and growing
12	space canopy, or all installed lighting technology
13	shall meet a photosynthetic photon efficacy (PPE) of
14	no less than 2.2 micromoles per joule fixture and
15	shall be featured on the DesignLights Consortium (DLC)
16	Horticultural Specification Qualified Products List
17	(QPL). In the event that DLC requirement for minimum
18	efficacy exceeds 2.2 micromoles per joule fixture,
19	that PPE shall become the new standard.
20	(C) HVAC.
21	(i) For cannabis grow operations with less
22	than 6,000 square feet of canopy, the licensee
23	commits that all HVAC units will be
24	high-efficiency ductless split HVAC units, or
25	other more energy efficient equipment.
26	(ii) For cannabis grow operations with 6,000

square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

(i) The cannabis cultivation facility commits to use automated watering systems, including, but not limited to, drip irrigation and flood tables, to irrigate cannabis crop.

10 (ii) The cannabis cultivation facility commits 11 to measure runoff from watering events and report 12 this volume in its water usage plan, and that on 13 average, watering events shall have no more than 14 20% of runoff of water.

15 (E) Filtration. The cultivator commits that HVAC 16 condensate, dehumidification water, excess runoff, and 17 other wastewater produced by the cannabis cultivation 18 facility shall be captured and filtered to the best of 19 the facility's ability to achieve the quality needed 20 to be reused in subsequent watering rounds.

21 (F) Reporting energy use and efficiency as22 required by rule.

(b) Applicants must submit all required information,
 including the information required in Section 20-10, to the
 <u>Commission</u> Department of Agriculture. Failure by an applicant
 to submit all required information may result in the

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1 application being disqualified.

2 (c) If the Commission Department of Agriculture receives 3 application with missing information, the Commission an Department of Agriculture may issue a deficiency notice to the 4 5 applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete 6 7 information. Applications that are still incomplete after this 8 opportunity to cure will not be scored and will be 9 disqualified.

10 (e) A cultivation center that is awarded a Conditional 11 Adult Use Cultivation Center License pursuant to the criteria 12 in Section 20-20 shall not grow, purchase, possess, or sell 13 cannabis or cannabis-infused products until the person has 14 received an Adult Use Cultivation Center License issued by the 15 <u>Commission Department of Agriculture</u> pursuant to Section 20-21 16 of this Act.

17 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 18 102-538, eff. 8-20-21.)

19 (410 ILCS 705/20-21)

20 Sec. 20-21. Adult Use Cultivation Center License.

(a) A person or entity is only eligible to receive an Adult
Use Cultivation Center License if the person or entity has
first been awarded a Conditional Adult Use Cultivation Center
License pursuant to this Act or the person or entity has
renewed its Early Approval Cultivation Center License pursuant

1 to subsection (c) of Section 20-10.

2 (b) The <u>Commission</u> <del>Department of Agriculture</del> shall not 3 issue an Adult Use Cultivation Center License until:

4 (1) the <u>Commission</u> Department of Agriculture has 5 inspected the cultivation center site and proposed 6 operations and verified that they are in compliance with 7 this Act and local zoning laws;

8 (2) the Conditional Adult Use Cultivation Center 9 License holder has paid a registration fee <u>in an amount</u> 10 <u>set by rule</u> <del>of \$100,000</del> or a prorated amount accounting 11 for the difference of time between when the Adult Use 12 Cultivation Center License is issued and March 31 of the 13 next even-numbered year; and

14 (3) The Conditional Adult Use Cultivation Center
 15 License holder has met all the requirements in the Act and
 rules.

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

18 (410 ILCS 705/20-30)

Sec. 20-30. Cultivation center requirements; prohibitions.
(a) The operating documents of a cultivation center shall
include procedures for the oversight of the cultivation
center, a cannabis plant monitoring system including a
physical inventory recorded weekly, accurate recordkeeping,
and a staffing plan.

25 (b) A cultivation center shall implement a security plan

reviewed by the Illinois State Police that includes, but is 1 2 not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, 24-hour 3 surveillance system to monitor the interior and exterior of 4 5 the cultivation center facility and accessibility to 6 authorized law enforcement and the Commission, the Department 7 of Public Health where processing takes place, and the 8 Department of Agriculture in real time.

9 (c) All cultivation of cannabis by a cultivation center 10 must take place in an enclosed, locked facility at the 11 physical address provided to the Commission Department of 12 Agriculture during the licensing process. The cultivation center location shall only be accessed by the agents working 13 14 for the cultivation center, the Department of Agriculture staff performing inspections, the Department of Public Health 15 16 staff performing inspections, local and State law enforcement or other emergency personnel, contractors working on jobs 17 unrelated to cannabis, such as installing or maintaining 18 security devices or performing electrical wiring, transporting 19 20 organization agents as provided in this Act, individuals in a mentoring or educational program approved by the State, or 21 22 other individuals as provided by rule.

(d) A cultivation center may not sell or distribute any
cannabis or cannabis-infused products to any person other than
a dispensing organization, craft grower, infuser organization,
transporter, or as otherwise authorized by rule.

(e) A cultivation center may not either directly or 1 2 indirectly discriminate in price between different dispensing 3 organizations, craft growers, or infuser organizations that are purchasing a like grade, strain, brand, and quality of 4 5 cannabis or cannabis-infused product. Nothing in this subsection (e) prevents a cultivation center from pricing 6 7 cannabis differently based on differences in the cost of 8 manufacturing or processing, the quantities sold, such as 9 volume discounts, or the way the products are delivered.

10 (f) All cannabis harvested by a cultivation center and 11 intended for distribution to a dispensing organization must be 12 entered into a data collection system, packaged and labeled under Section 55-21, and placed into a cannabis container for 13 transport. All cannabis harvested by a cultivation center and 14 15 intended for distribution to a craft grower or infuser 16 organization must be packaged in a labeled cannabis container 17 and entered into a data collection system before transport.

(g) Cultivation centers are subject to random inspections by the <u>Commission</u> <del>Department of Agriculture</del>, the Department of Public Health, local safety or health inspectors, the Illinois State Police, or as provided by rule.

(h) A cultivation center agent shall notify local law
enforcement, the Illinois State Police, and the <u>Commission</u>
Department of Agriculture within 24 hours of the discovery of
any loss or theft. Notification shall be made by phone or in
person, or by written or electronic communication.

(i) A cultivation center shall comply with all State and
 any applicable federal rules and regulations regarding the use
 of pesticides on cannabis plants.

(j) No person or entity shall hold any legal, equitable, 4 5 ownership, or beneficial interest, directly or indirectly, of more than 3 cultivation centers licensed under this Article. 6 7 Further, no person or entity that is employed by, an agent of, 8 has a contract to receive payment in any form from a 9 cultivation center, is a principal officer of a cultivation 10 center, or entity controlled by or affiliated with a principal 11 officer of a cultivation shall hold any legal, equitable, 12 ownership, or beneficial interest, directly or indirectly, in a cultivation that would result in the person or entity owning 13 or controlling in combination with any cultivation center, 14 15 principal officer of a cultivation center, or entitv 16 controlled or affiliated with a principal officer of a 17 cultivation center by which he, she, or it is employed, is an agent of, or participates in the management of, more than 3 18 cultivation center licenses. 19

(k) A cultivation center may not contain more than 210,000
square feet of canopy space for plants in the flowering stage
for cultivation of adult use cannabis as provided in this Act.

(1) A cultivation center may process cannabis, cannabisconcentrates, and cannabis-infused products.

25 (m) Beginning July 1, 2020, a cultivation center shall not 26 transport cannabis or cannabis-infused products to a craft 1 grower, dispensing organization, infuser organization, or 2 laboratory licensed under this Act, unless it has obtained a 3 transporting organization license.

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

Act to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

5 (o) A cultivation center must comply with any other 6 requirements or prohibitions set by administrative rule of the 7 <u>Commission Department of Agriculture</u>.

8 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
9 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
10 5-13-22.)

11 (410 ILCS 705/20-55)

12 Sec. 20-55. Disclosure of ownership and control.

13 Each Adult Use Cultivation Center applicant and (a) 14 license holder shall file and maintain а Table of 15 Organization, Ownership, and Control with the Commission 16 Department. The Table of Organization, Ownership, and Control shall contain the information required by this Section in 17 18 sufficient detail to identify all owners, directors, and 19 principal officers, and the title of each principal officer or 20 business entity that, through direct or indirect means, 21 manages, owns, or controls the applicant or license holder.

(b) The Table of Organization, Ownership, and Controlshall identify the following information:

(1) The management structure, ownership, and control
 of the applicant or license holder including the name of

each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the Adult Use Cultivation Center.

7 (2) If the applicant or licensee is a business entity
8 with publicly traded stock, the identification of
9 ownership shall be provided as required in subsection (c).

10 (c) If a business entity identified in subsection (b) is a 11 publicly traded company, the following information shall be 12 provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of
each individual or business entity with ownership of more
than 5% of the voting shares of the entity, to the extent
such information is known or contained in 13D or 13G
Securities and Exchange Commission filings.

18 (2) To the extent known, the names and percentage of
19 interest of ownership of persons who are relatives of one
20 another and who together exercise control over or own more
21 than 10% of the voting shares of the entity.

(d) An Adult Use Cultivation Center with a parent company or companies, or partially owned or controlled by another entity must disclose to the <u>Commission</u> <del>Department</del> the relationship and all owners, board members, officers, or individuals with control or management of those entities. An Adult Use Cultivation Center shall not shield its ownership or
 control from the Department.

(e) All principal officers must submit a complete online
application with the <u>Commission Department</u> within 14 days of
the Adult Use Cultivation Center being licensed by the
<u>Commission Department</u> or within 14 days of <u>Commission</u>
Department notice of approval as a new principal officer.

8 (f) A principal officer may not allow his or her 9 registration to expire.

10 (g) An Adult Use Cultivation Center separating with a 11 principal officer must do so under this Act. The principal 12 officer must communicate the separation to the <u>Commission</u> 13 <del>Department</del> within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the Adult Use Cultivation Center or shall otherwise terminate his or her affiliation. Failure to do so may subject the Adult Use Cultivation Center to discipline, suspension, or revocation of its license by the <u>Commission</u> <del>Department</del>.

(i) It is the responsibility of the Adult Use Cultivation Center and its principal officers to promptly notify the <u>Commission Department</u> of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the Adult Use Cultivation Center's primary or secondary contact information. Any changes must be

- 184 - LRB103 05062 CPF 50076 b HB1498 made to the Commission Department in writing. 1 2 (Source: P.A. 102-98, eff. 7-15-21.) 3 (410 ILCS 705/25-1) 4 (Section scheduled to be repealed on July 1, 2026) Sec. 25-1. Definitions. In this Article: 5 6 "Board" means the Illinois Community College Board. "Career in Cannabis Certificate" or "Certificate" means 7 the certification awarded to a community college student who 8 9 completes a prescribed course of study in cannabis and 10 cannabis business industry related classes and curriculum at a 11 community college awarded a Community College Cannabis 12 Vocational Pilot Program license. 13 "Commission" means the Cannabis Equity and Oversight 14 Commission. 15 "Community college" means a public community college 16 organized under the Public Community College Act. "Department" means the Department of Agriculture. 17 "Licensee" means a community college awarded a Community 18 College Cannabis Vocational Pilot Program license under this 19 20 Article. 21 "Program" means the Community College Cannabis Vocational Pilot Program. 22 "Program license" means a Community College Cannabis 23

24 Vocational Pilot Program license issued to a community college 25 under this Article. - 185 - LRB103 05062 CPF 50076 b

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

2 (410 ILCS 705/25-5)

3 (Section scheduled to be repealed on July 1, 2026)

4 Sec. 25-5. Administration.

5 (a) The <u>Commission</u> Department shall establish and 6 administer the Program in coordination with the Illinois 7 Community College Board. The <u>Commission</u> Department may issue 8 Program licenses to applicants that meet the requirements 9 outlined in this Article.

10 (b) Beginning with the 2021-2022 academic year, and 11 subject to subsection (h) of Section 2-12 of the Public 12 Community College Act, community colleges awarded Program licenses may offer qualifying students a Career in Cannabis 13 14 Certificate, which includes, but is not limited to, courses 15 that allow participating students to work with, study, and 16 grow live cannabis plants so as to prepare students for a career in the legal cannabis industry, and to instruct 17 18 participating students on the best business practices, professional responsibility, and legal compliance of the 19 20 cannabis business industry.

(c) The Board may issue rules pertaining to the provisionsin this Act.

(d) Notwithstanding any other provision of this Act,
students shall be at least 18 years old in order to enroll in a
licensee's Career in Cannabis Certificate's prescribed course

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1 of study.

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

3 (410 ILCS 705/25-10)

4 (Section scheduled to be repealed on July 1, 2026)

5 Sec. 25-10. Issuance of Community College Cannabis
6 Vocational Pilot Program licenses.

7 (a) The Commission Department shall issue rules regulating 8 the selection criteria for applicants by January 1, 2020. The 9 Commission Department shall make the application for a Program 10 license available no later than February 1, 2020, and shall 11 require that applicants submit the completed application no 12 later than July 1, 2020. If the Commission Department issues fewer than 8 Program licenses by September 1, 2020, the 13 14 Commission Department may accept applications at a future date 15 as prescribed by rule.

(b) The <u>Commission</u> Department shall by rule develop a system to score Program licenses to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points that are based on or that meet the following categories:

22

(1) Geographic diversity of the applicants;

23 (2) Experience and credentials of the applicant's24 faculty;

25

(3) At least 5 Program license awardees must have a

student population that is more than 50% low-income in each of the past 4 years;

3 (4) Security plan, including a requirement that all
4 cannabis plants be in an enclosed, locked facility;

5 (5) Curriculum plan, including processing and testing
6 curriculum for the Career in Cannabis Certificate;

7 (6) Career advising and placement plan for 8 participating students; and

9 (7) Any other criteria the <u>Commission</u> <del>Department</del> may 10 set by rule.

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

12 (410 ILCS 705/25-15)

13 (Section scheduled to be repealed on July 1, 2026)

Sec. 25-15. Community College Cannabis Vocational Pilot Program requirements and prohibitions.

16 (a) Licensees shall not have more than 50 flowering17 cannabis plants at any one time.

(b) The agent-in-charge shall keep a vault log of the licensee's enclosed, locked facility or facilities, including but not limited to, the person entering the site location, the time of entrance, the time of exit, and any other information the <u>Commission Department</u> may set by rule.

(c) Cannabis shall not be removed from the licensee's
facility, except for the limited purpose of shipping a sample
to a laboratory registered under this Act.

1 (d) The licensee shall limit keys, access cards, or an 2 access code to the licensee's enclosed, locked facility, or 3 facilities, to cannabis curriculum faculty and college 4 security personnel with a bona fide need to access the 5 facility for emergency purposes.

6 (e) A transporting organization may transport cannabis 7 produced pursuant to this Article to a laboratory registered 8 under this Act. All other cannabis produced by the licensee 9 that was not shipped to a registered laboratory shall be 10 destroyed within 5 weeks of being harvested.

(f) Licensees shall subscribe to the <u>Commission</u> <del>Department</del>
 of Agriculture's cannabis plant monitoring system.

13

(g) Licensees shall maintain a weekly inventory system.

(h) No student participating in the cannabis curriculum necessary to obtain a Certificate may be in the licensee's facility unless a faculty agent-in-charge is also physically present in the facility.

18 (i) Licensees shall conduct post-certificate follow up 19 surveys and record participating students' job placements 20 within the cannabis business industry within a year of the 21 student's completion.

(j) The Illinois Community College Board shall report annually to the <u>Commission</u> <del>Department</del> on the race, ethnicity, and gender of all students participating in the cannabis curriculum necessary to obtain a Certificate, and of those students who obtain a Certificate. HB1498 - 189 - LRB103 05062 CPF 50076 b

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

2 (410 ILCS 705/25-25)

3 (Section scheduled to be repealed on July 1, 2026)

4 Sec. 25-25. Enforcement.

5 (a) The <u>Commission</u> Department has the authority to suspend 6 or revoke any faculty agent-in-charge or agent identification 7 card for any violation found under this Article.

8 (b) The <u>Commission</u> <del>Department</del> has the authority to suspend 9 or revoke any Program license for any violation found under 10 this Article.

11 (c) The Board shall revoke the authority to offer the 12 Certificate of any community college that has had its license 13 revoked by the <u>Commission Department</u>.

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

15 (410 ILCS 705/25-30)

16 (Section scheduled to be repealed on July 1, 2026)

17 Sec. 25-30. Inspection rights.

(a) A licensee's enclosed, locked facilities are subject
 to random inspections by the <u>Commission</u> <del>Department</del>, the
 Illinois State Police, or as provided by rule.

(b) Nothing in this Section shall be construed to give the <u>Commission Department</u>, the Illinois State Police, or any other entity identified by rule under subsection (a) a right of inspection or access to any location on the licensee's

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1	premises beyond the facilities licensed under this Article.
2	(Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21;
3	102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)
4	(410 ILCS 705/25-35)
5	(Section scheduled to be repealed on July 1, 2026)
6	Sec. 25-35. Community College Cannabis Vocational Training
7	Pilot Program faculty participant agent identification card.
8	(a) The <u>Commission</u> <del>Department</del> shall:
9	(1) establish by rule the information required in an
10	initial application or renewal application for an agent
11	identification card submitted under this Article and the
12	nonrefundable fee to accompany the initial application or
13	renewal application;
14	(2) verify the information contained in an initial
15	application or renewal application for an agent
16	identification card submitted under this Article, and
17	approve or deny an application within 30 days of receiving
18	a completed initial application or renewal application and
19	all supporting documentation required by rule;
20	(3) issue an agent identification card to a qualifying
21	agent within 15 business days of approving the initial
22	application or renewal application;
23	(4) enter the license number of the community college
24	where the agent works; and
25	(5) allow for an electronic initial application and

renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. <u>The Commission Each Department</u> may by rule require prospective agents to file their applications by electronic means and to provide notices to the agents by electronic means.

7 (b) An agent must keep his or her identification card 8 visible at all times when in the enclosed, locked facility, or 9 facilities for which he or she is an agent.

10 (c) The agent identification cards shall contain the 11 following:

12

(1) the name of the cardholder;

13 (2) the date of issuance and expiration date of the14 identification card;

15 (3) a random 10-digit alphanumeric identification 16 number containing at least 4 numbers and at least 4 17 letters that is unique to the holder;

18

(4) a photograph of the cardholder; and

19 (5) the legal name of the community college employing20 the agent.

(d) An agent identification card shall be immediately returned to the community college of the agent upon termination of his or her employment.

(e) Any agent identification card lost shall be reported
 to the Illinois State Police and the <u>Commission</u> <del>Department of</del>
 Agriculture immediately upon discovery of the loss.

(f) An agent applicant may begin employment at a Community 1 2 College Cannabis Vocational Training Pilot Program while the agent applicant's identification card application is pending. 3 Upon approval, the Commission Department shall issue the 4 5 agent's identification card to the agent. If denied, the 6 Community College Cannabis Vocational Training Pilot Program 7 and the agent applicant shall be notified and the agent 8 applicant must cease all activity at the Community College 9 Cannabis Vocational Training Pilot Program immediately.

10 (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21;
11 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)

12 (410 ILCS 705/25-40)

13 (Section scheduled to be repealed on July 1, 2026)

14 Sec. 25-40. Study. By December 31, 2025, the <u>Commission</u> 15 <del>Illinois Cannabis Regulation Oversight Officer</del>, in 16 coordination with the Board, must issue a report to the 17 Governor and the General Assembly which includes, but is not 18 limited to, the following:

19 (1) Number of security incidents or infractions at
 20 each licensee and any action taken or not taken;

(2) Statistics, based on race, ethnicity, gender, and
 participating community college of:

23 (A) students enrolled in career in cannabis
24 classes;

25 (B) successful completion rates by community

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1 college students for the Certificate; 2 (C) postgraduate job placement of students who 3 obtained a Certificate, including both cannabis 4 business establishment jobs and non-cannabis business 5 establishment jobs; and 6 (3) Any other relevant information. 7 (Source: P.A. 101-27, eff. 6-25-19.)

8 (410 ILCS 705/30-3)

9 Sec. 30-3. Definition. In this Article, <u>"Commission" means</u>
 10 <u>the Cannabis Equity and Oversight Commission.</u>

11 "Department" means the Department of Agriculture.

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

13 (410 ILCS 705/30-5)

14 Sec. 30-5. Issuance of licenses.

(a) The <u>Commission</u> Department of Agriculture shall issue up to 40 craft grower licenses by July 1, 2020. Any person or entity awarded a license pursuant to this subsection shall only hold one craft grower license and may not sell that license until after December 21, 2021.

(b) By December 21, 2021, the <u>Commission</u> Department of Agriculture shall issue up to 60 additional craft grower licenses. Any person or entity awarded a license pursuant to this subsection shall not hold more than 2 craft grower licenses. The person or entity awarded a license pursuant to

this subsection or subsection (a) of this Section may sell its 1 2 craft grower license subject to the restrictions of this Act 3 or as determined by administrative rule. Prior to issuing such licenses, the Commission Department may adopt rules through 4 5 emergency rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act, to 6 7 modify or raise the number of craft grower licenses and modify 8 or change the licensing application process. The General 9 Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public 10 11 interest, safety, and welfare. In determining whether to 12 exercise the authority granted by this subsection, the Commission Department of Agriculture must consider 13 the 14 following factors:

15 (1) the percentage of cannabis sales occurring in 16 Illinois not in the regulated market using data from the 17 Substance Abuse and Mental Health Services Administration, National Survey on Drug Use 18 and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism 19 data from the Illinois Office of Tourism to ascertain 20 21 total cannabis consumption in Illinois compared to the 22 amount of sales in licensed dispensing organizations;

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

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(3) whether there is an adequate supply of cannabis

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1 and cannabis-infused products to serve purchasers; 2 (4) whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to states 3 where the sale of cannabis is not permitted by law; 4 5 (5) population increases or shifts; (6) the density of craft growers in any area of the 6 7 State; (7) perceived security risks of increasing the number 8 9 or location of craft growers; 10 (8) the past safety record of craft growers; 11 (9) the Commission's Department of Agriculture's 12 capacity to appropriately regulate additional licensees; 13 (10) (blank); and (11) any other criteria the Commission Department of 14 15 Agriculture deems relevant. (c) After January 1, 2022, the Commission Department of 16 17 Agriculture may by rule modify or raise the number of craft grower licenses and modify or change the licensing application 18 process. At no time may the number of craft grower licenses 19 20 exceed 150. Any person or entity awarded a license pursuant to this subsection shall not hold more than 3 craft grower 21 22 licenses. A person or entity awarded a license pursuant to 23 this subsection or subsection (a) or subsection (b) of this Section may sell its craft grower license or licenses subject 24 25 to the restrictions of this Act or as determined by administrative rule. 26

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(d) Upon the completion of the disparity and availability
study pertaining to craft growers <u>the Commission</u> <del>by the</del>
Cannabis Regulation Oversight Officer pursuant to subsection
(e) of Section 5-45, the Department may modify or change the
licensing application process to reduce or eliminate barriers
from and remedy evidence of discrimination identified in the
disparity and availability study.

8 <u>(e) Notwithstanding any other provision of law, the</u> 9 <u>Commission shall have authority over licenses in this Section</u> 10 <u>that may be in various phases in the licensing process or are</u> 11 <u>eligible, pending, in the conditional phase, awarded, pending</u> 12 <u>adjudication by a judicial process, or have otherwise not been</u> 13 <u>awarded on and after July 1, 2023.</u>

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

16 (410 ILCS 705/30-10)

17 Sec. 30-10. Application.

(a) When applying for a license, the applicant shall
 electronically submit the following in such form as the
 <u>Commission Department of Agriculture may direct:</u>

(1) the nonrefundable application fee <u>as set by rule</u>
<u>by the Commission</u> <del>of \$5,000</del> to be deposited into the
Cannabis Regulation Fund, or another amount as the
Department of Agriculture may set by rule after January 1,
25 <del>2021</del>;

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(2) the legal name of the craft grower;

2

(3) the proposed physical address of the craft grower;

3 (4) the name, address, social security number, and 4 date of birth of each principal officer and board member 5 of the craft grower; each principal officer and board 6 member shall be at least 21 years of age;

7 (5) the details of any administrative or judicial proceeding in which any of the principal officers or board 8 9 members of the craft grower (i) pled guilty, were 10 convicted, were fined, or had a registration or license 11 suspended or revoked or (ii) managed or served on the 12 board of a business or non-profit organization that pled quilty, was convicted, was fined, or had a registration or 13 14 license suspended or revoked;

15 (6) proposed operating bylaws that include procedures 16 for the oversight of the craft grower, including the 17 development and implementation of a plant monitoring accurate recordkeeping, staffing 18 system, plan, and 19 security plan approved by the Illinois State Police that 20 are in accordance with the rules issued by the Commission 21 Department of Agriculture under this Act; a physical 22 inventory shall be performed of all plants and on a weekly 23 basis by the craft grower;

(7) verification from the Illinois State Police that
 all background checks of the prospective principal
 officers, board members, and agents of the cannabis

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business establishment have been conducted;

2 (8) a copy of the current local zoning ordinance or 3 permit and verification that the proposed craft grower is 4 in compliance with the local zoning rules and distance 5 limitations established by the local jurisdiction;

6 (9) proposed employment practices, in which the 7 applicant must demonstrate a plan of action to inform, 8 hire, and educate minorities, women, veterans, and persons 9 with disabilities, engage in fair labor practices, and 10 provide worker protections;

(10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;

(11) experience with the cultivation of agricultural
 or horticultural products, operating an agriculturally
 related business, or operating a horticultural business;

(12) a description of the enclosed, locked facility where cannabis will be grown, harvested, manufactured, packaged, or otherwise prepared for distribution to a dispensing organization or other cannabis business establishment;

(13) a survey of the enclosed, locked facility,
 including the space used for cultivation;

24 (14) cultivation, processing, inventory, and packaging25 plans;

26

(15) a description of the applicant's experience with

agricultural cultivation techniques and industry
 standards;

3 (16) a list of any academic degrees, certifications, 4 or relevant experience of all prospective principal 5 officers, board members, and agents of the related 6 business;

7 (17) the identity of every person having a financial
8 or voting interest of 5% or greater in the craft grower
9 operation, whether a trust, corporation, partnership,
10 limited liability company, or sole proprietorship,
11 including the name and address of each person;

12 (18) a plan describing how the craft grower will 13 address each of the following:

(i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;

(ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and

(iii) waste management, including if it has orwill adopt a waste reduction policy;

24 (19) a recycling plan:

25 (A) Purchaser packaging, including cartridges,26 shall be accepted by the applicant and recycled.

1 (B) Any recyclable waste generated by the craft 2 grower facility shall be recycled per applicable State 3 and local laws, ordinances, and rules.

(C) Any cannabis waste, liquid waste, or hazardous 4 5 waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent 6 7 feasible, all cannabis plant waste will be rendered 8 unusable by grinding and incorporating the cannabis 9 plant waste with compostable mixed waste to be 10 disposed of in accordance with 8 Ill. Adm. Code 11 1000.460(q)(1);

12 (20) a commitment to comply with local waste 13 provisions: a craft grower facility must remain in 14 compliance with applicable State and federal environmental 15 requirements, including, but not limited to:

16 (A) storing, securing, and managing all 17 and waste, including organic waste recyclables composed of or containing finished cannabis and 18 19 cannabis products, in accordance with applicable State 20 and local laws, ordinances, and rules; and

21 (B) disposing liquid waste containing cannabis or 22 byproducts of cannabis processing in compliance with applicable 23 State and federal requirements, all 24 including, but not limited to, the cannabis 25 cultivation facility's permits under Title X of the Environmental Protection Act; 26

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1 (21) a commitment to a technology standard for 2 resource efficiency of the craft grower facility. 3 A craft grower facility commits to (A) use resources efficiently, including energy and water. For 4 5 the following, a cannabis cultivation facility commits to meet or exceed the technology standard identified 6 7 in paragraphs (i), (ii), (iii), and (iv), which may be modified by rule: 8 9 (i) lighting systems, including light bulbs; 10 (ii) HVAC system; 11 (iii) water application system to the crop; 12 and 13 (iv) filtration system for removing 14 contaminants from wastewater. 15 (B) Lighting. The Lighting Power Densities (LPD) 16 for cultivation space commits to not exceed an average 17 of 36 watts per gross square foot of active and growing space canopy, or all installed lighting technology 18 19 shall meet a photosynthetic photon efficacy (PPE) of no less than 2.2 micromoles per joule fixture and 20 21 shall be featured on the DesignLights Consortium (DLC) 22 Horticultural Specification Qualified Products List 23 (QPL). In the event that DLC requirement for minimum 24 efficacy exceeds 2.2 micromoles per joule fixture, 25 that PPE shall become the new standard. 26 (C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

12 (i) The craft grower facility commits to use
13 automated watering systems, including, but not
14 limited to, drip irrigation and flood tables, to
15 irrigate cannabis crop.

16 (ii) The craft grower facility commits to 17 measure runoff from watering events and report 18 this volume in its water usage plan, and that on 19 average, watering events shall have no more than 20 20% of runoff of water.

(E) Filtration. The craft grower commits that HVAC condensate, dehumidification water, excess runoff, and other wastewater produced by the craft grower facility shall be captured and filtered to the best of the facility's ability to achieve the quality needed to be reused in subsequent watering rounds.

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(F) Reporting energy use and efficiency as
 required by rule; and

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(22) any other information required by rule.

4 (b) Applicants must submit all required information,
5 including the information required in Section 30-15, to the
6 Department of Agriculture. Failure by an applicant to submit
7 all required information may result in the application being
8 disgualified.

9 (c) <u>(Blank)</u>. If the Department of Agriculture receives an 10 application with missing information, the Department of 11 Agriculture may issue a deficiency notice to the applicant. 12 The applicant shall have 10 calendar days from the date of the 13 deficiency notice to resubmit the incomplete information. 14 Applications that are still incomplete after this opportunity 15 to cure will not be scored and will be disqualified.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 17 102-538, eff. 8-20-21.)

18 (410 ILCS 705/30-20)

19 Sec. 30-20. Issuance of license to certain persons 20 prohibited.

(a) No craft grower license issued by the <u>Commission</u>
Department of Agriculture shall be issued to a person who is
licensed by any licensing authority as a cultivation center,
or to any partnership, corporation, limited liability company,
or trust or any subsidiary, affiliate, or any other form of

business enterprise having more than 10% legal, equitable, or 1 2 beneficial interest, directly or indirectly, in a person 3 licensed in this State as a cultivation center, or to any principal officer, agent, employee, or human being with any 4 5 form of ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares 6 7 of a cultivation center whose shares are publicly traded on an 8 exchange within the meaning of the Securities Exchange Act of 9 1934.

10 (b) A person who is licensed in this State as a craft 11 grower, or any partnership, corporation, limited liability 12 company, or trust or any subsidiary, affiliate, or agent 13 thereof, or any other form of business enterprise licensed in this State as a craft grower shall not have more than 10% 14 15 legal, equitable, or beneficial interest, directly or 16 indirectly, in a person licensed as a cultivation center, nor 17 shall any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or any other form of 18 business enterprise having any legal, equitable, or beneficial 19 20 interest, directly or indirectly, in a person licensed in this State as a craft grower or a craft grower agent be a principal 21 22 officer, agent, employee, or human being with any form of 23 ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares of a 24 25 cultivation center whose shares are publicly traded on an 26 exchange within the meaning of the Securities Exchange Act of

1 1934.

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

3 (410 ILCS 705/30-30)

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

5 (a) The operating documents of a craft grower shall 6 include procedures for the oversight of the craft grower, a 7 cannabis plant monitoring system including a physical 8 inventory recorded weekly, accurate recordkeeping, and a 9 staffing plan.

10 (b) A craft grower shall implement a security plan 11 reviewed by the Illinois State Police that includes, but is 12 not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, and a 13 14 24-hour surveillance system to monitor the interior and 15 exterior of the craft grower facility and that is accessible 16 to authorized law enforcement and the Commission Department of Agriculture in real time. 17

(c) All cultivation of cannabis by a craft grower must 18 take place in an enclosed, locked facility at the physical 19 20 address provided to the Commission Department of Agriculture 21 during the licensing process. The craft grower location shall 22 only be accessed by the agents working for the craft grower, the Commission Department of Agriculture staff performing 23 24 inspections, the Department of Public Health staff performing 25 inspections, State and local law enforcement or other

emergency personnel, contractors working on jobs unrelated to 1 2 cannabis, such as installing or maintaining security devices 3 or performing electrical wiring, transporting organization agents as provided in this Act, or participants in the 4 5 incubator program, individuals in a mentoring or educational program approved by the State, or other individuals as 6 7 provided by rule. However, if a craft grower shares a premises 8 with an infuser or dispensing organization, agents from those 9 other licensees may access the craft grower portion of the premises if that is the 10 location of common bathrooms, 11 lunchrooms, locker rooms, or other areas of the building where 12 work or cultivation of cannabis is not performed. At no time 13 may an infuser or dispensing organization agent perform work at a craft grower without being a registered agent of the craft 14 15 arower.

16 (d) A craft grower may not sell or distribute any cannabis 17 to any person other than a cultivation center, a craft grower, 18 an infuser organization, a dispensing organization, or as 19 otherwise authorized by rule.

20 (e) A craft grower may not be located in an area zoned for21 residential use.

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

(q) All cannabis harvested by a craft grower and intended 4 5 for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under 6 Section 55-21, and, if distribution is to a dispensing 7 8 organization that does not share a premises with the 9 dispensing organization receiving the cannabis, placed into a 10 cannabis container for transport. All cannabis harvested by a 11 craft grower and intended for distribution to a cultivation 12 center, to an infuser organization, or to a craft grower with 13 which it does not share a premises, must be packaged in a labeled cannabis container and entered into a data collection 14 15 system before transport.

(h) Craft growers are subject to random inspections by the
 <u>Commission</u> Department of Agriculture, local safety or health
 inspectors, the Illinois State Police, or as provided by rule.

(i) A craft grower agent shall notify local law
 enforcement, the Illinois State Police, and the <u>Commission</u>
 Department of Agriculture within 24 hours of the discovery of
 any loss or theft. Notification shall be made by phone, in
 person, or written or electronic communication.

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

1 (k) A craft grower or craft grower agent shall not 2 transport cannabis or cannabis-infused products to any other 3 cannabis business establishment without a transport 4 organization license unless:

5 (i) If the craft grower is located in a county with a 6 population of 3,000,000 or more, the cannabis business 7 establishment receiving the cannabis is within 2,000 feet 8 of the property line of the craft grower;

9 (ii) If the craft grower is located in a county with a 10 population of more than 700,000 but fewer than 3,000,000, 11 the cannabis business establishment receiving the cannabis 12 is within 2 miles of the craft grower; or

13 (iii) If the craft grower is located in a county with a 14 population of fewer than 700,000, the cannabis business 15 establishment receiving the cannabis is within 15 miles of 16 the craft grower.

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

(m) No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than 3 craft grower licenses. Further, no person or entity that is employed by, an agent of, or has a contract to receive payment from or participate in the management of a craft grower, is a principal officer of a craft grower, or

entity controlled by or affiliated with a principal officer of 1 2 a craft grower shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a craft grower 3 license that would result in the person or entity owning or 4 5 controlling in combination with any craft grower, principal officer of a craft grower, or entity controlled or affiliated 6 with a principal officer of a craft grower by which he, she, or 7 8 it is employed, is an agent of, or participates in the 9 management of more than 3 craft grower licenses.

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

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

(o) A craft grower shall not be located within 1,500 feetof another craft grower or a cultivation center.

(p) A craft grower may process cannabis, cannabisconcentrates, and cannabis-infused products.

(q) A craft grower must comply with any other requirements
 or prohibitions set by administrative rule of the <u>Commission</u>
 <del>Department of Agriculture</del>.

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

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(410 ILCS 705/30-45)

Sec. 30-45. Renewal of craft grower licenses and agent identification cards.

24 (a) Licenses and identification cards issued under this25 Act shall be renewed annually. A craft grower shall receive

written or electronic notice 90 days before the expiration of 1 2 its current license that the license will expire. The 3 Commission Department of Agriculture shall grant a renewal within 45 days of submission of a renewal application if: 4

5 (1) the craft grower submits a renewal application and the required nonrefundable renewal fee of \$40,000, or 6 7 another amount as the Commission Department of Agriculture 8 may set by rule after January 1, 2021;

9 (2) the Commission Department of Agriculture has not 10 suspended the license of the craft grower or suspended or revoked the license for violating this Act or rules 11 12 adopted under this Act;

13 the craft grower has continued to operate in (3) 14 accordance with all plans submitted as part of its 15 application and approved by the Commission Department of 16 Agriculture or any amendments thereto that have been 17 approved by the Commission Department of Agriculture;

(4) the craft grower has submitted an agent, employee, 18 19 contracting, and subcontracting diversity report as 20 required by the Commission Department; and

21 (5) the craft grower has submitted an environmental 22 impact report.

23 (b) If a craft grower fails to renew its license before expiration, it shall cease operations until its license is 24 25 renewed.

(c) If a craft grower agent fails to renew his or her

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identification card before its expiration, he or she shall
 cease to work as an agent of the craft grower organization
 until his or her identification card is renewed.

4 (d) Any craft grower that continues to operate, or any 5 craft grower agent who continues to work as an agent, after the 6 applicable license or identification card has expired without 7 renewal is subject to the penalties provided under Section 8 45-5.

9 (e) All fees or fines collected from the renewal of a craft 10 grower license shall be deposited into the Cannabis Regulation 11 Fund.

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

13 (410 ILCS 705/30-55)

14 Sec. 30-55. Disclosure of ownership and control.

15 (a) Each craft grower applicant and licensee shall file 16 and maintain a Table of Organization, Ownership, and Control with the Commission Department. The Table of Organization, 17 18 Ownership, and Control shall contain the information required by this Section in sufficient detail to identify all owners, 19 directors, and principal officers, and the title of each 20 21 principal officer or business entity that, through direct or 22 indirect means, manages, owns, or controls the applicant or 23 licensee.

(b) The Table of Organization, Ownership and Control shallidentify the following information:

(1) The management structure, ownership, and control 1 2 of the applicant or license holder including the name of 3 each principal officer or business entity, the office or position held, and the percentage ownership interest, if 4 any. If the business entity has a parent company, the name 5 of each owner, board member, and officer of the parent 6 7 company and his or her percentage ownership interest in 8 the parent company and the craft grower.

9 (2) If the applicant or licensee is a business entity 10 with publicly traded stock, the identification of 11 ownership shall be provided as required in subsection (c).

12 (c) If a business entity identified in subsection (b) is a 13 publicly traded company, the following information shall be 14 provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of
each individual or business entity with ownership of more
than 5% of the voting shares of the entity, to the extent
such information is known or contained in 13D or 13G
Securities and Exchange Commission filings.

20 (2) To the extent known, the names and percentage of
21 interest of ownership of persons who are relatives of one
22 another and who together exercise control over or own more
23 than 10% of the voting shares of the entity.

(d) A craft grower with a parent company or companies, or
partially owned or controlled by another entity must disclose
to the <u>Commission Department</u> the relationship and all owners,

board members, officers, or individuals with control or
 management of those entities. A craft grower shall not shield
 its ownership or control from the <u>Commission Department</u>.

4 (e) All principal officers must submit a complete online
5 application with the <u>Commission</u> <del>Department</del> within 14 days of
6 the craft grower being licensed by the <u>Commission</u> <del>Department</del>
7 or within 14 days of <u>Commission</u> <del>Department</del> notice of approval
8 as a new principal officer.

9 (f) A principal officer may not allow his or her 10 registration to expire.

(g) A craft grower separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the <u>Commission</u> <del>Department</del> within business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the craft grower or shall otherwise terminate his or her affiliation. Failure to do so may subject the craft grower to discipline, suspension, or revocation of its license by the <u>Commission Department</u>.

(i) It is the responsibility of the craft grower and its
principal officers to promptly notify the <u>Commission</u>
Department of any change of the principal place of business
address, hours of operation, change in ownership or control,
or a change of the craft grower's primary or secondary contact
information. Any changes must be made to the <u>Commission</u>

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- 1 Department in writing.
- 2 (Source: P.A. 102-98, eff. 7-15-21.)
- 3 (410 ILCS 705/35-3)

Sec. 35-3. Definitions. In this Article, "Commission"
means the Cannabis Equity and Oversight Commission. +

6 "Department" means the Department of Agriculture.

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

- 8 (410 ILCS 705/35-5)
- 9 Sec. 35-5. Issuance of licenses.

(a) The Department of Agriculture shall issue up to 40
infuser licenses through a process provided for in this
Article no later than July 1, 2020.

13 (b) The Commission Department of Agriculture shall make 14 the application for infuser licenses available on January 7, 15 2020, or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and 16 every January 7 or succeeding business day thereafter, and 17 18 shall receive such applications no later than March 15, 2020, or, if that date falls on a weekend or holiday, the business 19 20 day immediately succeeding the weekend or holiday and every 21 March 15 or succeeding business day thereafter.

(c) By December 21, 2021, the Department of Agriculture
 may issue up to 60 additional infuser licenses. <u>If the</u>
 <u>Department of Agriculture has not issued licenses under</u>

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1 subsection (c) of this Article prior to July 1, 2023, the 2 Commission may issue the licenses. Prior to issuing such 3 licenses, the Commission Department may adopt rules through emergency rulemaking in accordance with subsection (kk) of 4 5 Section 5-45 of the Illinois Administrative Procedure Act, to modify or raise the number of infuser licenses and modify or 6 7 change the licensing application process to reduce or 8 eliminate barriers. The General Assembly finds that the 9 adoption of rules to regulate cannabis use is deemed an 10 emergency and necessary for the public interest, safety, and 11 welfare.

12 In determining whether to exercise the authority granted 13 by this subsection, the <u>Commission</u> <del>Department of Agriculture</del> 14 must consider the following factors:

15 (1) the percentage of cannabis sales occurring in 16 Illinois not in the regulated market using data from the 17 Substance Abuse and Mental Health Services Administration, National Survey on Drug Use 18 and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism 19 data from the Illinois Office of Tourism to ascertain 20 21 total cannabis consumption in Illinois compared to the 22 amount of sales in licensed dispensing organizations;

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

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(3) whether there is an adequate supply of cannabis

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1 and cannabis-infused products to serve purchasers; 2 (4) whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to any other 3 state; 4 5 (5) population increases or shifts; 6 (6) changes to federal law; 7 (7) perceived security risks of increasing the number 8 or location of infuser organizations; 9 (8) the past security records of infuser 10 organizations; 11 (9) the Commission's Department of Agriculture's 12 capacity to appropriately regulate additional licenses; 13 (10) (blank); and 14 (11) any other criteria the Department of Agriculture 15 deems relevant. (d) After January 1, 2022, the Commission Commission 16 17 Department of Agriculture may by rule modify or raise the number of infuser licenses, and modify or change the licensing 18 application process to reduce or eliminate barriers based on 19 the criteria in subsection (c). 20 (e) Upon the completion of the disparity and availability 21 22 study pertaining to infusers by the Commission Cannabis 23 Regulation Oversight Officer pursuant to subsection (e) of Section 5-45, the Department of Agriculture may modify or 24 change the licensing application process to reduce or 25 eliminate barriers and remedy evidence of discrimination 26

1 identified in the study.

2	(f) Notwithstanding, any other provision of law, the
3	Commission shall have authority over licenses in this Article
4	that may be in various phases in the licensing process, are
5	eligible, pending, in the conditional phase, awarded, pending
6	adjudication by a judicial process, or have otherwise not been
7	awarded on and after July 1, 2023.
8	(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
9	102-98, eff. 7-15-21.)
10	(410 ILCS 705/35-10)
11	Sec. 35-10. Application.
12	(a) When applying for a license, the applicant shall
13	electronically submit the following in such form as the
14	Commission Department of Agriculture may direct:
15	(1) the nonrefundable application fee <u>as set by rule</u>
16	by the Commission, of \$5,000 or, after January 1, 2021,
17	another amount as set by rule by the Department of
18	Agriculture, to be deposited into the Cannabis Regulation
19	Fund;
20	(2) the legal name of the infuser;
21	(3) the proposed physical address of the infuser;
22	(4) the name, address, social security number, and
23	date of birth of each principal officer and board member
24	of the infuser; each principal officer and board member
25	shall be at least 21 years of age;

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(5) the details of any administrative or judicial 1 2 proceeding in which any of the principal officers or board members of the infuser (i) pled guilty, were convicted, 3 fined, or had a registration or license suspended or 4 5 revoked, or (ii) managed or served on the board of a business or non-profit organization that pled quilty, was 6 7 convicted, fined, or had a registration or license 8 suspended or revoked;

9 (6) proposed operating bylaws that include procedures 10 for the oversight of the infuser, including the 11 development and implementation of a plant monitoring 12 system, accurate recordkeeping, staffing plan, and security plan approved by the Illinois State Police that 13 14 are in accordance with the rules issued by the Commission 15 Department of Agriculture under this Act; a physical 16 inventory of all cannabis shall be performed on a weekly 17 basis by the infuser;

18 (7) verification from the Illinois State Police that 19 all background checks of the prospective principal 20 officers, board members, and agents of the infuser 21 organization have been conducted;

(8) a copy of the current local zoning ordinance and
verification that the proposed infuser is in compliance
with the local zoning rules and distance limitations
established by the local jurisdiction;

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(9) proposed employment practices, in which the

applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;

5 (10) whether an applicant can demonstrate experience 6 in or business practices that promote economic empowerment 7 in Disproportionately Impacted Areas;

8 (11) experience with infusing products with cannabis9 concentrate;

10 (12) a description of the enclosed, locked facility 11 where cannabis will be infused, packaged, or otherwise 12 prepared for distribution to a dispensing organization or 13 other infuser;

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(13) processing, inventory, and packaging plans;

(14) a description of the applicant's experience with operating a commercial kitchen or laboratory preparing products for human consumption;

18 (15) a list of any academic degrees, certifications, 19 or relevant experience of all prospective principal 20 officers, board members, and agents of the related 21 business;

(16) the identity of every person having a financial or voting interest of 5% or greater in the infuser operation with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the 1 name and address of each person;

2 (17) a plan describing how the infuser will address
3 each of the following:

4 (i) energy needs, including estimates of monthly 5 electricity and gas usage, to what extent it will 6 procure energy from a local utility or from on-site 7 generation, and if it has or will adopt a sustainable 8 energy use and energy conservation policy;

9 (ii) water needs, including estimated water draw, 10 and if it has or will adopt a sustainable water use and 11 water conservation policy; and

12 (iii) waste management, including if it has or13 will adopt a waste reduction policy;

14 (18) a recycling plan:

(A) a commitment that any recyclable waste
generated by the infuser shall be recycled per
applicable State and local laws, ordinances, and
rules; and

19 (B) a commitment to comply with local waste 20 provisions. An infuser commits to remain in compliance 21 with applicable State and federal environmental 22 requirements, including, but not limited to, storing, 23 securing, and managing all recyclables and waste, 24 including organic waste composed of or containing 25 finished cannabis and cannabis products, in accordance 26 with applicable State and local laws, ordinances, and

1 rules; and

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(19) any other information required by rule.

3 (b) Applicants must submit all required information<del>,</del> 4 including the information required in Section 35-15, to the 5 Department of Agriculture. Failure by an applicant to submit 6 all required information may result in the application being 7 disqualified.

8 (c) <u>(Blank)</u>. If the Department of Agriculture receives an 9 application with missing information, the Department of 10 Agriculture may issue a deficiency notice to the applicant. 11 The applicant shall have 10 calendar days from the date of the 12 deficiency notice to resubmit the incomplete information. 13 Applications that are still incomplete after this opportunity 14 to cure will not be scored and will be disqualified.

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

16 (410 ILCS 705/35-25)

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

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

(b) An infuser shall implement a security plan reviewed by
the Illinois State Police that includes, but is not limited
to: facility access controls, perimeter intrusion detection

systems, personnel identification systems, and a 24-hour surveillance system to monitor the interior and exterior of the infuser facility and that is accessible to authorized law enforcement, the Department of Public Health, and the Commission Department of Agriculture in real time.

6 (c) All processing of cannabis by an infuser must take 7 place in an enclosed, locked facility at the physical address 8 provided to the Commission Department of Agriculture during 9 the licensing process. The infuser location shall only be 10 accessed by the agents working for the infuser, the Commission 11 Department of Agriculture staff performing inspections, the 12 Department of Public Health staff performing inspections, 13 State and local law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as 14 installing or maintaining security devices or performing 15 16 electrical wiring, transporting organization agents as 17 provided in this Act, participants in the incubator program, individuals in a mentoring or educational program approved by 18 the State, local safety or health inspectors, or other 19 20 individuals as provided by rule. However, if an infuser shares a premises with a craft grower or dispensing organization, 21 22 agents from these other licensees may access the infuser 23 portion of the premises if that is the location of common bathrooms, lunchrooms, locker rooms, or other areas of the 24 25 building where processing of cannabis is not performed. At no 26 time may a craft grower or dispensing organization agent

1 perform work at an infuser without being a registered agent of 2 the infuser.

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

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

(f) All cannabis infused by an infuser and intended for 14 15 distribution to a dispensing organization must be entered into 16 a data collection system, packaged and labeled under Section 17 55-21, and, if distribution is to a dispensing organization that does not share a premises with the infuser, placed into a 18 cannabis container for transport. All cannabis produced by an 19 20 infuser and intended for distribution to a cultivation center, infuser organization, or craft grower with which it does not 21 22 share a premises, must be packaged in a labeled cannabis 23 container and entered into a data collection system before 24 transport.

(g) Infusers are subject to random inspections by the
 <u>Commission</u> Department of Agriculture, the Department of Public

Health, the Illinois State Police, local law enforcement, or
 as provided by rule.

3 (h) An infuser agent shall notify local law enforcement, 4 the Illinois State Police, and the <u>Commission</u> <del>Department of</del> 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:

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

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

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

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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 (1) An infuser organization may share premises with a 6 craft grower or a dispensing organization, or both, provided 7 each licensee stores currency and cannabis or cannabis-infused 8 products in a separate secured vault to which the other 9 licensee does not have access or all licensees sharing a vault 10 share more than 50% of the same ownership.

11 (m) It is unlawful for any person or entity having an 12 infuser organization license or any officer, associate, 13 member, representative or agent of such licensee to offer or deliver money, or anything else of value, directly or 14 15 indirectly to any person having an Early Approval Adult Use 16 Dispensing Organization License, a Conditional Adult Use 17 Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis 18 dispensing organization license issued under the Compassionate Use of 19 20 Medical Cannabis Program Act, or to any person connected with or in any way representing, or to any member of the family of, 21 22 such person holding an Early Approval Adult Use Dispensing 23 Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization 24 25 License, or a medical cannabis dispensing organization license 26 issued under the Compassionate Use of Medical Cannabis Program

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

12 (n) At no time shall an infuser organization or an infuser 13 agent perform the extraction of cannabis concentrate from 14 cannabis flower.

15 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 16 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 17 5-13-22.)

18 (410 ILCS 705/35-31)

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

(a) As used in this Section, "raw materials" includes, but
is not limited to, CO<sub>2</sub> hash oil, "crude", "distillate", or any
other cannabis concentrate extracted from cannabis flower by
use of a solvent or a mechanical process.

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(b) The <u>Commission</u> <del>Department of Agriculture</del> may by rule

design a method for assessing whether licensed infusers have 1 2 access to an adequate supply of reasonably affordable raw materials, which may include but not be limited to: (i) a 3 survey of infusers; (ii) a market study on the sales trends of 4 5 cannabis-infused products manufactured by infusers; and (iii) the costs cultivation centers and craft growers assume for the 6 raw materials they use in any cannabis-infused products they 7 8 manufacture.

9 (c) The Commission Department of Agriculture shall perform 10 an annual assessment of whether infusers have access to an 11 adequate supply of reasonably affordable raw materials that 12 shall start 6 months after the issuance of licenses to infusers, or sooner if the Commission has reason to believe 13 14 that infusers do not have an adequate supply of raw materials. After the initial annual assessment, each assessment 15 16 thereafter shall occur by January 1 of each year start no 17 sooner than January 1, 2022 and shall conclude no later than April 1, 2022. The Department of Agriculture may rely on data 18 19 from the Illinois Cannabis Regulation Oversight Officer as 20 part of this assessment.

21 (d) The <u>Commission</u> Department of Agriculture shall perform 22 an assessment of whether infusers have access to an adequate 23 supply of reasonably affordable raw materials <u>annually</u> that 24 shall start no sooner than January 1, 2023 and shall conclude 25 no later than April 1, 2023. The Department of Agriculture may 26 rely on data from the Cannabis Regulation Oversight Officer as

1 part of this assessment.

2 (e) The Commission Department of Agriculture may by rule 3 adopt measures to ensure infusers have access to an adequate supply of reasonably affordable raw materials necessary for 4 5 the manufacture of cannabis-infused products. Such measures may include, but not be limited to (i) requiring cultivation 6 centers and craft growers to set aside a minimum amount of raw 7 materials for the wholesale market or (ii) enabling infusers 8 9 to apply for a processor license to extract raw materials from 10 cannabis flower.

11 (f) If the Commission Department of Agriculture determines 12 processor licenses may be available to infuser organizations 13 based upon findings made pursuant to subsection (e), infuser 14 organizations may submit to the Commission Department of 15 Agriculture on forms provided by the Commission Department of 16 Agriculture the following information as part of an 17 application to receive a processor license:

18 (1) experience with the extraction, processing, or 19 infusing of oils similar to those derived from cannabis, 20 or other business practices to be performed by the 21 infuser;

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

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(3) expertise in relevant scientific fields;

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(4) a commitment that any cannabis waste, liquid

waste, or hazardous waste shall be disposed of 1 in 2 accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent feasible, all cannabis plant waste will be 3 rendered unusable by grinding and incorporating the 4 5 cannabis plant waste with compostable mixed waste to be accordance with 6 disposed of in Ill. Adm. Code 7 1000.460(q)(1); and

8 (5) any other information the <u>Commission</u> <del>Department of</del>
9 Agriculture deems relevant.

10 (q) The <u>Commission</u> <del>Department of Agriculture</del> may only 11 issue an infuser organization a processor license if, based on 12 the information pursuant to subsection (f) and any other criteria set by the Commission Department of Agriculture, 13 which may include but not be limited an inspection of the site 14 15 where processing would occur, the Commission Department of 16 Agriculture is reasonably certain the infuser organization 17 will process cannabis in a safe and compliant manner.

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

19 (410 ILCS 705/35-45)

20 Sec. 35-45. Disclosure of ownership and control.

21 (a) Each infuser organization applicant and licensee shall 22 file and maintain a Table of Organization, Ownership and 23 Control with the Commission <del>Department</del>. The Table of 24 Organization, Ownership and Control shall contain the 25 information required by this Section in sufficient detail to

identify all owners, directors, and principal officers, and
 the title of each principal officer or business entity that,
 through direct or indirect means, manages, owns, or controls
 the applicant or licensee.

5 (b) The Table of Organization, Ownership, and Control6 shall identify the following information:

7 (1) The management structure, ownership, and control 8 of the applicant or license holder including the name of 9 each principal officer or business entity, the office or 10 position held, and the percentage ownership interest, if 11 any. If the business entity has a parent company, the name 12 of each owner, board member, and officer of the parent company and his or her percentage ownership interest in 13 14 the parent company and the infuser organization.

(2) If the applicant or licensee is a business entity
with publicly traded stock, the identification of
ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a
 publicly traded company, the following information shall be
 provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of
each individual or business entity with ownership of more
than 5% of the voting shares of the entity, to the extent
such information is known or contained in 13D or 13G
Securities and Exchange Commission filings.

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(2) To the extent known, the names and percentage of

interest of ownership of persons who are relatives of one
 another and who together exercise control over or own more
 than 10% of the voting shares of the entity.

(d) An infuser organization with a parent company or 4 5 companies, or partially owned or controlled by another entity must disclose to the Commission Department the relationship 6 7 and all owners, board members, officers, or individuals with control or 8 management of those entities. An infuser 9 organization shall not shield its ownership or control from 10 the Commission Department.

(e) All principal officers must submit a complete online application with the <u>Commission</u> <del>Department</del> within 14 days of the infuser organization being licensed by the <u>Commission</u> <del>Department</del> or within 14 days of <u>Commission</u> <del>Department</del> notice of approval as a new principal officer.

16 (f) A principal officer may not allow his or her 17 registration to expire.

18 (g) An infuser organization separating with a principal 19 officer must do so under this Act. The principal officer must 20 communicate the separation to the <u>Commission</u> <del>Department</del> within 21 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the infuser organization or shall otherwise terminate his or her affiliation. Failure to do so may subject the infuser organization to discipline, suspension, or HB1498 - 233 - LRB103 05062 CPF 50076 b

1 revocation of its license by the Commission Department.

(i) It is the responsibility of the infuser organization
and its principal officers to promptly notify the <u>Commission</u>
Department of any change of the principal place of business
address, hours of operation, change in ownership or control,
or a change of the infuser organization's primary or secondary
contact information. Any changes must be made to the
<u>Commission Department</u> in writing.

9 (Source: P.A. 102-98, eff. 7-15-21.)

10 (410 ILCS 705/40-1)

11 Sec. 40-1. Definition. In this Article:

12 <u>"Commission" means the Cannabis Equity and Oversight</u>
13 Commission.

14 "Department" means the Department of Agriculture.

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

16 (410 ILCS 705/40-5)

17 Sec. 40-5. Issuance of licenses.

(a) The <u>Commission</u> Department shall issue transporting
licenses through a process provided for in this Article no
later than July 1, 2020.

(b) The <u>Commission</u> Department shall make the application
for transporting organization licenses available on January 7,
2020 and shall receive such applications no later than March
15, 2020. The <u>Commission</u> Department of Agriculture shall make

available such applications on every January 7 thereafter or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and shall receive such applications no later than March 15 or the succeeding business day thereafter.

6 <u>(c) Notwithstanding any other provision of law, the</u> 7 <u>Commission shall have authority over licenses in this Section</u> 8 <u>that may be in various phases in the licensing process or are</u> 9 <u>eligible, pending, in the conditional phase, awarded, pending</u> 10 <u>adjudication by a judicial process, or have otherwise not been</u> 11 <u>awarded on and after July 1, 2023.</u>

12 <u>(d) Notwithstanding any other provision of law, the</u> 13 <u>Commission may by rule change, amend, or suspend the licensing</u> 14 <u>provided under this Article.</u>

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

16 (410 ILCS 705/40-10)

17 Sec. 40-10. Application.

(a) When applying for a transporting organization license,
the applicant shall submit the following in such form as the
Commission Department of Agriculture may direct:

(1) the nonrefundable application fee <u>as set by rule</u>
<u>by the Commission</u> <del>of \$5,000 or, after January 1, 2021,</del>
<del>another amount as set by rule by the Department of</del>
Agriculture, to be deposited into the Cannabis Regulation
Fund;

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- (2) the legal name of the transporting organization;
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(3) the proposed physical address of the transporting organization, if one is proposed;

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(4) the name, address, social security number, and date of birth of each principal officer and board member of the transporting organization; each principal officer and board member shall be at least 21 years of age;

(5) the details of any administrative or judicial 8 9 proceeding in which any of the principal officers or board 10 members of the transporting organization (i) pled guilty, 11 were convicted, fined, or had a registration or license 12 suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled 13 14 guilty, was convicted, fined, or had a registration or 15 license suspended or revoked;

16 (6) proposed operating bylaws that include procedures 17 for the oversight of the transporting organization, including the development and implementation of 18 an accurate recordkeeping plan, staffing plan, and security 19 20 plan approved by the Illinois State Police that are in 21 accordance with the rules issued by the Commission 22 Department of Agriculture under this Act; a physical 23 inventory shall be performed of all cannabis on a weekly 24 basis by the transporting organization;

(7) verification from the Illinois State Police thatall background checks of the prospective principal

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officers, board members, and agents of the transporting organization have been conducted;

(8) a copy of the current local zoning ordinance or 3 permit and verification that the proposed transporting 4 5 organization is in compliance with the local zoning rules limitations established 6 and distance bv the local 7 jurisdiction, if the transporting organization has a 8 business address;

9 (9) proposed employment practices, in which the 10 applicant must demonstrate a plan of action to inform, 11 hire, and educate minorities, women, veterans, and persons 12 with disabilities, engage in fair labor practices, and 13 provide worker protections;

14 (10) whether an applicant can demonstrate experience 15 in or business practices that promote economic empowerment 16 in Disproportionately Impacted Areas;

(11) the number and type of equipment the transporting organization will use to transport cannabis and cannabis-infused products;

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(12) loading, transporting, and unloading plans;

(13) a description of the applicant's experience in
the distribution or security business;

(14) the identity of every person having a financial or voting interest of 5% or more in the transporting organization with respect to which the license is sought, whether a trust, corporation, partnership, limited

- 1 liability company, or sole proprietorship, including the 2 name and address of each person; and
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(15) any other information required by rule.

4 (b) Applicants must submit all required information, 5 including the information required in Section 40-35 to the 6 <u>Commission Department</u>. Failure by an applicant to submit all 7 required information may result in the application being 8 disgualified.

9 (c) If the <u>Commission</u> Department receives an application 10 with missing information, the <u>Commission</u> Department of 11 Agriculture may issue a deficiency notice to the applicant. 12 The applicant shall have 10 calendar days from the date of the 13 deficiency notice to resubmit the incomplete information. 14 Applications that are still incomplete after this opportunity 15 to cure will not be scored and will be disqualified.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 17 102-538, eff. 8-20-21.)

18 (410 ILCS 705/40-25)

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

(a) The operating documents of a transporting organization
shall include procedures for the oversight of the transporter,
an inventory monitoring system including a physical inventory
recorded weekly, accurate recordkeeping, and a staffing plan.
(b) A transporting organization may not transport cannabis

1 or cannabis-infused products to any person other than a 2 cultivation center, a craft grower, an infuser organization, a 3 dispensing organization, a testing facility, or as otherwise 4 authorized by rule.

5 (c) All cannabis transported by a transporting 6 organization must be entered into a data collection system and 7 placed into a cannabis container for transport.

8 (d) Transporters are subject to random inspections by the 9 <u>Commission</u> <del>Department of Agriculture</del>, the Department of Public 10 Health, the Illinois State Police, or as provided by rule.

(e) A transporting organization agent shall notify local law enforcement, the Illinois State Police, and the <u>Commission</u> <del>Department of Agriculture</del> within 24 hours of the discovery of any loss or theft. Notification shall be made by phone, in person, or by written or electronic communication.

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

18 (g) No person or individual who is not a transporting 19 organization agent shall be in a vehicle while transporting 20 cannabis goods.

(h) Transporters may not use commercial motor vehicleswith a weight rating of over 10,001 pounds.

(i) It is unlawful for any person to offer or deliver money, or anything else of value, directly or indirectly, to any of the following persons to obtain preferential placement within the dispensing organization, including, without 1 limitation, on shelves and in display cases where purchasers 2 can view products, or on the dispensing organization's 3 website:

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

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

12 (3) person connected with or а in any way 13 representing, or a member of the family of, a person 14 holding an Early Applicant Adult Use Dispensing 15 Organization License, an Adult Use Dispensing Organization 16 License, or a medical cannabis dispensing organization 17 license issued under the Compassionate Use of Medical 18 Cannabis Program Act; or

19 (4) stockholder, officer, manager, agent, а or 20 representative of a corporation engaged in the retail sale 21 of cannabis, an Early Applicant Adult Use Dispensing 22 Organization License, an Adult Use Dispensing Organization 23 License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical 24 25 Cannabis Program Act.

26 (j) A transporting organization agent must keep his or her

identification card visible at all times when on the property 1 2 cannabis business establishment of а and during the 3 transporting of cannabis when acting under his or her duties as a transportation organization agent. During these times, 4 5 the transporting organization agent must also provide the 6 identification card upon request of any law enforcement officer engaged in his or her official duties. 7

8 (k) A copy of the transporting organization's registration 9 and a manifest for the delivery shall be present in any vehicle 10 transporting cannabis.

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

13 (m) A vehicle transporting cannabis must not bear any 14 markings to indicate the vehicle contains cannabis or bear the 15 name or logo of the cannabis business establishment.

16 (n) Cannabis must be transported in an enclosed, locked17 storage compartment that is secured or affixed to the vehicle.

(o) The <u>Commission</u> Department of Agriculture may, by rule,
 impose any other requirements or prohibitions on the
 transportation of cannabis.

21 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 22 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 23 5-13-22.)

24 (410 ILCS 705/40-45)

25 Sec. 40-45. Disclosure of ownership and control.

(a) Each transporting organization applicant and licensee 1 2 shall file and maintain a Table of Organization, Ownership, 3 and Control with the Commission Department. The Table of Organization, Ownership, and Control shall contain the 4 5 information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and 6 7 the title of each principal officer or business entity that, 8 through direct or indirect means, manages, owns, or controls 9 the applicant or licensee.

10 (b) The Table of Organization, Ownership, and Control 11 shall identify the following information:

12 (1) The management structure, ownership, and control of the applicant or license holder including the name of 13 14 each principal officer or business entity, the office or 15 position held, and the percentage ownership interest, if 16 any. If the business entity has a parent company, the name 17 of each owner, board member, and officer of the parent company and his or her percentage ownership interest in 18 19 the parent company and the transporting organization.

(2) If the applicant or licensee is a business entity
 with publicly traded stock, the identification of
 ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a
 publicly traded company, the following information shall be
 provided in the Table of Organization, Ownership, and Control:
 (1) The name and percentage of ownership interest of

each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

5 (2) To the extent known, the names and percentage of 6 interest of ownership of persons who are relatives of one 7 another and who together exercise control over or own more 8 than 10% of the voting shares of the entity.

9 (d) A transporting organization with a parent company or 10 companies, or partially owned or controlled by another entity 11 must disclose to the <u>Commission</u> <del>Department</del> the relationship 12 and all owners, board members, officers, or individuals with 13 control or management of those entities. A transporting 14 organization shall not shield its ownership or control from 15 the <u>Commission</u> <del>Department</del>.

(e) All principal officers must submit a complete online
application with the <u>Commission</u> <del>Department</del> within 14 days of
the transporting organization being licensed by the <u>Commission</u>
<del>Department</del> or within 14 days of <u>Commission</u> <del>Department</del> notice
of approval as a new principal officer.

21 (f) A principal officer may not allow his or her 22 registration to expire.

(g) A transporting organization separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the <u>Commission</u> <del>Department</del> within 5 business days. - 243 - LRB103 05062 CPF 50076 b

1 (h) A principal officer not in compliance with the 2 requirements of this Act shall be removed from his or her 3 position with the transporting organization or shall otherwise 4 terminate his or her affiliation. Failure to do so may subject 5 the transporting organization to discipline, suspension, or 6 revocation of its license by the <u>Commission Department</u>.

7 Ιt is the responsibility of the transporting (i) organization and its principal officers to promptly notify the 8 9 Commission Department of any change of the principal place of 10 business address, hours of operation, change in ownership or 11 control, or a change of the transporting organization's 12 primary or secondary contact information. Any changes must be 13 made to the Commission Department in writing.

14 (Source: P.A. 102-98, eff. 7-15-21.)

15 (410 ILCS 705/45-5)

Sec. 45-5. License suspension; revocation; other penalties.

(a) Notwithstanding any other criminal penalties related 18 to the unlawful possession of cannabis, the Commission 19 Department of Financial and Professional Regulation and the 20 21 Department of Agriculture may revoke, suspend, place on 22 probation, reprimand, issue cease and desist orders, refuse to issue or renew a license, or take any other disciplinary or 23 24 nondisciplinary action as each department may deem proper with regard to a cannabis business establishment or cannabis 25

1 business establishment agent, including fines not to exceed:

2 (1) \$50,000 for each violation of this Act or rules
3 adopted under this Act by a cultivation center or
4 cultivation center agent;

5 (2) \$20,000 for each violation of this Act or rules
6 adopted under this Act by a dispensing organization or
7 dispensing organization agent;

8 (3) \$15,000 for each violation of this Act or rules 9 adopted under this Act by a craft grower or craft grower 10 agent;

11 (4) \$10,000 for each violation of this Act or rules 12 adopted under this Act by an infuser organization or 13 infuser organization agent; and

14 (5) \$10,000 for each violation of this Act or rules
15 adopted under this Act by a transporting organization or
16 transporting organization agent.

17 (b) The <u>Commission</u> Department of Financial and 18 Professional Regulation and the Department of Agriculture, as 19 the case may be, shall consider licensee cooperation in any 20 agency or other investigation in its determination of 21 penalties imposed under this Section.

(c) The procedures for disciplining a cannabis business establishment or cannabis business establishment agent and for administrative hearings shall be determined by rule, and shall provide for the review of final decisions under the Administrative Review Law.

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1 (d) The Attorney General may also enforce a violation of 2 Section 55-20, Section 55-21, and Section 15-155 as an 3 unlawful practice under the Consumer Fraud and Deceptive 4 Business Practices Act.

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

6 (410 ILCS 705/45-10)

Sec. 45-10. Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

10 (a) А cultivation center, craft grower, infuser 11 organization, or transporting organization is not subject to: 12 (i) prosecution; (ii) search or inspection, except by the Commission Department of Agriculture, the Department of Public 13 Health, or State or local law enforcement under this Act; 14 15 (iii) seizure; (iv) penalty in any manner, including, but not 16 limited to, civil penalty; (v) denial of any right or privilege; or (vi) disciplinary action by a business licensing 17 board or entity for acting under this Act and rules adopted 18 under this Act to acquire, possess, cultivate, manufacture, 19 20 process, deliver, transfer, transport, supply, or sell 21 cannabis or cannabis paraphernalia under this Act.

(b) A licensed cultivation center agent, licensed craft grower agent, licensed infuser organization agent, or licensed transporting organization agent is not subject to: (i) prosecution; (ii) search; (iii) penalty in any manner,

including, but not limited to, civil penalty; (iv) denial of any right or privilege; or (v) disciplinary action by a business licensing board or entity, for engaging in cannabis-related activities authorized under this Act and rules adopted under this Act.

6 (c) A dispensing organization is not subject to: (i) search or 7 prosecution; (ii) inspection, except by the Department of Financial and Professional Regulation, or State 8 9 or local law enforcement under this Act; (iii) seizure; (iv) 10 penalty in any manner, including, but not limited to, civil 11 penalty; (v) denial of any right or privilege; or (vi) 12 disciplinary action by a business licensing board or entity, 13 for acting under this Act and rules adopted under this Act to 14 acquire, possess, or dispense cannabis, cannabis-infused products, cannabis paraphernalia, or related supplies, and 15 16 educational materials under this Act.

(d) A licensed dispensing organization agent is not subject to: (i) prosecution; (ii) search; or (iii) penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working for a dispensing organization under this Act and rules adopted under this Act.

(e) Any cannabis, cannabis-infused product, cannabis
 paraphernalia, legal property, or interest in legal property
 that is possessed, owned, or used in connection with the use of

cannabis as allowed under this Act, or acts incidental to that use, may not be seized or forfeited. This Act does not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this Act, nor does it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used under this Act.

8 (f) Nothing in this Act shall preclude local or State law 9 enforcement agencies from searching a cultivation center, 10 craft grower, infuser organization, transporting organization, 11 or dispensing organization if there is probable cause to 12 believe that the criminal laws of this State have been violated and the search is conducted in conformity with the 13 14 Illinois Constitution, the Constitution of the United States, 15 and applicable law.

16 Nothing in this Act shall preclude the Attorney (q) 17 General or other authorized government agency from investigating or bringing a civil action against a cannabis 18 19 business establishment, or an agent thereof, for a violation 20 of State law, including, but not limited to, civil rights violations and violations of the Consumer Fraud and Deceptive 21 22 Business Practices Act.

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

24 (410 ILCS 705/45-20)

25 Sec. 45-20. Violation of tax Acts; refusal, revocation, or

1 suspension of license or agent identification card.

2 (a) In addition to other grounds specified in this Act, the Commission <del>Department of Agriculture and Department of</del> 3 Financial and Professional Regulation, upon notification by 4 5 the Department of Revenue, shall refuse the issuance or renewal of a license or agent identification card, or suspend 6 7 or revoke the license or agent identification card, of any 8 person, for any of the following violations of any tax Act 9 administered by the Department of Revenue:

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(1) Failure to file a tax return.

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(2) The filing of a fraudulent return.

12 (3) Failure to pay all or part of any tax or penalty13 finally determined to be due.

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(4) Failure to keep books and records.

15 (5) Failure to secure and display a certificate or
 16 sub-certificate of registration, if required.

17 (6) Willful violation of any rule or regulation of the
 18 <u>Commission</u> Department relating to the administration and
 19 enforcement of tax liability.

(b) After all violations of any of items (1) through (6) of subsection (a) have been corrected or resolved, the <u>Commission</u> <del>Department</del> shall, upon request of the applicant or, if not requested, may notify the entities listed in subsection (a) that the violations have been corrected or resolved. Upon receiving notice from the <u>Commission</u> <del>Department</del> that a violation of any of items (1) through (6) of subsection (a)

have been corrected or otherwise resolved to the Department of 1 2 Revenue's satisfaction, the Commission Department of Agriculture and the Department of Financial and Professional 3 Regulation may issue or renew the license 4 or agent 5 identification card, or vacate an order of suspension or 6 revocation.

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

8 (410 ILCS 705/50-5)

9

Sec. 50-5. Laboratory testing.

10 (a) Notwithstanding any other provision of law, the 11 following acts, when performed by a cannabis testing facility 12 with a current, valid registration, or a person 21 years of age 13 or older who is acting in his or her capacity as an owner, 14 employee, or agent of a cannabis testing facility, are not 15 unlawful and shall not be an offense under Illinois law or be a 16 basis for seizure or forfeiture of assets under Illinois law:

17 (1) possessing, repackaging, transporting, storing, or
 18 displaying cannabis or cannabis-infused products;

19 (2)receiving or transporting cannabis or 20 cannabis-infused products from a cannabis business 21 establishment, a community college licensed under the 22 Community College Cannabis Vocational Training Pilot Program, or a person 21 years of age or older; and 23

24 (3) returning or transporting cannabis or
 25 cannabis-infused products to a cannabis business

establishment, a community college licensed under the
 Community College Cannabis Vocational Training Pilot
 Program, or a person 21 years of age or older.

4 (b)(1) No laboratory shall handle, test, or analyze
5 cannabis unless approved by the <u>Commission</u> <del>Department of</del>
6 Agriculture in accordance with this Section.

7 (2) No laboratory shall be approved to handle, test, or8 analyze cannabis unless the laboratory:

9 (A) is accredited by a private laboratory accrediting 10 organization;

11 (B) is independent from all other persons involved in 12 the cannabis industry in Illinois and no person with a 13 direct or indirect interest in the laboratory has a direct 14 or indirect financial, management, or other interest in an Illinois cultivation center, craft grower, dispensary, 15 16 infuser, transporter, certifying physician, or any other 17 entity in the State that may benefit from the production, manufacture, dispensing, sale, purchase, or 18 use of 19 cannabis; and

20 (C) has employed at least one person to oversee and be 21 responsible for the laboratory testing who has earned, 22 from a college or university accredited by a national or 23 regional certifying authority, at least:

(i) a master's level degree in chemical or
 biological sciences and a minimum of 2 years'
 post-degree laboratory experience; or

(ii) a bachelor's degree in chemical or biological
 sciences and a minimum of 4 years' post-degree
 laboratory experience.

4 (3) Each independent testing laboratory that claims to be 5 accredited must provide the <u>Commission</u> <del>Department of</del> 6 Agriculture with a copy of the most recent annual inspection 7 report granting accreditation and every annual report 8 thereafter.

9 (c) Immediately before manufacturing or natural processing 10 of any cannabis or cannabis-infused product or packaging 11 cannabis for sale to a dispensary, each batch shall be made 12 available by the cultivation center, craft grower, or infuser 13 for an employee of an approved laboratory to select a random 14 sample, which shall be tested by the approved laboratory for:

- 15
- (1) microbiological contaminants;
- 16 (2
- (2) mycotoxins;
- 17 (3) pesticide active ingredients;
- 18 (4) residual solvent; and
- 19 (5) an active ingredient analysis.

(d) The <u>Commission</u> Department of Agriculture may select a
random sample that shall, for the purposes of conducting an
active ingredient analysis, be tested by the <u>Commission</u>
Department of Agriculture for verification of label
information.

(e) A laboratory shall immediately return or dispose ofany cannabis upon the completion of any testing, use, or

research. If cannabis is disposed of, it shall be done in
 compliance with Commission Department of Agriculture rule.

3 (f) If a sample of cannabis does not pass the 4 microbiological, mycotoxin, pesticide chemical residue, or 5 solvent residue test, based on the standards established by 6 the <u>Commission Department of Agriculture</u>, the following shall 7 apply:

8 (1) If the sample failed the pesticide chemical 9 residue test, the entire batch from which the sample was 10 taken shall, if applicable, be recalled as provided by 11 rule.

12 (2) If the sample failed any other test, the batch may
13 be used to make a CO<sub>2</sub>-based or solvent based extract. After
14 processing, the CO<sub>2</sub>-based or solvent based extract must
15 still pass all required tests.

16 (g) The <u>Commission</u> Department of Agriculture shall 17 establish standards for microbial, mycotoxin, pesticide 18 residue, solvent residue, or other standards for the presence 19 of possible contaminants, in addition to labeling requirements 20 for contents and potency.

21 (h) The laboratory shall file with the Commission 22 Department of Agriculture an electronic copy of each 23 laboratory test result for any batch that does not pass the microbiological, mycotoxin, or pesticide chemical residue 24 25 test, at the same time that it transmits those results to the 26 cultivation center. In addition, the laboratory shall maintain

1 the laboratory test results for at least 5 years and make them
2 available at the <u>Commission's</u> <del>Department of Agriculture's</del>
3 request.

(i) A cultivation center, craft grower, and infuser shall 4 5 provide to a dispensing organization the laboratory test results for each batch of cannabis product purchased by the 6 7 dispensing organization, if sampled. Each dispensing 8 organization must have those laboratory results available upon 9 request to purchasers.

(j) The <u>Commission</u> <del>Department of Agriculture</del> may adopt
 rules related to testing in furtherance of this Act.

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

13 (410 ILCS 705/55-5)

14 Sec. 55-5. Preparation of cannabis-infused products.

15 (a) The Commission Department of Agriculture may regulate 16 the production of cannabis-infused products by a cultivation center, a craft grower, an infuser organization, or 17 а 18 dispensing organization and establish rules related to refrigeration, hot-holding, and handling of cannabis-infused 19 20 All cannabis-infused products shall meet the products. 21 packaging and labeling requirements contained in Section 22 55-21.

(b) Cannabis-infused products for sale or distribution at
 a dispensing organization must be prepared by an approved
 agent of a cultivation center or infuser organization.

1 (c) A cultivation center or infuser organization that 2 prepares cannabis-infused products for sale or distribution by 3 a dispensing organization shall be under the operational 4 supervision of a Department of Public Health certified food 5 service sanitation manager.

6 (d) Dispensing organizations may not manufacture, process,
7 or produce cannabis-infused products.

8 The Department of Public Health shall adopt and (e) 9 enforce rules for the manufacture and processing of 10 cannabis-infused products, and for that purpose it may at all 11 times enter every building, room, basement, enclosure, or 12 premises occupied or used, or suspected of being occupied or 13 used, for the production, preparation, manufacture for sale, storage, sale, processing, distribution, or transportation of 14 15 cannabis-infused products, and to inspect the premises together with all utensils, fixtures, furniture, and machinery 16 17 used for the preparation of these products.

(f) The <u>Commission</u> Department of Agriculture shall by rule establish a maximum level of THC that may be contained in each serving of cannabis-infused product, and within the product package.

(g) If a local public health agency has a reasonable belief that a cannabis-infused product poses a public health hazard, it may refer the cultivation center, craft grower, or infuser that manufactured or processed the cannabis-infused product to the Department of Public Health <u>and the Commission</u>. 1 If the Department of Public Health <u>or the Commission</u> finds 2 that a cannabis-infused product poses a health hazard, it may 3 bring an action for immediate injunctive relief to require 4 that action be taken as the court may deem necessary to meet 5 the hazard of the cultivation facility or seek other relief as 6 provided by rule.

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

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(410 ILCS 705/55-10)

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9 Sec. 55-10. Maintenance of inventory. All dispensing 10 organizations authorized to serve both registered qualifying 11 patients and caregivers and purchasers are required to report 12 which cannabis and cannabis-infused products are purchased for 13 sale under the Compassionate Use of Medical Cannabis Program Act, and which cannabis and cannabis-infused products are 14 15 purchased under Article 20 this Act. Nothing in this Section 16 registered qualifying patient under prohibits а the Compassionate Use of Medical Cannabis Program Act 17 from 18 purchasing cannabis as a purchaser under Article 20 this Act. (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 19

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(410 ILCS 705/55-15)

21 Sec. 55-15. Destruction of cannabis.

(a) All cannabis byproduct, scrap, and harvested cannabis
 not intended for distribution to a dispensing organization
 must be destroyed and disposed of under rules adopted by the

<u>Commission</u> Department of Agriculture under this Act.
Documentation of destruction and disposal shall be retained at
the cultivation center, craft grower, infuser organization,
transporter, or testing facility as applicable for a period of
not less than 5 years.

(b) A dispensing organization, cultivation center, craft 6 7 grower, or infuser organization shall, before destruction, 8 notify the Commission Department of Agriculture and the 9 Illinois State Police. A dispensing organization shall, before 10 destruction, notify the Department of Financial and 11 Professional Regulation and the Illinois State Police. The 12 Commission Department of Agriculture may by rule require that 13 an employee of the Commission Department of Agriculture or the Department of Financial and Professional Regulation be present 14 15 during the destruction of any cannabis byproduct, scrap, and 16 harvested cannabis, as applicable.

17 (c) The cultivation center, craft grower, infuser 18 organization, or dispensing organization shall keep a record 19 of the date of destruction and how much was destroyed.

(d) A dispensing organization shall destroy all cannabis,
including cannabis-infused products, not sold to purchasers.
Documentation of destruction and disposal shall be retained at
the dispensing organization for a period of not less than 5
years.

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

1 (410 ILCS 705/55-21)

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Sec. 55-21. Cannabis product packaging and labeling.

3 Each cannabis product produced for sale shall be (a) registered with the Commission Department of Agriculture on 4 forms provided by the <u>Commission</u> Department of Agriculture. 5 6 Each product registration shall include a label and the 7 required registration fee at the rate established by the 8 Commission Department of Agriculture for a comparable medical 9 cannabis product, or as established by rule. The registration 10 fee is for the name of the product offered for sale and one fee 11 shall be sufficient for all package sizes.

12 (b) All harvested cannabis intended for distribution to a 13 cannabis enterprise must be packaged in a sealed, labeled 14 container.

(c) Any product containing cannabis shall be sold in a sealed, odor-proof, and child-resistant cannabis container consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act unless the sale is between or among a craft grower, infuser, or cultivation center.

(d) All cannabis-infused products shall be individually wrapped or packaged at the original point of preparation. The packaging of the cannabis-infused product shall conform to the labeling requirements of the Illinois Food, Drug and Cosmetic Act, in addition to the other requirements set forth in this Section. (e) Each cannabis product shall be labeled before sale and
 each label shall be securely affixed to the package and shall
 state in legible English and any languages required by the
 Commission Department of Agriculture:

5 (1) the name and post office box of the registered 6 cultivation center or craft grower where the item was 7 manufactured;

8 (2) the common or usual name of the item and the 9 registered name of the cannabis product that was 10 registered with the <u>Commission</u> <del>Department of Agriculture</del> 11 under subsection (a);

12 (3) a unique serial number that will match the product 13 with a cultivation center or craft grower batch and lot 14 number to facilitate any warnings or recalls the 15 <u>Commission Department of Agriculture</u>, cultivation center, 16 or craft grower deems appropriate;

17 (4) the date of final testing and packaging, if
18 sampled, and the identification of the independent testing
19 laboratory;

20

(5) the date of harvest and "use by" date;

(6) the quantity (in ounces or grams) of cannabis
 contained in the product;

(7) a pass/fail rating based on the laboratory's
 microbiological, mycotoxins, and pesticide and solvent
 residue analyses, if sampled;

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(8) content list.

(A) A list of the following, including the minimum 1 2 and maximum percentage content by weight for 3 subdivisions (e)(8)(A)(i) through (iv): (i) delta-9-tetrahydrocannabinol (THC); 4 5 (ii) tetrahydrocannabinolic acid (THCA); (iii) cannabidiol (CBD); 6 7 (iv) cannabidiolic acid (CBDA); and 8 (v) all other ingredients of the item, 9 including any colors, artificial flavors, and 10 preservatives, listed in descending order by 11 predominance of weight shown with common or usual 12 names. 13 The acceptable tolerances for the minimum (B) 14 percentage printed on the label for anv of 15 subdivisions (e)(8)(A)(i) through (iv) shall not be 16 below 85% or above 115% of the labeled amount. 17 (f) Packaging must not contain information that: (1) is false or misleading; 18 19 (2) promotes excessive consumption; 20 (3) depicts a person under 21 years of age consuming cannabis; 21 22 (4) includes the image of a cannabis leaf; 23 (5) includes any image designed or likely to appeal to 24 minors, including cartoons, toys, animals, or children, or 25 any other likeness to images, characters, or phrases that 26 are popularly used to advertise to children, or any

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packaging or labeling that bears reasonable resemblance to any product available for consumption as a commercially available candy, or that promotes consumption of cannabis;

4 (6) contains any seal, flag, crest, coat of arms, or
5 other insignia likely to mislead the purchaser to believe
6 that the product has been endorsed, made, or used by the
7 State of Illinois or any of its representatives except
8 where authorized by this Act.

9 (g) Cannabis products produced by concentrating or 10 extracting ingredients from the cannabis plant shall contain 11 the following information, where applicable:

12 (1) If solvents were used to create the concentrate or 13 extract, a statement that discloses the type of extraction 14 method, including any solvents or gases used to create the 15 concentrate or extract; and

16 (2) Any other chemicals or compounds used to produce17 or were added to the concentrate or extract.

(h) All cannabis products must contain warning statements established for purchasers, of a size that is legible and readily visible to a consumer inspecting a package, which may not be covered or obscured in any way. The Department of Public Health shall define and update appropriate health warnings for packages including specific labeling or warning requirements for specific cannabis products.

(i) Unless modified by rule to strengthen or respond tonew evidence and science, the following warnings shall apply

to all cannabis products unless modified by rule: "This 1 2 product contains cannabis and is intended for use by adults 21 3 and over. Its use can impair cognition and may be habit forming. This product should not be used by pregnant or 4 5 breastfeeding women. It is unlawful to sell or provide this item to any individual, and it may not be transported outside 6 7 the State of Illinois. It is illegal to operate a motor vehicle while under the influence of cannabis. Possession or use of 8 9 this product may carry significant legal penalties in some 10 jurisdictions and under federal law.".

(j) Warnings for each of the following product types mustbe present on labels when offered for sale to a purchaser:

(1) Cannabis that may be smoked must contain a
 statement that "Smoking is hazardous to your health.".

(2) Cannabis-infused products (other than those intended for topical application) must contain a statement "CAUTION: This product contains cannabis, and intoxication following use may be delayed 2 or more hours. This product was produced in a facility that cultivates cannabis, and that may also process common food allergens.".

(3) Cannabis-infused products intended for topical
application must contain a statement "DO NOT EAT" in bold,
capital letters.

(k) Each cannabis-infused product intended for consumption
must be individually packaged, must include the total
milligram content of THC and CBD, and may not include more than

1 a total of 100 milligrams of THC per package. A package may 2 contain multiple servings of 10 milligrams of THC, indicated 3 by scoring, wrapping, or by other indicators designating 4 individual serving sizes. The <u>Commission</u> <del>Department of</del> 5 <del>Agriculture</del> may change the total amount of THC allowed for 6 each package, or the total amount of THC allowed for each 7 serving size, by rule.

8 (1) No individual other than the purchaser may alter or 9 destroy any labeling affixed to the primary packaging of 10 cannabis or cannabis-infused products.

(m) For each commercial weighing and measuring device used
at a facility, the cultivation center or craft grower must:

(1) Ensure that the commercial device is licensed
under the Weights and Measures Act and the associated
administrative rules (8 Ill. Adm. Code 600);

16 (2) Maintain documentation of the licensure of the 17 commercial device; and

(3) Provide a copy of the license of the commercial
 device to the <u>Commission</u> <del>Department of Agriculture</del> for
 review upon request.

(n) It is the responsibility of the <u>Commission</u> Department to ensure that packaging and labeling requirements, including product warnings, are enforced at all times for products provided to purchasers. Product registration requirements and container requirements may be modified by rule by the Commission Department of Agriculture.

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(o) Labeling, including warning labels, may be modified by
 rule by the <u>Commission</u> <del>Department of Agriculture</del>.

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

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(410 ILCS 705/55-30)

6 Sec. 55-30. Confidentiality.

7 Information provided by the cannabis business (a) 8 establishment licensees or applicants to the Commission 9 Department of Agriculture, the Department of Public Health, 10 the Department of Financial and Professional Regulation, the 11 Department of Commerce and Economic Opportunity, or other 12 agency shall be limited to information necessary for the purposes of administering this Act. The information is subject 13 to the provisions and limitations contained in the Freedom of 14 15 Information Act and may be disclosed in accordance with 16 Section 55-65.

(b) The following information received and records kept by 17 18 the Commission <del>Department of Agriculture</del>, the Department of Public Health, and the Illinois State Police, and the 19 Department of Financial and Professional Regulation for 20 21 purposes of administering this Article are subject to all 22 applicable federal privacy laws, are confidential and exempt from disclosure under the Freedom of Information Act, except 23 24 as provided in this Act, and not subject to disclosure to any individual or public or private entity, except to the 25

Department of Financial and Professional 1 Commission 2 Regulation, the Department of Agriculture, the Department of 3 Public Health, and the Illinois State Police as necessary to perform official duties under this Article and to the Attorney 4 5 General as necessary to enforce the provisions of this Act. 6 The following information received and kept by the Commission 7 Department of Financial and Professional Regulation or the 8 Department of Agriculture may be disclosed to the Department 9 Public Health, the Department of Agriculture, of the 10 Department of Revenue, the Illinois State Police, or the 11 Attorney General upon proper request:

12 (1) Applications and renewals, their contents, and 13 supporting information submitted by or on behalf of 14 dispensing organizations, cannabis business 15 establishments, or Community College Cannabis Vocational 16 Program licensees, in compliance with this Article, 17 including their physical addresses; however, this does not preclude the release of ownership information about 18 cannabis business establishment licenses, or information 19 20 submitted with an application required to be disclosed pursuant to subsection (f); 21

(2) Any plans, procedures, policies, or other records
 relating to cannabis business establishment security; and

24 (3) Information otherwise exempt from disclosure by25 State or federal law.

26 Illinois or national criminal history record information,

or the nonexistence or lack of such information, may not be disclosed by the <u>Commission</u> <del>Department of Financial and</del> <del>Professional Regulation or the Department of Agriculture</del>, except as necessary to the Attorney General to enforce this Act.

6 (c) The name and address of a dispensing organization 7 licensed under this Act shall be subject to disclosure under 8 the Freedom of Information Act. The name and cannabis business 9 establishment address of the person or entity holding each 10 cannabis business establishment license shall be subject to 11 disclosure.

12 (d) All information collected by the Commission Department of Financial and Professional Regulation or the Department of 13 Agriculture in the course of an examination, inspection, or 14 investigation of a licensee or applicant, including, but not 15 16 limited to, any complaint against a licensee or applicant 17 filed with the Commission Department of Financial and Professional Regulation or the Department of Agriculture and 18 information collected to investigate any such complaint, shall 19 20 be maintained for the confidential use of the Commission 21 Department of Financial and Professional Regulation or the 22 Department of Agriculture and shall not be disclosed, except 23 as otherwise provided in this Act. A formal complaint against a licensee by the Commission Department of Financial and 24 25 Professional Regulation or the Department of Agriculture or 26 any disciplinary order issued by the Department of Financial

and Professional Regulation or the Department of Agriculture against a licensee or applicant shall be a public record, except as otherwise provided by law. Complaints from consumers or members of the general public received regarding a specific, named licensee or complaints regarding conduct by unlicensed entities shall be subject to disclosure under the Freedom of Information Act.

8 (e) The <u>Commission and</u> Department of Agriculture, the 9 Illinois State Police, and the Department of Financial and 10 Professional Regulation shall not share or disclose any 11 Illinois or national criminal history record information, or 12 the nonexistence or lack of such information, to any person or 13 entity not expressly authorized by this Act.

14 (f) The Commission Each Department responsible for 15 licensure under this Act shall publish on the Commission's 16 Department's website a list of the ownership information of 17 business establishment licensees cannabis under the Commission's <del>Department's</del> jurisdiction. 18 The list shall include, but is not limited to: the name of the person or 19 20 entity holding each cannabis business establishment license; and the address at which the entity is operating under this 21 22 Act. This list shall be published and updated monthly. 23 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;

24 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 25 5-13-22.)

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1 (410 ILCS 705/55-35)
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Sec. 55-35. Administrative rulemaking.

3 (a) No later than 180 days after the effective date of this Act, the Commission <del>Department of Agriculture</del>, the Illinois 4 5 State Police, the Department of Financial and Professional 6 Regulation, the Department of Revenue, the Department of 7 Commerce and Economic Opportunity, and the Treasurer's Office 8 shall adopt permanent rules in accordance with their 9 responsibilities under this Act. The Commission Department of 10 Agriculture, the Illinois State Police, the Department of 11 Financial and Professional Regulation, the Department of 12 Revenue, and the Department of Commerce and Economic Opportunity may adopt rules necessary to regulate personal 13 14 cannabis use through the use of emergency rulemaking in 15 accordance with subsection (qq) of Section 5-45 of the 16 Illinois Administrative Procedure Act. The General Assembly 17 finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, 18 19 safety, and welfare.

20 (b) The Commission Department of Agriculture rules may 21 address, but are not limited to, the following matters related 22 to dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations 23 with the goal of protecting against diversion and theft, 24 25 without imposing an undue burden on the dispensing 26 organizations, cultivation centers, craft growers, infuser

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1 organizations, or transporting organizations:

2 (1) oversight requirements for <u>dispensing</u> 3 <u>organizations</u>, cultivation centers, craft growers, infuser 4 organizations, and transporting organizations;

5 (2) recordkeeping requirements for <u>dispensing</u> 6 <u>organizations</u>, cultivation centers, craft growers, infuser 7 organizations, and transporting organizations;

8 (3) security requirements for dispensing 9 organizations, cultivation centers, craft growers, infuser 10 organizations, and transporting organizations, which shall include that each dispensing organization, cultivation 11 12 center, craft grower, infuser organization, and transporting organization location must be protected by a 13 14 fully operational security alarm system;

15 (4) standards for enclosed, locked facilities under 16 this Act;

17 procedures for suspending or revoking (5) the identification of 18 cards agents of dispensing 19 organizations, cultivation centers, craft growers, infuser 20 organizations, and transporting organizations that commit violations of this Act or the rules adopted under this 21 22 Section;

23 (6) (Blank) rules concerning the intrastate
 24 transportation of cannabis from a cultivation center,
 25 craft grower, infuser organization, and transporting
 26 organization to a dispensing organization;

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(7) standards concerning the <u>dispensing</u>, testing,
 quality, cultivation, and processing of cannabis; and

3 (8) any other matters under oversight by the 4 <u>Commission</u> <del>Department of Agriculture</del> as are necessary for 5 the fair, impartial, stringent, and comprehensive 6 administration of this Act.

Commission rules addressing matters related to dispensing
 organizations shall be adopted with the goal of protecting
 against diversion and theft, without imposing an undue burden
 on the dispensing organizations.

11 (c) <u>(Blank)</u>. The Department of Financial and Professional 12 Regulation rules may address, but are not limited to, the 13 following matters related to dispensing organizations, with 14 the goal of protecting against diversion and theft, without 15 imposing an undue burden on the dispensing organizations:

16 (1) oversight requirements for dispensing 17 organizations;

18 (2) recordkeeping requirements for dispensing 19 organizations;

20 (3) security requirements for dispensing 21 organizations, which shall include that each dispensing 22 organization location must be protected by a fully 23 operational security alarm system;

24 (4) procedures for suspending or revoking the licenses
 25 of dispensing organization agents that commit violations
 26 of this Act or the rules adopted under this Act;

(5) any other matters under oversight by the
 Department of Financial and Professional Regulation that
 are necessary for the fair, impartial, stringent, and
 comprehensive administration of this Act.

5 (d) The Department of Revenue rules may address, but are 6 not limited to, the following matters related to the payment 7 of taxes by cannabis business establishments:

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recording of sales;

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(2) documentation of taxable income and expenses;

(3) transfer of funds for the payment of taxes; or

11 (4) any other matter under the oversight of the12 Department of Revenue.

(e) The Department of Commerce and Economic Opportunity rules may address, but are not limited to, a loan program or grant program to assist Social Equity Applicants access the capital needed to start a cannabis business establishment. The names of recipients and the amounts of any moneys received through a loan program or grant program shall be a public record.

20 (f) The Illinois State Police rules may address enforcement of its authority under this Act. The Illinois 21 22 State Police shall not make rules that infringe on the 23 exclusive authority of the Commission Department of Financial and Professional Regulation or the Department of Agriculture 24 25 over licensees under this Act.

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(g) The Department of Human Services shall develop and

1 disseminate:

2 (1) educational information about the health risks
3 associated with the use of cannabis; and

one or more public education campaigns 4 (2)in 5 coordination with local health departments and community organizations, including one or more prevention campaigns 6 7 directed at children, adolescents, parents, and pregnant or breastfeeding women, to inform them of the potential 8 health risks associated with intentional or unintentional 9 10 cannabis use.

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

13 (410 ILCS 705/55-40)

14 Sec. 55-40. Enforcement.

(a) If the <u>Commission</u> Department of Agriculture, Illinois
State Police, Department of Financial and Professional
Regulation, Department of Commerce and Economic Opportunity,
or Department of Revenue fails to adopt rules to implement
this Act within the times provided in this Act, any citizen may
commence a mandamus action in the circuit court to compel the
agencies to perform the actions mandated under Section 55-35.

22 (b) If the <u>Commission</u> Department of Agriculture or the 23 Department of Financial and Professional Regulation fails to 24 issue a valid agent identification card in response to a valid 25 initial application or renewal application submitted under this Act or fails to issue a verbal or written notice of denial of the application within 30 days of its submission, the agent identification card is deemed granted and a copy of the agent dentification initial application or renewal application shall be deemed a valid agent identification card.

6 (c) Authorized employees of State or local law enforcement 7 agencies shall immediately notify the <u>Commission</u> <del>Department of</del> 8 Agriculture and the Department of Financial and Professional 9 Regulation</del> when any person in possession of an agent 10 identification card has been convicted of or pled guilty to 11 violating this Act.

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

13 (410 ILCS 705/55-45)

14 Sec. 55-45. Administrative hearings.

15 (a) Administrative hearings related to the duties and 16 responsibilities assigned to the Department of Public Health 17 shall be conducted under the Department of Public Health's 18 rules governing administrative hearings.

(b) <u>(Blank).</u> Administrative hearings related to the duties and responsibilities assigned to the Department of Financial and Professional Regulation and dispensing organization agents shall be conducted under the Department of Financial and Professional Regulation's rules governing administrative hearings.

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(c) (Blank). Administrative hearings related to the duties

1 and responsibilities assigned to the Department of 2 Agriculture, cultivation centers, or cultivation center agents 3 shall be conducted under the Department of Agriculture's rules 4 governing administrative hearings.

5 <u>(d) Administrative hearings related to the duties and</u> 6 <u>responsibilities assigned to the Commission, dispensing</u> 7 <u>organizations, cultivation centers, or their agents shall be</u> 8 <u>conducted under the Commission's rules governing</u> 9 <u>administrative hearings.</u>

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

11 (410 ILCS 705/55-50)

Sec. 55-50. Petition for rehearing. Within 20 days after 12 the service of any order or decision of the Department of 13 14 Public Health, the Commission Department of Agriculture, the 15 Department of Financial and Professional Regulation, or the 16 Illinois State Police upon any party to the proceeding, the party may apply for a rehearing in respect to any matters 17 determined by them under this Act, except for decisions made 18 19 under the Cannabis Cultivation Privilege Tax Law, the Cannabis 20 Purchaser Excise Tax Law, the County Cannabis Retailers' 21 Occupation Tax Law, and the Municipal Cannabis Retailers' 22 Occupation Tax Law, which shall be governed by the provisions of those Laws. If a rehearing is granted, an agency shall hold 23 24 the rehearing and render a decision within 30 days from the 25 filing of the application for rehearing with the agency. The

time for holding such rehearing and rendering a decision may 1 2 be extended for a period not to exceed 30 days, for good cause 3 shown, and by notice in writing to all parties of interest. If an agency fails to act on the application for rehearing within 4 5 30 days, or the date the time for rendering a decision was extended for good cause shown, the order or decision of the 6 agency is final. No action for the judicial review of any order 7 8 or decision of an agency shall be allowed unless the party 9 commencing such action has first filed an application for a 10 rehearing and the agency has acted or failed to act upon the 11 application. Only one rehearing may be granted by an agency on 12 application of any one party.

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

## 14 (410 ILCS 705/55-55)

15 Sec. 55-55. Review of administrative decisions. All final 16 administrative decisions of the Department of Public Health, the Commission Department of Agriculture, the Department of 17 18 Financial and Professional Regulation, and the Illinois State 19 Police are subject to judicial review under the Administrative 20 Review Law and the rules adopted under that Law. The term 21 "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure. 22

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

24 (410 ILCS 705/55-60)

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Sec. 55-60. Suspension or revocation of a license.

2 (a) The <u>Commission</u> Department of Financial and 3 Professional Regulation or the Department of Agriculture may 4 suspend or revoke a license for a violation of this Act or a 5 rule adopted in accordance with this Act by the Department of 6 Agriculture and the Department of Financial and Professional 7 Regulation.

8 (b) The <u>Commission</u> Department of Agriculture and the 9 Department of Financial and Professional Regulation may 10 suspend or revoke an agent identification card for a violation 11 of this Act or a rule adopted in accordance with this Act. 12 (Source: P.A. 101-27, eff. 6-25-19.)

13 (410 ILCS 705/55-65)

14 Sec. 55-65. Financial institutions.

15 A financial institution that provides financial (a) 16 services customarily provided by financial institutions to a cannabis business establishment authorized under this Act or 17 18 the Compassionate Use of Medical Cannabis Program Act, or to a person that is affiliated with such cannabis business 19 establishment, is exempt from any criminal law of this State 20 21 as it relates to cannabis-related conduct authorized under 22 State law.

(b) Upon request of a financial institution, a cannabis
 business establishment or proposed cannabis business
 establishment may provide to the financial institution the

1 following information:

(1) Whether a cannabis business establishment with
which the financial institution is doing or is considering
doing business holds a license under this Act or the
Compassionate Use of Medical Cannabis Program Act;

6 (2) The name of any other business or individual 7 affiliate with the cannabis business establishment;

8 (3) A copy of the application, and any supporting 9 documentation submitted with the application, for a 10 license or a permit submitted on behalf of the proposed 11 cannabis business establishment;

12 (4) If applicable, data relating to sales and the 13 volume of product sold by the cannabis business 14 establishment;

15 (5) Any past or pending violation by the person of
16 this Act, the Compassionate Use of Medical Cannabis
17 Program Act, or the rules adopted under this Act these
18 Acts where applicable; and

19 (6) Any penalty imposed upon the person for violating
 20 this Act, the Compassionate Use of Medical Cannabis
 21 Program Act, or the rules adopted under this Act these
 22 Acts.

23 (c) (Blank).

24 (d) (Blank).

(e) Information received by a financial institution underthis Section is confidential. Except as otherwise required or

permitted by this Act, State law or rule, or federal law or regulation, a financial institution may not make the information available to any person other than:

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(1) the customer to whom the information applies;

5 (2) a trustee, conservator, guardian, personal 6 representative, or agent of the customer to whom the 7 information applies; a federal or State regulator when 8 requested in connection with an examination of the 9 financial institution or if otherwise necessary for 10 complying with federal or State law;

(3) a federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with federal or State law; and

15 (4) a third party performing services for the institution, provided the third party is 16 financial 17 performing such services under a written agreement that expressly or by operation of law prohibits the third 18 party's sharing and use of such confidential information 19 20 for any purpose other than as provided in its agreement to provide services to the financial institution. 21

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

23 (410 ILCS 705/55-85)

24 Sec. 55-85. Medical cannabis.

25 (a) Nothing in this Act shall be construed to limit any

privileges or rights of a medical cannabis patient including 1 2 patients, primary caregiver, medical minor cannabis 3 cultivation center, or medical cannabis dispensing organization under the Compassionate Use of Medical Cannabis 4 5 Program Act, and where there is conflict between this Act and 6 the Compassionate Use of Medical Cannabis Program Act as they 7 relate to medical cannabis patients, the Compassionate Use of 8 Medical Cannabis Program Act shall prevail.

9 (b) Dispensary locations that obtain an Early Approval 10 Adult Use Dispensary Organization License or an Adult Use 11 Dispensary Organization License in accordance with this Act at 12 the same location as а medical cannabis dispensing 13 organization registered under the Compassionate Use of Medical Cannabis Program Act shall maintain an inventory of medical 14 15 cannabis and medical cannabis products on a monthly basis that 16 is substantially similar in variety and quantity to the 17 products offered at the dispensary during the 6-month period immediately before the effective date of this Act. 18

(c) Beginning June 30, 2020, the <u>Commission</u> Department of Agriculture shall make a quarterly determination whether inventory requirements established for dispensaries in subsection (b) should be adjusted due to changing patient need.

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

25 (410 ILCS 705/65-5)

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1

Sec. 65-5. Definitions. In this Article:

2 "Adjusted delta-9-tetrahydrocannabinol level" means, for a 3 delta-9-tetrahydrocannabinol dominant product, the sum of the 4 percentage of delta-9-tetrahydrocannabinol plus .877 5 multiplied by the percentage of tetrahydrocannabinolic acid.

"Cannabis" has the meaning given to that term in Article 1
of this Act, except that it does not include cannabis that is
subject to tax under the Compassionate Use of Medical Cannabis
Program Act.

10 "Cannabis-infused product" means beverage food, oils, 11 ointments, tincture, topical formulation, or another product 12 containing cannabis that is not intended to be smoked.

13 "Cannabis retailer" means a dispensing organization that 14 sells cannabis for use and not for resale.

15 "Craft grower" has the meaning given to that term in 16 Article 1 of this Act.

17 "Department" means the Department of Revenue.

18 "Director" means the Director of Revenue.

19 "Dispensing organization" or "dispensary" has the meaning 20 given to that term in Article 1 of this Act.

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

26 "Infuser organization" or "infuser" means a facility

operated by an organization or business that is licensed by the <u>Commission</u> <del>Department of Agriculture</del> to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.

5 "Purchase price" means the consideration paid for a 6 purchase of cannabis, valued in money, whether received in 7 money or otherwise, including cash, gift cards, credits, and 8 property and shall be determined without any deduction on 9 account of the cost of materials used, labor or service costs, 10 or any other expense whatsoever. However, "purchase price" 11 does not include consideration paid for:

12 (1) any charge for a payment that is not honored by a13 financial institution;

14 (2) any finance or credit charge, penalty or charge15 for delayed payment, or discount for prompt payment; and

16 (3) any amounts added to a purchaser's bill because of 17 charges made under the tax imposed by this Article, the Municipal Cannabis Retailers' Occupation Tax Law, 18 the 19 County Cannabis Retailers' Occupation Tax Law, the Retailers' Occupation Tax Act, the Use Tax Act, 20 the Service Occupation Tax Act, the Service Use Tax Act, or 21 22 any locally imposed occupation or use tax.

23 "Purchaser" means a person who acquires cannabis for a 24 valuable consideration.

25 "Taxpayer" means a cannabis retailer who is required to 26 collect the tax imposed under this Article.

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1	(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
2	(410 ILCS 705/Art. 70 heading new)
3	ARTICLE 70. License and Regulation of Cannabis Business
4	Establishments.
5	(410 ILCS 705/70-5 new)
6	Sec. 70-5. Definition. In this Act, "Commission" means the
7	Cannabis Equity and Oversight Commission.
8	(410 ILCS 705/70-10 new)
9	Sec. 70-10. Authority.
10	(a) The Commission has the authority to administer and
11	enforce provisions of this Act relating to the oversight,
12	licensing, and registration of dispensing organizations,
13	cultivation centers, craft growers, infuser organizations,
14	transporting organizations, and laboratories as well as any
15	other activity related to cannabis.
16	(b) The Commission shall have the authority to adopt such
17	rules consistent with the provisions of this Act that are
18	necessary to carry on its functions and duties to administer
19	and enforce this Act. Prior to issuing licenses under
20	subsection (a), the Commission may adopt rules through
21	emergency rulemaking in accordance with subsection (kk) of
22	Section 5-45 of the Illinois Administrative Procedure Act. The
23	General Assembly finds that the adoption of rules to regulate

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1	<u>cannabis</u>	use is	deemed	an	emergency	and	necessary	for	the
2	public in	iterest,	safetv,	and	welfare.				

3 <u>(c) The Commission, the Department of Financial and</u> 4 <u>Professional Regulation, and the Department of Agriculture</u> 5 <u>have the authority to enter into intergovernmental agreements</u> 6 <u>to carry out the licensure and oversight of cannabis business</u> 7 <u>establishments under this Act, shall collaborate and</u> 8 <u>coordinate on adopting rules that are necessary to carry out</u> 9 the functions and duties of this Act.

10

(410 ILCS 705/70-15 new)

Sec. 70-15. Authority over licenses; authority to issue
<u>licenses.</u>

13 (a) Notwithstanding any other provision of law, the 14 Commission shall have authority over the following licenses 15 that may be in various phases in the licensing process, are 16 eligible, pending, in the conditional phase, awarded, or 17 pending adjudication by a judicial process, or have otherwise 18 not been awarded on or after July 1, 2023:

19(1) The 75 Conditional Adult Use Dispensing20Organization licenses eligible for award as determined by21a Tied Applicant Lottery under Section 15-30.20.

22 (2) The 55 Conditional Adult Use Dispensing
 23 Organization Licenses eligible for award as determined by
 24 a Qualifying Applicant Lottery under Section 15-35.10.
 25 (3) The 55 Conditional Adult Use Dispensing

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1	Organization Licenses eligible for award as determined by
2	a Social Equity Justice Involved Lottery under Section
3	<u>15-35.</u>
4	(4) Conditional Adult Use Dispensing Organization
5	Licenses eligible for award under Section 15-35.20.
6	(5) Cultivation center licenses eligible for award
7	under Section 20-10 of the Act.
8	(6) The Craft grower licenses eligible for award under
9	Section 30-5 of the Act.
10	(7) The Infuser licenses eligible for award under
11	Section 35-5 of the Act; and
12	(8) Transporting organization licenses eligible for
13	award under Section 40-5 of the Act.
14	(b) Subject to subsection (c), the Commission has the
15	exclusive authority to issue licenses to dispensing
16	organizations, cultivation centers, craft growers, infusers,
17	and transporter organizations under this Act and to certify
18	laboratories under this Act.
19	(c) The Commission may only issue the following licenses
20	in the following amounts:
21	(1) Dispensing organization licenses under Section
22	15-5, except that at no time may the number of dispensing
23	organization licenses exceed 500.
24	(2) Cultivation center licenses under Section 20-10,
25	except that at no time may the number of cultivation
26	center licenses exceed 30.

1	(3) Craft grower licenses under Section 30-5, except
2	that at no time may the number of craft grower licenses
3	exceed 150.
4	(410 ILCS 705/70-20 new)
5	Sec. 70-20. Licensing applications and denials.
6	(a) The Commission shall establish applications for
7	licensure of dispensing organizations, cultivation centers,
8	craft growers, infusers, transporting organizations under this
9	Act and for certification of laboratories under this Act.
10	(b) Notwithstanding any other provisions regarding
11	applications for cannabis business establishments, the
12	Commission may adopt rules to develop (i) applications for
13	licensure of dispensing organizations, cultivation centers,
14	craft growers, infusers, transporting organizations under this
15	Act, (ii) applications for certification of laboratories under
16	this Act, and (iii) a process for issuing licenses and
17	certifications under this Act. The rules shall include, at a
18	minimum, the following:
19	(1) A nonrefundable application fee set by rule to be
20	deposited into the Cannabis Regulation Fund.
21	(2) The legal name of the organization seeking a
22	license to operate as a cannabis business establishment.
23	(3) The name, address, social security number, and
24	date of birth of each principal officer and board member
25	of the organization seeking a license to operate as a

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1	cannabis business establishment.
2	(4) A verification from the Illinois State Police that
3	all background checks of the prospective principal
4	officers, board members, and agents of the applicant have
5	been conducted.
6	(5) A verification from the Department of Revenue that
7	the applicant and the applicant's principal officers,
8	board members, and persons having a financial or voting
9	interest of 5% or greater in the applicant is not
10	delinquent in filing any required tax returns or paying
11	any amounts owed to the State of Illinois.
12	(6) To establish criteria for the denial of an
13	application, which shall include, at a minimum, the
14	following:
15	(A) The applicant failed to submit the materials
16	required by the licensing application, this Act, or
17	any rules adopted under this Act.
18	(B) The applicant would not be in compliance with
19	local zoning rules.
20	(C) Any of the applicant's prospective principal
21	officers or board members have violated Section 20-30.
22	(D) Any of the applicant's prospective principal
23	officers or board members are under 21 years of age.
24	(E) The applicant has submitted an application
25	under this Act that contains false information.
26	(F) The applicant, any of the applicant's

1	principal officers, board members, or agents, or any
2	person having a financial or voting interest of 5% or
3	greater in the applicant is delinquent in filing any
4	required tax returns or paying any amounts owed to the
5	State of Illinois.
6	(G) Granting the application would result in a
7	person or entity obtaining direct or indirect
8	financial interest in more than 10 Early Approval
9	Adult Use Dispensing Organization Licenses,
10	Conditional Adult Use Dispensing Organization
11	Licenses, Adult Use Dispensing Organization Licenses,
12	or any combination thereof. If a person or entity is
13	awarded a license that would cause such a result, the
14	applicant shall choose which license application it
15	wants to abandon and that license shall become
16	available to the next qualified applicant in the
17	region in which the abandoned license was awarded.
18	

19

(410 ILCS 705/70-25 new)

20 <u>Sec. 70-25. Rules amending operational requirements or</u> 21 <u>prohibitions. The Commission may adopt rules to amend the</u> 22 <u>operational requirements or prohibited activities of cannabis</u> 23 <u>business establishments provided under this Act.</u>

24 (410 ILCS 705/70-30 new)

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1	Sec. 70-30. Ownership and control; changes in ownership;
2	changes to management agreements.
3	(a) Cannabis business establishment applicants and
4	licensees shall file and maintain a Table of Organization,
5	Ownership and Control with the Commission. The Table of
6	Organization, Ownership and Control shall contain the
7	information required by this Section in sufficient detail to
8	identify all owners, directors, and principal officers, and
9	the title of each principal officer or business entity that,
10	through direct or indirect means, manages, owns, or controls
11	the applicant or licensee.
12	(b) The Table of Organization, Ownership, and Control
13	shall identify the following information:
14	(1) The management structure, ownership, and control
15	of the applicant or license holder including the name of
16	each principal officer or business entity, the office or
17	position held, and the percentage ownership interest, if
18	any. If the business entity has a parent company, the name
19	of each owner, board member, and officer of the parent
20	company and his or her percentage ownership interest in
21	the parent company and the infuser organization.
22	(2) If the applicant or licensee is a business entity
23	with publicly traded stock, the identification of
24	ownership shall be provided as required in subsection (c).
25	(c) If a business entity identified in subsection (b) is a
26	publicly traded company, the following information shall be

provided in the Table of Organization, Ownership, and Control: (1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

7 (2) To the extent known, the names and percentage of 8 interest of ownership of persons who are relatives of one 9 another and who together exercise control over or own more 10 than 10% of the voting shares of the entity.

11 <u>(d) A cannabis business establishment with a parent</u> 12 <u>company or companies, or partially owned or controlled by</u> 13 <u>another entity must disclose to the Commission the</u> 14 <u>relationship and all owners, board members, officers, or</u> 15 <u>individuals with control or management of those entities. A</u> 16 <u>Cannabis business establishment organization shall not shield</u> 17 <u>its ownership or control from the Commission.</u>

18 (e) All principal officers must submit a complete online 19 application with the Commission within 14 days of the cannabis 20 business establishment being licensed by the Commission or 21 within 14 days of the Commission's notice of approval as a new 22 principal officer.

## 23 (f) A principal officer may not allow their registration 24 to expire.

25 (g) A cannabis business establishment separating with a
 26 principal officer must do so under this Act. The principal

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## 1 officer must communicate the separation to the Commission 2 within 5 business days.

3 (h) A principal officer not in compliance with the 4 requirements of this Act shall be removed from their position 5 with the cannabis business establishment or shall otherwise 6 terminate their affiliation. Failure to do so may subject the 7 cannabis business establishment to discipline, suspension, or 8 revocation of its license by the Commission.

9 <u>(i) It is the responsibility of the cannabis business</u> 10 <u>establishment organization and its principal officers to</u> 11 <u>promptly notify the Commission of any change of the principal</u> 12 <u>place of business address, hours of operation, change in</u> 13 <u>ownership or control, or a change of the cannabis business</u> 14 <u>establishment's primary or secondary contact information. Any</u> 15 <u>changes must be made to the Department in writing.</u>

A cannabis business establishment may only add principal officers and changing the management after being approved by the Commission.

19 A cannabis business establishment shall provide written 20 notice of the removal of a principal officer within 5 business days after removal. The notice shall include the written 21 22 agreement of the principal officer being removed, unless 23 otherwise approved by the Commission, and allocation of 24 ownership shares after removal in an updated ownership chart. 25 A cannabis business establishment shall provide a written request to the Commission for the addition of principal 26

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officers. A cannabis business establishment shall submit 1 proposed principal officer applications on forms approved by 2 3 the Commission. 4 All proposed new principal officers shall be subject to 5 the requirements of this Act, this Article, and any rules that 6 may be adopted pursuant to this Act. 7 The Commission may prohibit the addition of a principal 8 officer to a cannabis business establishment for failure to 9 comply with this Act, this Article, and any rules that may be 10 adopted pursuant to this Act. 11 A cannabis business establishment may not assign a 12 license. A cannabis business establishment may not transfer a 13 14 license without prior Commission approval. 15 Such approval may be withheld if the person to whom the 16 license is being transferred does not commit to the same or a 17 similar community engagement plan provided as part of the dispensing organization's application under paragraph (18) of 18 19 subsection (d) of Section 15-25, and such transferee's license 20 shall be conditional upon that commitment. 21 With the addition or removal of principal officers, the 22 Commission will review the ownership structure to determine 23 whether the change in ownership has had the effect of a 24 transfer of the license. The cannabis business establishment 25 shall supply all ownership documents requested by the 26 Commission.

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1	A cannabis business establishment may apply to the
2	Commission to approve a sale of the cannabis business
3	establishment. A request to sell the cannabis business
4	establishment must be on application forms provided by the
5	Commission. A request for an approval to sell a cannabis
6	business establishment must comply with the following:
7	(1) New application materials shall comply with this
8	Act and any rules that may be adopted pursuant to this Act;
9	(2) Application materials shall include a change of
10	ownership fee as determined by rule to be deposited into
11	the Cannabis Regulation Fund;
12	(3) The application materials shall provide proof that
13	the transfer of ownership will not have the effect of
14	granting any of the owners or principal officers direct or
15	indirect ownership or control of more than 10 cannabis
16	business establishment licenses;
17	(4) New principal officers shall each complete the
18	proposed new principal officer application;
19	(5) If the Commission approves the application
20	materials and proposed new principal officer applications,
21	it will perform an inspection before approving the sale
22	and issuing the dispensing organization license;
23	(6) If a new license is approved, the Commission will
24	issue a new license number and certificate to the new
25	dispensing organization.

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1 (410 ILCS 705/Art. 75 heading new)

2 ARTICLE 75. Compassionate Use of Medical Cannabis Program.

3 (410 ILCS 705/75-5 new)

4 <u>Sec. 75-5. Findings.</u>

5 <u>(a) The recorded use of cannabis as a medicine goes back</u> 6 <u>nearly 5,000 years. Modern medical research has confirmed the</u> 7 <u>beneficial uses of cannabis in treating or alleviating the</u> 8 <u>pain, nausea, and other symptoms associated with a variety of</u> 9 <u>debilitating medical conditions, including cancer, multiple</u> 10 <u>sclerosis, and HIV/AIDS, as found by the National Academy of</u> 11 <u>Sciences' Institute of Medicine in March 1999.</u>

12 (b) Studies published since the 1999 Institute of Medicine 13 report continue to show the therapeutic value of cannabis in treating a wide array of debilitating medical conditions. 14 15 These include relief of the neuropathic pain caused by 16 multiple sclerosis, HIV/AIDS, and other illnesses that often fail to respond to conventional treatments and relief of 17 18 nausea, vomiting, and other side effects of drugs used to treat HIV/AIDS and hepatitis C, increasing the chances of 19 patients continuing on life-saving treatment regimens. 20

(c) Cannabis has many currently accepted medical uses in the United States, having been recommended by thousands of licensed physicians to at least 600,000 patients in states with medical cannabis laws. The medical utility of cannabis is recognized by a wide range of medical and public health

organizations, including the American Academy of HIV Medicine,
 the American College of Physicians, the American Nurses
 Association, the American Public Health Association, the
 Leukemia & Lymphoma Society, and many others.

5 (d) Data from the Federal Bureau of Investigation's Uniform Crime Reports and the Compendium of Federal Justice 6 7 Statistics show that approximately 99 out of every 100 cannabis arrests in the U.S. are made under state law, rather 8 9 than under federal law. Consequently, changing State law will 10 have the practical effect of protecting from arrest the vast 11 majority of seriously ill patients who have a medical need to 12 use cannabis.

13 (d-5) In 2014, the Task Force on Veterans' Suicide was 14 created by the Illinois General Assembly to gather data on 15 veterans' suicide prevention. Data from a U.S. Department of 16 Veterans Affairs study indicates that 22 veterans commit 17 suicide each day.

(d-10) According to the State of Illinois Opioid Action 18 19 Plan released in September 2017, "The opioid epidemic is the 20 most significant public health and public safety crisis facing Illinois". According to the Action Plan, "Fueled by the 21 22 growing opioid epidemic, drug overdoses have now become the 23 leading cause of death nationwide for people under the age of 24 50. In Illinois, opioid overdoses have killed nearly 11,000 25 people since 2008. Just last year, nearly 1,900 people died of overdoses-almost twice the number of fatal car accidents. 26

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Beyond these deaths are thousands of emergency department visits, hospital stays, as well as the pain suffered by individuals, families, and communities".

<u>According to the Action Plan, "At the current rate, the</u>
<u>opioid epidemic will claim the lives of more than 2,700</u>
Illinoisans in 2020".

Further, the Action Plan states, "Physical tolerance to
opioids can begin to develop as early as two to three days
following the continuous use of opioids, which is a large
factor that contributes to their addictive potential".

11 <u>The 2017 State of Illinois Opioid Action Plan also states,</u> 12 <u>"The increase in OUD [opioid use disorder] and opioid overdose</u> 13 <u>deaths is largely due to the dramatic rise in the rate and</u> 14 amount of opioids prescribed for pain over the past decades".

15 <u>Further, according to the Action Plan, "In the absence of</u> 16 <u>alternative treatments, reducing the supply of prescription</u> 17 <u>opioids too abruptly may drive more people to switch to using</u> 18 <u>illicit drugs (including heroin), thus increasing the risk of</u> 19 overdose".

(e) Alaska, Arizona, California, Colorado, Connecticut,
 Delaware, Hawaii, Maine, Massachusetts, Michigan, Montana,
 Nevada, New Jersey, New Mexico, Oregon, Rhode Island, Vermont,
 Washington, and Washington, D.C. have removed state-level
 criminal penalties from the medical use and cultivation of
 cannabis. Illinois joins in this effort for the health and
 welfare of its citizens.

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1	(f) States are not required to enforce federal law or
2	prosecute people for engaging in activities prohibited by
3	federal law. Therefore, compliance with this Article does not
4	put the State of Illinois in violation of federal law.
5	(g) State law should make a distinction between the
6	medical and non-medical uses of cannabis. Hence, the purpose
7	of this Article is to protect patients with debilitating
8	medical conditions, as well as their physicians and providers,
9	from arrest and prosecution, criminal and other penalties, and
10	property forfeiture if the patients engage in the medical use
11	of cannabis.

12 (410 ILCS 705/75-7 new)

13	Sec. 75-7. Lawful user and lawful products. For the
14	purposes of this Article and to clarify the legislative
15	findings on the lawful use of cannabis:
16	(1) A cardholder under this Article shall not be
17	considered an unlawful user or addicted to narcotics
18	solely as a result of his or her qualifying patient or
19	designated caregiver status.
20	(2) All medical cannabis products purchased by a
21	qualifying patient at a licensed dispensing organization
22	shall be lawful products and a distinction shall be made
23	between medical and non-medical uses of cannabis as a
24	result of the qualifying patient's cardholder status,
25	provisional registration for qualifying patient cardholder

1	status, or participation in the Opioid Alternative Pilot
2	Program under the authorized use granted under State law.
3	(3) An individual with a provisional registration for
4	qualifying patient cardholder status, a qualifying patient
5	in the Compassionate Use of Medical Cannabis Program, or
6	an Opioid Alternative Pilot Program participant under
7	Section 75-62 shall not be considered an unlawful user or
8	addicted to narcotics solely as a result of his or her
9	application to or participation in the program.
10	(410 ILCS 705/75-10 new)
11	Sec. 75-10. Definitions. The following terms, as used in
12	this Article, shall have the meanings set forth in this
13	Section:
13	Section:
13 14	<u>Section:</u> (a) "Adequate supply" means:
13 14 15	<u>Section:</u> (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of
13 14 15 16	Section: (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate
13 14 15 16 17	<u>Section:</u> <u>(a) "Adequate supply" means:</u> <u>(1) 2.5 ounces of usable cannabis during a period of</u> <u>14 days and that is derived solely from an intrastate</u> <u>source.</u>
13 14 15 16 17 18	<u>Section:</u> <u>(a) "Adequate supply" means:</u> <u>(1) 2.5 ounces of usable cannabis during a period of</u> <u>14 days and that is derived solely from an intrastate</u> <u>source.</u> <u>(2) Subject to the rules of the Commission, a patient</u>
13 14 15 16 17 18 19	Section: (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source. (2) Subject to the rules of the Commission, a patient may apply for a waiver where a certifying health care
13 14 15 16 17 18 19 20	Section: (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source. (2) Subject to the rules of the Commission, a patient may apply for a waiver where a certifying health care professional provides a substantial medical basis in a
13 14 15 16 17 18 19 20 21	Section: (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source. (2) Subject to the rules of the Commission, a patient may apply for a waiver where a certifying health care professional provides a substantial medical basis in a signed, written statement asserting that, based on the
13 14 15 16 17 18 19 20 21 22	<pre>Section: (a) "Adequate supply" means: (1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source. (2) Subject to the rules of the Commission, a patient may apply for a waiver where a certifying health care professional provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care</pre>

1	condition or symptoms associated with the debilitating
2	medical condition.
3	(3) This subsection may not be construed to authorize
4	the possession of more than 2.5 ounces at any time without
5	authority from the Commission.
6	(4) The pre-mixed weight of medical cannabis used in
7	making a cannabis infused product shall apply toward the
8	limit on the total amount of medical cannabis a registered
9	qualifying patient may possess at any one time.
10	(a-5) "Advanced practice registered nurse" means a person
11	who is licensed under the Nurse Practice Act as an advanced
12	practice registered nurse and has a controlled substances
13	license under Article III of the Illinois Controlled
14	Substances Act.
15	(d) "Cardholder" means a qualifying patient or a
16	designated caregiver who has been issued and possesses a valid
17	registry identification card by the Department of Public
18	Health.
19	<u>(d-5) "Certifying health care professional" means a</u>
20	physician, an advanced practice registered nurse, or a
21	physician assistant.
22	(h) "Debilitating medical condition" means one or more of
23	the following:
24	(1) cancer, glaucoma, positive status for human
25	immunodeficiency virus, acquired immune deficiency
26	syndrome, hepatitis C, amyotrophic lateral sclerosis,

1	Crohn's disease (including, but not limited to, ulcerative
2	colitis), agitation of Alzheimer's disease,
3	cachexia/wasting syndrome, muscular dystrophy,
4	fibromyalgia, spinal cord disease, including but not
5	limited to arachnoiditis, Tarlov cysts, hydromyelia,
6	syringomyelia, Rheumatoid arthritis, fibrous dysplasia,
7	spinal cord injury, traumatic brain injury and
8	post-concussion syndrome, Multiple Sclerosis,
9	Arnold-Chiari malformation and Syringomyelia,
10	Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's,
11	Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD
12	(Complex Regional Pain Syndromes Type I), Causalgia, CRPS
13	(Complex Regional Pain Syndromes Type II),
14	Neurofibromatosis, Chronic Inflammatory Demyelinating
15	Polyneuropathy, Sjogren's syndrome, Lupus, Interstitial
16	Cystitis, Myasthenia Gravis, Hydrocephalus, nail-patella
17	syndrome, residual limb pain, seizures (including those
18	characteristic of epilepsy), post-traumatic stress
19	disorder (PTSD), autism, chronic pain, irritable bowel
20	syndrome, migraines, osteoarthritis, anorexia nervosa,
21	Ehlers-Danlos Syndrome, Neuro-Behcet's Autoimmune
22	Disease, neuropathy, polycystic kidney disease, superior
23	canal dehiscence syndrome, or the treatment of these
24	conditions;
25	(1.5) terminal illness with a diagnosis of 6 months or
26	less; if the terminal illness is not one of the qualifying

1	debilitating medical conditions, then the certifying
2	health care professional shall on the certification form
3	identify the cause of the terminal illness; or
4	(2) any other debilitating medical condition or its
5	treatment that is added by the Department of Public Health
6	by rule as provided in Section 75-45.
7	(i) "Designated caregiver" means a person who: (1) is at
8	least 21 years of age; (2) has agreed to assist with a
9	patient's medical use of cannabis; (3) has not been convicted
10	of an excluded offense; and (4) assists no more than one
11	registered qualifying patient with his or her medical use of
12	cannabis.
13	(l-10) "Illinois Cannabis Tracking System" means a
14	web-based system established and maintained by the Commission
15	that is available to the Department of Agriculture, the
16	Department of Financial and Professional Regulation, the
17	Illinois State Police, and registered medical cannabis
18	dispensing organizations on a 24-hour basis to upload written
19	certifications for Opioid Alternative Pilot Program
20	participants, to verify Opioid Alternative Pilot Program
21	participants, to verify Opioid Alternative Pilot Program
22	participants' available cannabis allotment and assigned
23	dispensary, and the tracking of the date of sale, amount, and
24	price of medical cannabis purchased by an Opioid Alternative
25	<u>Pilot Program participant.</u>
0.0	

26 (m) "Medical cannabis cultivation center registration"

1	means a registration issued by the Department of Agriculture.
2	(n) "Medical cannabis container" means a sealed,
3	traceable, food compliant, tamper resistant, tamper evident
4	container, or package used for the purpose of containment of
5	medical cannabis from a cultivation center to a dispensing
6	organization.
7	(o) "Medical cannabis dispensing organization", or
8	"dispensing organization", or "dispensary organization" means
9	a facility operated by an organization or business that is
10	registered by the Commission to acquire medical cannabis from
11	a registered cultivation center for the purpose of dispensing
12	cannabis, paraphernalia, or related supplies and educational
13	materials to registered qualifying patients, individuals with
14	a provisional registration for qualifying patient cardholder
15	status, or an Opioid Alternative Pilot Program participant.
16	(p) "Medical cannabis dispensing organization agent" or
17	"dispensing organization agent" means a principal officer,
18	board member, employee, or agent of a registered medical
19	cannabis dispensing organization who is 21 years of age or
20	older and has not been convicted of an excluded offense.
21	(q) "Medical cannabis infused product" means food, oils,
22	ointments, or other products containing usable cannabis that
23	are not smoked.
24	(r) "Medical use" means the acquisition; administration;
25	delivery; possession; transfer; transportation; or use of
26	cannabis to treat or alleviate a registered qualifying

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1	patient's debilitating medical condition or symptoms
2	associated with the patient's debilitating medical condition.
3	(r-5) "Opioid" means a narcotic drug or substance that is
4	a Schedule II controlled substance under paragraph (1), (2),
5	(3), or (5) of subsection (b) or under subsection (c) of
6	Section 206 of the Illinois Controlled Substances Act.
7	<u>(r-10) "Opioid Alternative Pilot Program participant"</u>
8	means an individual who has received a valid written
9	certification to participate in the Opioid Alternative Pilot
10	Program for a medical condition for which an opioid has been or

12 based on generally accepted standards of care.

13 <u>(s) "Physician" means a doctor of medicine or doctor of</u> 14 <u>osteopathy licensed under the Medical Practice Act of 1987 to</u> 15 <u>practice medicine and who has a controlled substances license</u> 16 <u>under Article III of the Illinois Controlled Substances Act.</u> 17 <u>It does not include a licensed practitioner under any other</u> 18 <u>Act including but not limited to the Illinois Dental Practice</u> 19 Act.

could be prescribed by a certifying health care professional

20 <u>(s-1) "Physician assistant" means a physician assistant</u>
21 licensed under the Physician Assistant Practice Act of 1987
22 and who has a controlled substances license under Article III
23 of the Illinois Controlled Substances Act.

24 <u>(s-5) "Provisional registration" means a document issued</u>
 25 by the Commission to a qualifying patient who has submitted:
 26 <u>(1) an online application and paid a fee to participate in the</u>

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<u>Compassionate Use of Medical Cannabis Program pending approval</u>
 <u>or denial of the patient's application; or (2) a completed</u>
 <u>application for terminal illness.</u>

4 (t) "Qualifying patient" means a person who has been
5 diagnosed by a certifying health care professional as having a
6 debilitating medical condition.

7 <u>(u) "Registered" means licensed, permitted, or otherwise</u>
8 <u>certified by the Commission.</u>

9 <u>(v) "Registry identification card" means a document issued</u> 10 <u>by the Commission that identifies a person as a registered</u> 11 <u>qualifying patient or registered designated caregiver.</u>

12 <u>(w) "Usable cannabis" means the seeds, leaves, buds, and</u> 13 <u>flowers of the cannabis plant and any mixture or preparation</u> 14 <u>thereof, but does not include the stalks, and roots of the</u> 15 <u>plant. It does not include the weight of any non-cannabis</u> 16 <u>ingredients combined with cannabis, such as ingredients added</u> 17 <u>to prepare a topical administration, food, or drink.</u>

(x) "Verification system" means a Web-based system 18 19 established and maintained by the Commission, law enforcement 20 personnel, and registered medical cannabis dispensing 21 organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of 22 23 medical cannabis to medical cannabis dispensing organizations, 24 and the tracking of the date of sale, amount, and price of 25 medical cannabis purchased by a registered qualifying patient. (y) "Written certification" means a document dated and 26

1	signed by a certifying health care professional, stating (1)
2	that the qualifying patient has a debilitating medical
3	condition and specifying the debilitating medical condition
4	the qualifying patient has; and (2) that (A) the certifying
5	health care professional is treating or managing treatment of
6	the patient's debilitating medical condition; or (B) an Opioid
7	Alternative Pilot Program participant has a medical condition
8	for which opioids have been or could be prescribed. A written
9	certification shall be made only in the course of a bona fide
10	health care professional-patient relationship, after the
11	certifying health care professional has completed an
12	assessment of either a qualifying patient's medical history or
13	Opioid Alternative Pilot Program participant, reviewed
14	relevant records related to the patient's debilitating
15	condition, and conducted a physical examination.
16	<u>(z) "Bona fide health care professional-patient</u>
17	relationship" means a relationship established at a hospital,
18	certifying health care professional's office, or other health
19	care facility in which the certifying health care professional

20 <u>has an ongoing responsibility for the assessment, care, and</u> 21 <u>treatment of a patient's debilitating medical condition or a</u> 22 <u>symptom of the patient's debilitating medical condition.</u>

A veteran who has received treatment at a VA hospital
shall be deemed to have a bona fide health care
professional-patient relationship with a VA certifying health
care professional if the patient has been seen for his or her

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1	debilitating medical condition at the VA Hospital in
2	accordance with VA Hospital protocols.
3	<u>A bona fide health care professional-patient relationship</u>
4	under this subsection is a privileged communication within the
5	meaning of Section 8-802 of the Code of Civil Procedure.
6	(410 ILCS 705/75-15 new)
7	Sec. 75-15. Authority.
8	(a) It is the duty of the Commission to enforce the
9	following provisions of this Article unless otherwise provided
10	for by this Article:
11	(1) establish and maintain a confidential registry of
12	qualifying patients authorized to engage in the medical
13	use of cannabis and their caregivers;
14	(2) distribute educational materials about the health
15	benefits and risks associated with the use of cannabis and
16	prescription medications;
17	(3) adopt rules to administer the patient and
18	caregiver registration program; and
19	(4) adopt rules establishing food handling
20	requirements for cannabis-infused products that are
21	prepared for human consumption.
22	(b) It is the duty of the Commission to enforce the
23	provisions of this Article relating to the registration and
24	oversight of cultivation centers unless otherwise provided for
25	in this Article.

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1	(c) It is the duty of the Commission to enforce the
2	provisions of this Article relating to the registration and
3	oversight of dispensing organizations unless otherwise
4	provided for in this Article.
5	(d) The Commission, the Department of Public Health, the
6	Department of Agriculture, or the Department of Financial and
7	Professional Regulation shall enter into intergovernmental
8	agreements, as necessary, to carry out the provisions of this
9	Article including, but not limited to, the provisions relating
10	to the registration and oversight of cultivation centers,
11	dispensing organizations, and qualifying patients and
12	caregivers.
13	(e) The Commission may suspend, revoke, or impose other
14	penalties upon a registration for violations of this Article
15	and any rules adopted in accordance thereto. The suspension or
16	revocation of, or imposition of any other penalty upon, a
17	registration is a final Agency action, subject to judicial
18	review. Jurisdiction and venue for judicial review are vested
19	in the Circuit Court.

20 (410 ILCS 705/75-20 new)
21 Sec. 75-20. Compassionate Use of Medical Cannabis Fund.
22 (a) There is created the Compassionate Use of Medical
23 Cannabis Fund in the State treasury to be used exclusively for
24 the direct and indirect costs associated with the
25 implementation, administration, and enforcement of this

Article. Funds in excess of the direct and indirect costs 1 2 associated with the implementation, administration, and 3 enforcement of this Article shall be used to fund crime 4 prevention programs. 5 (b) All monies collected under this Article shall be deposited in the Compassionate Use of Medical Cannabis Fund in 6 the State treasury. All earnings received from investment of 7 8 monies in the Compassionate Use of Medical Cannabis Fund shall 9 be deposited in the Compassionate Use of Medical Cannabis 10 Fund. 11 (c) Notwithstanding any other law to the contrary, the 12 Compassionate Use of Medical Cannabis Fund is not subject to 13 sweeps, administrative charge-backs, or any other fiscal or 14 budgetary maneuver that would in any way transfer any amounts 15 from the Compassionate Use of Medical Cannabis Fund into any 16 other fund of the State with the exception for purposes to 17 support Social Equity Applicants, owners and programs or as 18 determined by the Commission. 19 (410 ILCS 705/75-25 new) 20 Sec. 75-25. Immunities and presumptions related to the 21 medical use of cannabis. 22 (a) A registered qualifying patient is not subject to 23 arrest, prosecution, or denial of any right or privilege,

24 including, but not limited to, civil penalty or disciplinary

25 <u>action by an occupational or professional licensing board, for</u>

1	the medical use of cannabis in accordance with this Article,
2	if the registered qualifying patient possesses an amount of
3	cannabis that does not exceed an adequate supply as defined in
4	subsection (a) of Section 75-10 of this Article of usable
5	cannabis and, where the registered qualifying patient is a
6	licensed professional, the use of cannabis does not impair
7	that licensed professional when he or she is engaged in the
8	practice of the profession for which he or she is licensed.
9	(b) A registered designated caregiver is not subject to
10	arrest, prosecution, or denial of any right or privilege,
11	including, but not limited to, civil penalty or disciplinary
12	action by an occupational or professional licensing board, for
13	acting in accordance with this Article to assist a registered
14	qualifying patient to whom he or she is connected through the
15	with the exception for purposes to support Social Equity
16	Applicants, owners and programs or as determined by the
17	Commission's registration process with the medical use of
18	cannabis if the designated caregiver possesses an amount of
19	cannabis that does not exceed an adequate supply as defined in
20	subsection (a) of Section 75-10 of this Article of usable
21	cannabis. A school nurse or school administrator is not
22	subject to arrest, prosecution, or denial of any right or
23	privilege, including, but not limited to, a civil penalty, for
24	acting in accordance with Section 22-33 of the School Code
25	relating to administering or assisting a student in
26	self-administering a medical cannabis infused product. The

1	total amount possessed between the qualifying patient and
2	caregiver shall not exceed the patient's adequate supply as
3	defined in subsection (a) of Section 75-10 of this Article.
4	(c) A registered qualifying patient or registered
5	designated caregiver is not subject to arrest, prosecution, or
6	denial of any right or privilege, including, but not limited
7	to, civil penalty or disciplinary action by an occupational or
8	professional licensing board for possession of cannabis that
9	is incidental to medical use, but is not usable cannabis as
10	defined in this Article.
11	(d)(1) There is a rebuttable presumption that a registered
12	qualifying patient is engaged in, or a designated caregiver is
13	assisting with, the medical use of cannabis in accordance with
14	this Article if the qualifying patient or designated
15	caregiver:
16	(A) is in possession of a valid registry
17	identification card; and
18	(B) is in possession of an amount of cannabis that
19	does not exceed the amount allowed under subsection (a) of
20	Section 75-10.
21	(2) The presumption may be rebutted by evidence that
22	conduct related to cannabis was not for the purpose of
23	treating or alleviating the qualifying patient's debilitating
24	medical condition or symptoms associated with the debilitating
25	medical condition in compliance with this Article.
26	(e) A certifying health care professional is not subject

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1	to arrest, prosecution, or penalty in any manner, or denial of
2	any right or privilege, including, but not limited to, civil
3	penalty or disciplinary action by the Medical Disciplinary
4	Board or by any other occupational or professional licensing
5	board, solely for providing written certifications or for
6	otherwise stating that, in the certifying health care
7	professional's professional opinion, a patient is likely to
8	receive therapeutic or palliative benefit from the medical use
9	of cannabis to treat or alleviate the patient's debilitating
10	medical condition or symptoms associated with the debilitating
11	medical condition, provided that nothing shall prevent a
12	professional licensing or disciplinary board from sanctioning
13	a certifying health care professional for: (1) issuing a
14	written certification to a patient who is not under the
15	certifying health care professional's care for a debilitating
16	medical condition; or (2) failing to properly evaluate a
17	patient's medical condition or otherwise violating the
18	standard of care for evaluating medical conditions.
19	(f) No person may be subject to arrest, prosecution, or
20	denial of any right or privilege, including, but not limited
21	to, civil penalty or disciplinary action by an occupational or
22	professional licensing board, solely for: (1) selling cannabis
23	paraphernalia to a cardholder upon presentation of an
24	unexpired registry identification card in the recipient's
25	name, if employed and registered as a dispensing agent by a

26 registered dispensing organization; (2) being in the presence

or vicinity of the medical use of cannabis as allowed under this Article; or (3) assisting a registered qualifying patient with the act of administering cannabis.

4 (q) A registered cultivation center is not subject to 5 prosecution; search or inspection, except by the with the exception for purposes to support Social Equity Applicants, 6 7 owners and programs or as determined by the Commission or 8 State or local law enforcement under Section 75-130; seizure; 9 or penalty in any manner, or denial of any right or privilege, 10 including, but not limited to, civil penalty or disciplinary 11 action by a business licensing board or entity, for acting 12 under this Article and Commission rules to: acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, 13 14 or sell cannabis to registered dispensing organizations.

15 (h) A registered cultivation center agent is not subject to prosecution, search, or penalty in any manner, or denial of 16 17 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board 18 or entity, for working or volunteering for a registered 19 20 cannabis cultivation center under this Article and Commission rules, including to perform the actions listed under 21 22 subsection (q).

(i) A registered dispensing organization is not subject to
 prosecution; search or inspection, except by the Commission or
 State or local law enforcement pursuant to Section 75-130;
 seizure; or penalty in any manner, or denial of any right or

privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for acting under this Article and Commission rules to: acquire, possess, or dispense cannabis, or related supplies, and educational materials to registered qualifying patients or registered designated caregivers on behalf of registered qualifying patients.

8 (j) A registered dispensing organization agent is not 9 subject to prosecution, search, or penalty in any manner, or 10 denial of any right or privilege, including, but not limited 11 to, civil penalty or disciplinary action by a business 12 licensing board or entity, for working or volunteering for a dispensing organization under this Article and Department of 13 14 Financial and Professional Regulation rules, including to 15 perform the actions listed under subsection (i).

16 (k) Any cannabis, cannabis paraphernalia, illegal 17 property, or interest in legal property that is possessed, owned, or used in connection with the medical use of cannabis 18 19 as allowed under this Article, or acts incidental to that use, 20 may not be seized or forfeited. This Article does not prevent 21 the seizure or forfeiture of cannabis exceeding the amounts 22 allowed under this Article, nor shall it prevent seizure or forfeiture if the basis for the action is unrelated to the 23 24 cannabis that is possessed, manufactured, transferred, or used 25 under this Article.

26 (1) Mere possession of, or application for, a registry

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1	identification card or registration certificate does not
2	constitute probable cause or reasonable suspicion, nor shall
3	it be used as the sole basis to support the search of the
4	person, property, or home of the person possessing or applying
5	for the registry identification card. The possession of, or
6	application for, a registry identification card does not
7	preclude the existence of probable cause if probable cause
8	exists on other grounds.
9	(m) Nothing in this Article shall preclude local or State
10	law enforcement agencies from searching a registered
11	cultivation center where there is probable cause to believe
12	that the criminal laws of this State have been violated and the
13	search is conducted in conformity with the Illinois
14	Constitution, the Constitution of the United States, and all
15	<u>State statutes.</u>
16	(n) Nothing in this Article shall preclude local or State
17	law enforcement agencies from searching a registered
18	dispensing organization where there is probable cause to
19	believe that the criminal laws of this State have been
20	violated and the search is conducted in conformity with the
21	Illinois Constitution, the Constitution of the United States,
22	and all State statutes.

(o) No individual employed by the State of Illinois shall
 be subject to criminal or civil penalties for taking any
 action in accordance with the provisions of this Article, when
 the actions are within the scope of the individual's

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employment. Representation and indemnification of State
 employees shall be provided to State employees as set forth in
 Section 2 of the State Employee Indemnification Act.

4 (p) No law enforcement or correctional agency, nor any 5 individual employed by a law enforcement or correctional agency, shall be subject to criminal or civil liability, 6 except for willful and wanton misconduct, as a result of 7 8 taking any action within the scope of the official duties of 9 the agency or individual to prohibit or prevent the possession or use of cannabis by a cardholder incarcerated at a 10 11 correctional facility, jail, or municipal lockup facility, on 12 parole or mandatory supervised release, or otherwise under the 13 lawful jurisdiction of the agency or individual.

14 (410 ILCS 705/75-30 new) 15 Sec. 75-30. Limitations and penalties. 16 (a) This Article does not permit any person to engage in, 17 and does not prevent the imposition of any civil, criminal, or 18 other penalties for engaging in, the following conduct: (1) Undertaking any task under the influence of 19 cannabis, when doing so would constitute negligence, 20 21 professional malpractice, or professional misconduct; 22 (2) Possessing cannabis: 23 (A) except as provided under Section 22-33 of the 24 School Code, in a school bus; (B) except as provided under Section 22-33 of the 25

1	School Code, on the grounds of any preschool or
2	primary or secondary school;
3	(C) in any correctional facility;
4	(D) in a vehicle under Section 11-502.1 of the
5	Illinois Vehicle Code;
6	(E) in a vehicle not open to the public unless the
7	medical cannabis is in a reasonably secured, sealed
8	container and reasonably inaccessible while the
9	vehicle is moving; or
10	(F) in a private residence that is used at any time
11	to provide licensed child care or other similar social
12	service care on the premises;
13	(3) Using cannabis:
14	(A) except as provided under Section 22-33 of the
15	School Code, in a school bus;
16	(B) except as provided under Section 22-33 of the
17	School Code, on the grounds of any preschool or
18	primary or secondary school;
19	(C) in any correctional facility;
20	(D) in any motor vehicle;
21	(E) in a private residence that is used at any time
22	to provide licensed child care or other similar social
23	service care on the premises;
24	(F) except as provided under Section 22-33 of the
25	School Code and Section 75-31 of this Article, in any
26	public place. "Public place" as used in this

1	subsection means any place where an individual could
2	reasonably be expected to be observed by others. A
3	"public place" includes all parts of buildings owned
4	in whole or in part, or leased, by the State or a local
5	unit of government. A "public place" does not include
6	a private residence unless the private residence is
7	used to provide licensed child care, foster care, or
8	other similar social service care on the premises. For
9	purposes of this subsection, a "public place" does not
10	include a health care facility. For purposes of this
11	Section, a "health care facility" includes, but is not
12	limited to, hospitals, nursing homes, hospice care
13	centers, and long-term care facilities;
14	(G) except as provided under Section 22-33 of the
15	School Code and Section 75-31 of this Article,
16	knowingly in close physical proximity to anyone under
17	the age of 18 years of age;
18	(4) Smoking medical cannabis in any public place where
19	an individual could reasonably be expected to be observed
20	by others, in a health care facility, or any other place
21	where smoking is prohibited under the Smoke Free Illinois
22	Act;
23	(5) Operating, navigating, or being in actual physical
24	control of any motor vehicle, aircraft, or motorboat while
25	using or under the influence of cannabis in violation of
26	Sections 11-501 and 11-502.1 of the Illinois Vehicle Code;

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1	(6) Using or possessing cannabis if that person does
2	not have a debilitating medical condition and is not a
3	registered qualifying patient or caregiver;
4	(7) Allowing any person who is not allowed to use
5	cannabis under this Article to use cannabis that a
6	cardholder is allowed to possess under this Article;
7	(8) Transferring cannabis to any person contrary to
8	the provisions of this Article;
9	(9) The use of medical cannabis by an active duty law
10	enforcement officer, correctional officer, correctional
11	probation officer, or firefighter; or
12	(10) The use of medical cannabis by a person who has a
13	school bus permit or a Commercial Driver's License.
14	(b) Nothing in this Article shall be construed to prevent
15	the arrest or prosecution of a registered qualifying patient
16	for reckless driving or driving under the influence of
17	cannabis where probable cause exists.
18	(c) Notwithstanding any other criminal penalties related
19	to the unlawful possession of cannabis, knowingly making a
20	misrepresentation to a law enforcement official of any fact or
21	circumstance relating to the medical use of cannabis to avoid
22	arrest or prosecution is a petty offense punishable by a fine
23	of up to \$1,000, which shall be in addition to any other
24	penalties that may apply for making a false statement or for
25	the use of cannabis other than use undertaken under this
26	<u>Article.</u>

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1	(d) Notwithstanding any other criminal penalties related
2	to the unlawful possession of cannabis, any person who makes a
3	misrepresentation of a medical condition to a certifying
4	health care professional or fraudulently provides material
5	misinformation to a certifying health care professional in
6	order to obtain a written certification is quilty of a petty
7	offense punishable by a fine of up to \$1,000.

8 <u>(e) Any cardholder or registered caregiver who sells</u> 9 <u>cannabis shall have the cardholder's or caregiver's registry</u> 10 <u>identification card revoked and is subject to other penalties</u> 11 <u>for the unauthorized sale of cannabis.</u>

12 (f) Any registered qualifying patient who commits a 13 violation of Section 11-502.1 of the Illinois Vehicle Code or 14 refuses a properly requested test related to operating a motor 15 vehicle while under the influence of cannabis shall have the 16 patient's registry identification card revoked.

17 (g) No registered qualifying patient or designated 18 careqiver shall knowingly obtain, seek to obtain, or possess, 19 individually or collectively, an amount of usable cannabis 20 from a registered medical cannabis dispensing organization 21 that would cause the patient or caregiver to exceed the 22 authorized adequate supply under subsection (a) of Section 23 <u>75-10.</u>

(h) Nothing in this Article shall prevent a private
 business from restricting or prohibiting the medical use of
 cannabis on its property.

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1 (i) Nothing in this Article shall prevent a university, 2 college, or other institution of post-secondary education from 3 restricting or prohibiting the use of medical cannabis on its 4 property. 5 (410 ILCS 705/75-31 new) 6 Sec. 75-31. Administration to persons with disabilities in park district programs. 7 8 (a) Definitions. As used in this Section: 9 (1) "Park district" has the meaning as defined in 10 Section 1-3 of the Park District Code. "Park district" 11 includes the Chicago Park District as defined by the 12 Chicago Park District Act, any special recreational 13 association created by a park district through an intergovernmental agreement, and any nonprofit 14 organization authorized by the park district or special 15 16 recreational association to administer a program for 17 persons with disabilities on its behalf. 18 (2) "Program participant" means a person with disabilities who is a registered qualifying patient and 19 20 who participates in a summer camp, educational program, or 21 other similar program provided by a park district for 22 persons with disabilities. 23 (b) Subject to the restrictions under subsections (c) 24 through (f) of this Section, a park district shall authorize a

program participant's parent, guardian, or other designated 25

1	caregiver to administer a medical cannabis infused product to
2	the program participant on the premises of the park district
3	if both the program participant and the parent, guardian, or
4	other designated caregiver are cardholders. After
5	administering the medical cannabis infused product, the
6	parent, guardian, or other designated caregiver shall remove
7	the medical cannabis infused product from the premises of the
8	park district.
9	(c) A parent, guardian, or other designated caregiver may
10	not administer a medical cannabis infused product under this
11	Section in a manner that, in the opinion of the park district,
12	would create a disruption to the park district's program or
13	activity for persons with disabilities or would cause exposure
14	of the medical cannabis infused product to other program
15	participants.
16	<u>(d) A park district may not discipline a program</u>
17	participant who is administered a medical cannabis infused
18	product by a parent, quardian, or other designated caregiver
19	under this Section and may not deny the program participant's
20	eligibility to attend the park district's program or activity
21	for persons with disabilities solely because the program
22	participant requires the administration of the medical
23	cannabis infused product.
24	(e) Nothing in this Section requires a member of the park
25	district's staff to administer a medical cannabis infused
26	product to a program participant.

1	(f) A park district may not authorize the use of a medical
2	cannabis infused product under this Section if the park
3	district would lose federal funding as a result of the
4	authorization.
5	(410 ILCS 705/75-35 new)
6	Sec. 75-35. Certifying health care professional
7	requirements.
8	(a) A certifying health care professional who certifies a
9	debilitating medical condition for a qualifying patient shall
10	comply with all of the following requirements:
11	(1) The certifying health care professional shall be
12	currently licensed under the Medical Practice Act of 1987
13	to practice medicine in all its branches, the Nurse
14	Practice Act, or the Physician Assistant Practice Act of
15	1987, shall be in good standing, and must hold a
16	controlled substances license under Article III of the
17	Illinois Controlled Substances Act.
18	(2) A certifying health care professional certifying a
19	patient's condition shall comply with generally accepted
20	standards of medical practice, the provisions of the Act
21	under which he or she is licensed and all applicable
22	rules.
23	(3) The physical examination required by this Article
24	may not be performed by remote means, including
25	telemedicine.

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1	(4) The certifying health care professional shall
2	maintain a record-keeping system for all patients for whom
3	the certifying health care professional has certified the
4	patient's medical condition. These records shall be
5	accessible to and subject to review by the Commission upon
6	request.
7	(b) A certifying health care professional may not:
8	(1) accept, solicit, or offer any form of remuneration
9	from or to a qualifying patient, primary caregiver,
10	cultivation center, or dispensing organization, including
11	each principal officer, board member, agent, and employee,
12	to certify a patient, other than accepting payment from a
13	patient for the fee associated with the required
14	examination, except for the limited purpose of performing
15	a medical cannabis-related research study;
16	(1.5) accept, solicit, or offer any form of
17	remuneration from or to a medical cannabis cultivation
18	center or dispensary organization for the purposes of
19	referring a patient to a specific dispensary organization;
20	(1.10) engage in any activity that is prohibited under
21	Section 22.2 of the Medical Practice Act of 1987,
22	regardless of whether the certifying health care
23	professional is a physician, advanced practice registered

25 (2) offer a discount of any other item of value to a
 26 <u>qualifying patient who uses or agrees to use a particular</u>

nurse, or physician assistant;

1	primary caregiver or dispensing organization to obtain
2	medical cannabis;
3	(3) conduct a personal physical examination of a
4	patient for purposes of diagnosing a debilitating medical
5	condition at a location where medical cannabis is sold or
6	distributed or at the address of a principal officer,
7	agent, or employee or a medical cannabis organization;
8	(4) hold a direct or indirect economic interest in a
9	cultivation center or dispensing organization if he or she
10	recommends the use of medical cannabis to qualified
11	patients or is in a partnership or other fee or
12	profit-sharing relationship with a certifying health care
13	professional who recommends medical cannabis, except for
14	the limited purpose of performing a medical
15	<u>cannabis-related research study;</u>
15 16	<u>cannabis-related research study;</u> (5) serve on the board of directors or as an employee
16	(5) serve on the board of directors or as an employee
16 17	(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization;
16 17 18	(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a
16 17 18 19	(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a dispensing organization, or a registered designated
16 17 18 19 20	(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or
16 17 18 19 20 21	<pre>(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or (7) advertise in a cultivation center or a dispensing</pre>
16 17 18 19 20 21 22	<pre>(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or (7) advertise in a cultivation center or a dispensing organization.</pre>
16 17 18 19 20 21 22 23	<pre>(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization; (6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or (7) advertise in a cultivation center or a dispensing organization. (c) The Commission may with reasonable cause investigate a</pre>

1	(d) Any violation of this Section or any other provision
2	of this Article or rules adopted under this Article is a
3	violation of the certifying health care professional's
4	licensure act.
5	(e) A certifying health care professional who certifies a
6	debilitating medical condition for a qualifying patient may
7	notify the Department of Public Health in writing: (1) if the
8	certifying health care professional has reason to believe
9	either that the registered qualifying patient has ceased to
10	suffer from a debilitating medical condition; (2) that the
11	bona fide health care professional-patient relationship has
12	terminated; or (3) that continued use of medical cannabis
13	would result in contraindication with the patient's other
14	medication. The registered qualifying patient's registry
15	identification card shall be revoked by the Commission after
16	receiving the certifying health care professional's
17	notification.
18	(f) Nothing in this Article shall preclude a certifying
19	health care professional from referring a patient for health
20	services, except when the referral is limited to certification
21	purposes only, under this Article.
22	(410 ILCS 705/75-36 new)
23	Sec. 75-36. Written certification.
24	(a) A certification confirming a patient's debilitating

25 <u>medical condition shall be written on a form provided by the</u>

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1	Commission and shall include, at a minimum, the following:
2	(1) the qualifying patient's name, date of birth, home
3	address, and primary telephone number;
4	(2) the certifying health care professional's name,
5	address, telephone number, email address, and medical,
6	advanced practice registered nurse, or physician assistant
7	license number, and the last 4 digits, only, of his or her
8	active controlled substances license under the Illinois
9	Controlled Substances Act and indication of specialty or
10	primary area of clinical practice, if any;
11	(3) the qualifying patient's debilitating medical
12	condition;
13	(4) a statement that the certifying health care
14	professional has confirmed a diagnosis of a debilitating
15	condition; is treating or managing treatment of the
16	patient's debilitating condition; has a bona fide health
17	care professional-patient relationship; has conducted an
18	in-person physical examination; and has conducted a review
19	of the patient's medical history, including reviewing
20	medical records from other treating health care
21	professionals, if any, from the previous 12 months;
22	(5) the certifying health care professional's
23	signature and date of certification; and
24	(6) a statement that a participant in possession of a
25	written certification indicating a debilitating medical
26	condition shall not be considered an unlawful user or

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1	addicted to narcotics solely as a result of his or her
2	pending application to or participation in the
3	Compassionate Use of Medical Cannabis Program.
4	(b) A written certification does not constitute a
5	prescription for medical cannabis.
6	(c) Applications for qualifying patients under 18 years
7	old shall require a written certification from a certifying
8	health care professional and a reviewing certifying health
9	<u>care professional.</u>
10	(d) A certification confirming the patient's eligibility
11	to participate in the Opioid Alternative Pilot Program shall
12	be written on a form provided by the Department of Public
13	Health and shall include, at a minimum, the following:
14	(1) the participant's name, date of birth, home
15	address, and primary telephone number;
16	(2) the certifying health care professional's name,
17	address, telephone number, email address, and medical,
18	advanced practice registered nurse, or physician assistant
19	license number, and the last 4 digits, only, of his or her
20	active controlled substances license under the Illinois
21	Controlled Substances Act and indication of specialty or
22	primary area of clinical practice, if any;
23	(3) the certifying health care professional's
24	signature and date;
25	(4) the length of participation in the program, which
26	shall be limited to no more than 90 days;

1	(5) a statement identifying the patient has been
2	diagnosed with and is currently undergoing treatment for a
3	medical condition where an opioid has been or could be
4	prescribed; and
5	(6) a statement that a participant in possession of a
6	written certification indicating eligibility to
7	participate in the Opioid Alternative Pilot Program shall
8	not be considered an unlawful user or addicted to
9	narcotics solely as a result of his or her eligibility or
10	participation in the program.
11	(e) The Commission may provide a single certification form
12	for subsections (a) and (d) of this Section, provided that all
13	requirements of those subsections are included on the form.
14	(f) The Commission shall not include the word "cannabis"
15	on any application forms or written certification forms that
16	it issues under this Section.
17	(q) A written certification does not constitute a
18	prescription.
19	(h) It is unlawful for any person to knowingly submit a
20	fraudulent certification to be a qualifying patient in the
21	Compassionate Use of Medical Cannabis Program or an Opioid
22	Alternative Pilot Program participant. A violation of this
23	subsection shall result in the person who has knowingly
24	submitted the fraudulent certification being permanently
25	banned from participating in the Compassionate Use of Medical
26	Cannabis Program or the Opioid Alternative Pilot Program.

1	(410 ILCS 705/75-40 new)
2	Sec. 75-40. Discrimination prohibited.
3	(a)(1) No school, employer, or landlord may refuse to
4	enroll or lease to, or otherwise penalize, a person solely for
5	his or her status as a registered qualifying patient or a
6	registered designated caregiver, unless failing to do so would
7	put the school, employer, or landlord in violation of federal
8	law or unless failing to do so would cause it to lose a
9	monetary or licensing-related benefit under federal law or
10	rules. This does not prevent a landlord from prohibiting the
11	smoking of cannabis on the premises.
12	(2) For the purposes of medical care, including organ
13	transplants, a registered qualifying patient's authorized use
14	of cannabis in accordance with this Article is considered the
15	equivalent of the authorized use of any other medication used
16	at the direction of a certifying health care professional, and
17	may not constitute the use of an illicit substance or
18	otherwise disqualify a qualifying patient from needed medical
19	care.
20	(b) A person otherwise entitled to custody of or
21	visitation or parenting time with a minor may not be denied
22	that right, and there is no presumption of neglect or child
23	endangerment, for conduct allowed under this Article, unless
24	the person's actions in relation to cannabis were such that
25	they created an unreasonable danger to the safety of the minor

as established by clear and convincing evidence. 1 2 (c) No school, landlord, or employer may be penalized or 3 denied any benefit under State law for enrolling, leasing to, or employing a cardholder. 4 5 (d) Nothing in this Article may be construed to require a government medical assistance program, employer, property and 6 casualty insurer, or private health insurer to reimburse a 7 8 person for costs associated with the medical use of cannabis. 9 (e) Nothing in this Article may be construed to require 10 any person or establishment in lawful possession of property 11 to allow a guest, client, customer, or visitor who is a 12 registered qualifying patient to use cannabis on or in that 13 property. 14 (410 ILCS 705/75-45 new) 15 Sec. 75-45. Addition of debilitating medical conditions. 16 (a) Any resident may petition the Commission to add 17 debilitating conditions or treatments to the list of 18 debilitating medical conditions listed in subsection (h) of

Section 75-10. The Commission shall approve or deny a petition within 180 days of its submission, and, upon approval, shall proceed to add that condition by rule in accordance with the Illinois Administrative Procedure Act. The approval or denial of any petition is a final decision of the Commission, subject to judicial review. Jurisdiction and venue are vested in the Circuit Court. - 329 - LRB103 05062 CPF 50076 b

1	(b) The Commission shall accept petitions once annually
2	for a one-month period determined by the Commission. During
3	the open period, the Commission shall accept petitions from
4	any resident requesting the addition of a new debilitating
5	medical condition or disease to the list of approved
6	debilitating medical conditions for which the use of cannabis
7	has been shown to have a therapeutic or palliative effect. The
8	Commission shall provide public notice 30 days before the open
9	period for accepting petitions, which shall describe the time
10	period for submission, the required format of the submission,
11	and the submission address.
12	(c) Each petition shall be limited to one proposed
13	debilitating medical condition or disease.
14	(d) A petitioner shall file one original petition in the
15	format provided by the Commission and in the manner specified
16	by the Commission. For a petition to be processed and
17	reviewed, the following information shall be included:
18	(1) The petition, prepared on forms provided by the
19	Commission, in the manner specified by the Commission.
20	(2) A specific description of the medical condition or
21	disease that is the subject of the petition. Each petition
22	shall be limited to a single condition or disease.
23	Information about the proposed condition or disease shall
24	include:
25	(A) the extent to which the condition or disease

1	as severe or chronic pain, severe nausea or vomiting,
2	or otherwise severely impair a person's ability to
3	conduct activities of daily living;
4	(B) information about why conventional medical
5	therapies are not sufficient to alleviate the
6	suffering caused by the disease or condition and its
7	treatment;
8	(C) the proposed benefits from the medical use of
9	cannabis specific to the medical condition or disease;
10	(D) evidence from the medical community and other
11	experts supporting the use of medical cannabis to
12	alleviate suffering caused by the condition, disease,
13	or treatment;
14	(E) letters of support from physicians or other
15	licensed health care providers knowledgeable about the
16	condition or disease, including, if feasible, a letter
17	from a physician, advanced practice registered nurse,
18	or physician assistant with whom the petitioner has a
19	bona fide health care professional-patient
20	relationship;
21	(F) any additional medical, testimonial, or
22	scientific documentation; and
23	(G) an electronic copy of all materials submitted.
24	(3) Upon receipt of a petition, the Department shall:
25	(A) determine whether the petition meets the
26	standards for submission and, if so, shall accept the

1	petition for further review; or
2	(B) determine whether the petition does not meet
3	the standards for submission and, if so, shall deny
4	the petition without further review.
5	(4) If the petition does not fulfill the standards for
6	submission, the petition shall be considered deficient.
7	The Commission shall notify the petitioner, who may
8	correct any deficiencies and resubmit the petition during
9	the next open period.
10	(e) The petitioner may withdraw his or her petition by
11	submitting a written statement to the Commission indicating
12	withdrawal.
13	(f) Upon review of accepted petitions, the Director shall
14	render a final decision regarding the acceptance or denial of
15	
	the proposed debilitating medical conditions or diseases.
16	<u>(q) The Commission shall convene a Medical Cannabis</u>
17	Advisory Board (Advisory Board) composed of 16 members, which
18	shall include:
19	(1) one medical cannabis patient advocate or
20	designated caregiver;
21	(2) one parent or designated caregiver of a person
22	under the age of 18 who is a qualified medical cannabis
23	patient;
24	(3) two registered nurses or nurse practitioners;
25	(4) three registered qualifying patients, including
26	one veteran; and

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1	(5) nine health care practitioners with current
2	professional licensure in their field. The Advisory Board
3	shall be composed of health care practitioners
4	representing the following areas:
5	(A) neurology;
6	(B) pain management;
7	(C) medical oncology;
8	(D) psychiatry or mental health;
9	(E) infectious disease;
10	(F) family medicine;
11	(G) general primary care;
12	(H) medical ethics;
13	(I) pharmacy;
14	(J) pediatrics; or
15	(K) psychiatry or mental health for children or
16	adolescents.
17	At least one appointed health care practitioner shall have
18	direct experience related to the health care needs of veterans
19	and at least one individual shall have pediatric experience.
20	(h) Members of the Advisory Board shall be appointed by
21	the Governor.
22	(1) Members shall serve a term of 4 years or until a
23	successor is appointed and qualified. If a vacancy occurs,
24	the Governor shall appoint a replacement to complete the
25	original term created by the vacancy.
26	(2) The Governor shall select a chairperson.

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1	(3) Members may serve multiple terms.
2	(4) Members shall not have an affiliation with, serve
3	on the board of, or have a business relationship with a
4	registered cultivation center or a registered medical
5	cannabis dispensary.
6	(5) Members shall disclose any real or apparent
7	conflicts of interest that may have a direct bearing of
8	the subject matter, such as relationships with
9	pharmaceutical companies, biomedical device
10	manufacturers, or corporations whose products or services
11	are related to the medical condition or disease to be
12	reviewed.
13	(6) Members shall not be paid but shall be reimbursed
14	for travel expenses incurred while fulfilling the
15	responsibilities of the Advisory Board.
16	(i) On June 30, 2016 (the effective date of Public Act
17	99-519), the terms of office of the members of the Advisory
18	Board serving on that date shall terminate and the Board shall
19	be reconstituted.
20	(j) The Advisory Board shall convene at the call of the
21	Chair:
22	(1) to examine debilitating conditions or diseases
23	that would benefit from the medical use of cannabis; and
24	(2) to review new medical and scientific evidence
25	pertaining to currently approved conditions.
26	(k) The Advisory Board shall issue an annual report of its

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1	activities	each	year.

2	(1) The Advisory Board shall receive administrative
3	support from the Department.
4	(410 ILCS 705/75-50 new)
5	Sec. 75-50. Employment; employer liability.
6	(a) Nothing in this Article shall prohibit an employer
7	from adopting reasonable regulations concerning the
8	consumption, storage, or timekeeping requirements for
9	qualifying patients related to the use of medical cannabis.
10	(b) Nothing in this Article shall prohibit an employer
11	from enforcing a policy concerning drug testing,
12	zero-tolerance, or a drug free workplace provided the policy
13	is applied in a nondiscriminatory manner.
14	(c) Nothing in this Article shall limit an employer from
15	disciplining a registered qualifying patient for violating a
16	workplace drug policy.
17	(d) Nothing in this Article shall limit an employer's
18	ability to discipline an employee for failing a drug test if
19	failing to do so would put the employer in violation of federal
20	law or cause it to lose a federal contract or funding.
21	(e) Nothing in this Article shall be construed to create a
22	defense for a third party who fails a drug test.
23	(f) An employer may consider a registered qualifying
24	patient to be impaired when he or she manifests specific,
25	articulable symptoms while working that decrease or lessen his

1	or her performance of the duties or tasks of the employee's job
2	position, including symptoms of the employee's speech,
3	physical dexterity, agility, coordination, demeanor,
4	irrational or unusual behavior, negligence or carelessness in
5	operating equipment or machinery, disregard for the safety of
6	the employee or others, or involvement in an accident that
7	results in serious damage to equipment or property, disruption
8	of a production or manufacturing process, or carelessness that
9	results in any injury to the employee or others. If an employer
10	elects to discipline a qualifying patient under this
11	subsection, it must afford the employee a reasonable
12	opportunity to contest the basis of the determination.
13	(g) Nothing in this Article shall be construed to create
14	or imply a cause of action for any person against an employer
14 15	or imply a cause of action for any person against an employer for: (1) actions based on the employer's good faith belief
15	for: (1) actions based on the employer's good faith belief
15 16	for: (1) actions based on the employer's good faith belief that a registered qualifying patient used or possessed
15 16 17	for: (1) actions based on the employer's good faith belief that a registered qualifying patient used or possessed cannabis while on the employer's premises or during the hours
15 16 17 18	for: (1) actions based on the employer's good faith belief that a registered qualifying patient used or possessed cannabis while on the employer's premises or during the hours of employment; (2) actions based on the employer's good faith
15 16 17 18 19	for: (1) actions based on the employer's good faith belief that a registered qualifying patient used or possessed cannabis while on the employer's premises or during the hours of employment; (2) actions based on the employer's good faith belief that a registered qualifying patient was impaired while

23 <u>impaired.</u>

(h) Nothing in this Article shall be construed to
 interfere with any federal restrictions on employment
 including but not limited to the United States Department of

1

Transportation regulation 49 CFR 40.151(e).

2	(410 ILCS 705/75-55 new)
3	Sec. 75-55. Registration of qualifying patients and
4	designated caregivers.
5	(a) The Commission shall issue registry identification
6	cards to qualifying patients and designated caregivers who
7	submit a completed application, and at minimum, the following,
8	in accordance with Commission rules:
9	(1) A written certification, on a form developed by
10	the Commission consistent with Section 75-36 and issued by
11	a certifying health care professional, within 90 days
12	immediately preceding the date of an application and
13	submitted by the qualifying patient or his or her
14	designated caregiver;
15	(2) upon the execution of applicable privacy waivers,
16	the patient's medical documentation related to his or her
17	debilitating condition and any other information that may
18	be reasonably required by the Commission to confirm that
19	the certifying health care professional and patient have a
20	bona fide health care professional-patient relationship,
21	that the qualifying patient is in the certifying health
22	care professional's care for his or her debilitating
23	medical condition, and to substantiate the patient's
24	diagnosis;
25	(3) the application or renewal fee as set by rule;

1	(4) the name, address, date of birth, and social
2	security number of the qualifying patient, except that if
3	the applicant is unhoused no address is required;
4	(5) the name, address, and telephone number of the
5	qualifying patient's certifying health care professional;
6	(6) the name, address, and date of birth of the
7	designated caregiver, if any, chosen by the qualifying
8	patient;
9	(7) (blank);
10	(8) signed statements from the patient and designated
11	caregiver asserting that they will not divert medical
12	cannabis; and
13	(9) (blank).
14	(b) Notwithstanding any other provision of this Article, a
15	person provided a written certification for a debilitating
16	medical condition who has submitted a completed online
17	application to the Commission shall receive a provisional
18	registration and be entitled to purchase medical cannabis from
19	a licensed dispensing organization for a period of 90 days or
20	until the person's application has been denied or the person
21	receives a registry identification card, whichever is earlier.
22	However, a person may obtain an additional provisional
23	registration after the expiration of 90 days after the date of
24	application if the Commission does not provide the individual
25	with a registry identification card or deny the individual's
26	application within those 90 days.

1 <u>The provisional registration may not be extended if the</u> 2 <u>individual does not respond to the Commission's request for</u> 3 <u>additional information or corrections to required application</u> 4 <u>documentation.</u>

5 <u>In order for a person to receive medical cannabis under</u> 6 <u>this subsection, a person must present his or her provisional</u> 7 <u>registration along with a valid driver's license or State</u> 8 <u>identification card to the licensed dispensing organization.</u> 9 <u>The dispensing organization shall verify the person's</u> 10 <u>provisional registration through the Department of Public</u> 11 Health's online verification system.

12 <u>Upon verification of the provided documents, the</u> 13 <u>dispensing organization shall dispense no more than 2.5 ounces</u> 14 <u>of medical cannabis during a 14-day period to the person for a</u> 15 <u>period of 90 days, until the person's application has been</u> 16 <u>denied, or until the person receives a registry identification</u> 17 <u>card from the Department of Public Health, whichever is</u> 18 <u>earlier.</u>

19 <u>Persons with provisional registrations must keep their</u> 20 <u>provisional registration in their possession at all times when</u> 21 <u>transporting or engaging in the medical use of cannabis.</u>

(c) No person or business shall charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis Program or the Opioid Alternative Pilot Program. A violation of this subsection is a Class C misdemeanor, for which

1	restitution to the applicant and a fine of up to \$1,500 may be
2	imposed. All fines shall be deposited into the Compassionate
3	Use of Medical Cannabis Fund after restitution has been made
4	to the applicant. The Commission shall refer individuals
5	making complaints against a person or business under this
6	Section to the Illinois State Police, who shall enforce
7	violations of this provision. All application forms issued by
8	the Commission shall state that no person or business may
9	charge a fee for assistance in the preparation, compilation,
10	or submission of an application to the Compassionate Use of
11	Medical Cannabis Program or the Opioid Alternative Pilot
12	Program.

13 (410 ILCS 705/75-57 new)

14 <u>Sec. 75-57. Qualifying patients.</u>

15 <u>(a) Qualifying patients that are under the age of 18 years</u> 16 <u>shall not be prohibited from appointing designated caregivers</u> 17 <u>who meet the definition of "designated caregiver" under</u> 18 <u>Section 75-10 so long as at least one designated caregiver is a</u> 19 <u>biological parent or legal guardian.</u>

20 <u>(b) Qualifying patients that are 18 years of age or older</u> 21 <u>shall not be prohibited from appointing designated caregivers</u> 22 <u>who meet the definition of "designated caregiver" under</u> 23 <u>Section 75-10.</u>

24 (410 ILCS 705/75-60 new)

1	Sec. 75-60. Issuance of registry identification cards.
2	(a) Except as provided in subsection (b), the Department
3	of Public Health shall:
4	(1) verify the information contained in an application
5	or renewal for a registry identification card submitted
6	under this Article, and approve or deny an application or
7	renewal, within 90 days of receiving a completed
8	application or renewal application and all supporting
9	documentation specified in Section 75-55;
10	(2) issue registry identification cards to a
11	qualifying patient and his or her designated caregiver, if
12	any, within 15 business days of approving the application
13	or renewal;
14	(3) enter the registry identification number of the
15	registered dispensing organization the patient designates
16	into the verification system; and
17	(4) allow for an electronic application process, and
18	provide a confirmation by electronic or other methods that
19	an application has been submitted.
20	Notwithstanding any other provision of this Article, the
21	Commission shall adopt rules for qualifying patients and
22	applicants with life-long debilitating medical conditions, who
23	may be charged annual renewal fees. The Department of Public
24	Health shall not require patients and applicants with
25	life-long debilitating medical conditions to apply to renew
26	registry identification cards.

1	(b) The Commission may not issue a registry identification
2	card to a qualifying patient who is under 18 years of age,
3	unless that patient suffers from seizures, including those
4	characteristic of epilepsy, or as provided by administrative
5	rule. The Commission shall adopt rules for the issuance of a
6	registry identification card for qualifying patients who are
7	under 18 years of age and suffering from seizures, including
8	those characteristic of epilepsy. The Commission may adopt
9	rules to allow other individuals under 18 years of age to
10	become registered qualifying patients under this Article with
11	the consent of a parent or legal guardian. Registered
12	qualifying patients under 18 years of age shall be prohibited
13	from consuming forms of cannabis other than medical cannabis
14	infused products and purchasing any usable cannabis.
15	(c) A veteran who has received treatment at a VA hospital
16	is deemed to have a bona fide health care professional-patient
17	relationship with a VA certifying health care professional if
18	the patient has been seen for his or her debilitating medical
19	condition at the VA hospital in accordance with VA hospital
20	protocols. All reasonable inferences regarding the existence
21	of a bona fide health care professional-patient relationship
22	shall be drawn in favor of an applicant who is a veteran and
23	has undergone treatment at a VA hospital.
24	(c-10) An individual who submits an application as someone

24 (c-10) An individual who submits an application as someone
 25 who is terminally ill shall have all fees waived. The
 26 Commission shall within 30 days after this amendatory Act of

1	the 103rd General Assembly adopt emergency rules to expedite
2	approval for terminally ill individuals. These rules shall
3	include, but not be limited to, rules that provide that
4	applications by individuals with terminal illnesses shall be
5	approved or denied within 14 days of their submission.
6	(d) No later than 6 months after the effective date of this
7	amendatory Act of the 103rd General Assembly, the Secretary of
8	State shall remove all existing notations on driving records
9	that the person is a registered qualifying patient or his or
10	her caregiver under this Article.
11	(e) Upon the approval of the registration and issuance of
12	a registry card under this Section, the Commission shall
13	electronically forward the registered qualifying patient's
14	identification card information to the Prescription Monitoring
15	Program established under the Illinois Controlled Substances
16	Act and certify that the individual is permitted to engage in
17	the medical use of cannabis. For the purposes of patient care,
18	the Prescription Monitoring Program shall make a notation on
19	the person's prescription record stating that the person is a
20	registered qualifying patient who is entitled to the lawful
21	medical use of cannabis. If the person no longer holds a valid
22	registry card, the Department of Public Health shall notify
23	the Prescription Monitoring Program and Department of Human
24	Services to remove the notation from the person's record. The
25	Department of Human Services and the Prescription Monitoring

26 Program shall establish a system by which the information may

be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

- 4 (f) (Blank).
- 5 (410 ILCS 705/75-62 new)
- 6 <u>Sec. 75-62. Opioid Alternative Pilot Program.</u>

7 (a) The Department of Public Health shall establish the 8 Opioid Alternative Pilot Program and the Commission shall have oversight after July 1, 2023. Licensed dispensing 9 10 organizations shall allow persons with a written certification 11 from a certifying health care professional under Section 75-36 12 to purchase medical cannabis upon enrollment in the Opioid 13 Alternative Pilot Program. The Department of Public Health shall adopt rules or establish procedures allowing qualified 14 15 veterans to participate in the Opioid Alternative Pilot 16 Program and after July 1, 2023 the Commission thereafter. For a person to receive medical cannabis under this Section, the 17 18 person must present the written certification along with a valid driver's license or state identification card to the 19 20 licensed dispensing organization specified in his or her 21 application. The dispensing organization shall verify the 22 person's status as an Opioid Alternative Pilot Program 23 participant through the Commission's online verification 24 system.

25 (b) The Opioid Alternative Pilot Program shall be limited

1	to participation by Illinois residents age 21 and older.
2	(c) The Commission shall specify that all licensed
3	dispensing organizations participating in the Opioid
4	Alternative Pilot Program use the Illinois Cannabis Tracking
5	System. The Commission shall establish and maintain the
6	Illinois Cannabis Tracking System. The Illinois Cannabis
7	Tracking System shall be used to collect information about all
8	persons participating in the Opioid Alternative Pilot Program
9	and shall be used to track the sale of medical cannabis for
10	verification purposes.
11	Each dispensing organization shall retain a copy of the
12	Opioid Alternative Pilot Program certification and other
13	identifying information as required by the Commission in the
14	Illinois Cannabis Tracking System.
15	The Illinois Cannabis Tracking System shall be accessible
16	to the Illinois State Police.
17	The Commission shall specify the data requirements for the
18	Opioid Alternative Pilot Program by licensed dispensing
19	organizations; including, but not limited to, the
20	participant's full legal name, address, and date of birth,
21	date on which the Opioid Alternative Pilot Program
22	certification was issued, length of the participation in the
23	Program, including the start and end date to purchase medical
24	cannabis, name of the issuing physician, copy of the
25	participant's current driver's license or State identification
26	card, and phone number.

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1	The Illinois Cannabis Tracking System shall provide
2	verification of a person's participation in the Opioid
3	Alternative Pilot Program for law enforcement at any time and
4	<u>on any day.</u>
5	(d) The certification for Opioid Alternative Pilot Program
6	participant must be issued by a certifying health care
7	professional who is licensed to practice in Illinois under the
8	Medical Practice Act of 1987, the Nurse Practice Act, or the
9	Physician Assistant Practice Act of 1987 and who is in good
10	standing and holds a controlled substances license under
11	Article III of the Illinois Controlled Substances Act.
12	The certification for an Opioid Alternative Pilot Program
13	participant shall be written within 90 days before the
14	participant submits his or her certification to the dispensing
15	organization.
16	The written certification uploaded to the Illinois
17	Cannabis Tracking System shall be accessible to the
18	Commission.
19	(e) Upon verification of the individual's valid
20	certification and enrollment in the Illinois Cannabis Tracking
21	System, the dispensing organization may dispense the medical
22	cannabis, in amounts not exceeding 2.5 ounces of medical
23	cannabis per 14-day period to the participant at the
24	participant's specified dispensary for no more than 90 days.
25	An Opioid Alternative Pilot Program participant shall not
26	be registered as a medical cannabis cardholder. The dispensing

1 organization shall verify that the person is not an active 2 registered qualifying patient prior to enrollment in the 3 Opioid Alternative Pilot Program and each time medical 4 cannabis is dispensed.

5 Upon receipt of a written certification under the Opioid Alternative Pilot Program, the Commission shall electronically 6 7 forward the patient's identification information to the 8 Prescription Monitoring Program established under the Illinois 9 Controlled Substances Act and certify that the individual is 10 permitted to engage in the medical use of cannabis. For the 11 purposes of patient care, the Prescription Monitoring Program 12 shall make a notation on the person's prescription record stating that the person has a written certification under the 13 14 Opioid Alternative Pilot Program and is a patient who is 15 entitled to the lawful medical use of cannabis. If the person 16 is no longer authorized to engage in the medical use of 17 cannabis, the Commission shall notify the Prescription Monitoring Program and Department of Human Services to remove 18 19 the notation from the person's record. The Department of Human 20 Services and the Prescription Monitoring Program shall 21 establish a system by which the information may be shared 22 electronically. This confidential list may not be combined or 23 linked in any manner with any other list or database except as 24 provided in this Section. 25 (f) An Opioid Alternative Pilot Program participant shall

26 <u>not be considered a qualifying patient with a debilitating</u>

1	medical condition under this Article and shall be provided
2	access to medical cannabis solely for the duration of the
3	participant's certification. Nothing in this Section shall be
4	construed to limit or prohibit an Opioid Alternative Pilot
5	Program participant who has a debilitating medical condition
6	from applying to the Compassionate Use of Medical Cannabis
7	Program.
8	(q) A person with a provisional registration under Section
9	75-55 shall not be considered an Opioid Alternative Pilot
10	Program participant.
11	(h) The Department of Financial and Professional
12	Regulation and the Department of Public Health shall submit
13	emergency rulemaking to implement the changes made by this
14	amendatory Act of the 103rd General Assembly by December 1,
15	2018. The Department of Financial and Professional Regulation,
16	the Department of Agriculture, the Department of Human
17	Services, the Department of Public Health, and the Illinois
18	State Police shall utilize emergency purchase authority for 12
19	months after the effective date of this amendatory Act of the
20	103rd General Assembly for the purpose of implementing the
21	changes made by this amendatory Act of the 103rd General
22	Assembly.
23	(i) Dispensing organizations are not authorized to
24	dispense medical cannabis to Opioid Alternative Pilot Program
25	participants until administrative rules are approved by the
26	Joint Committee on Administrative Rules and go into effect.

# (j) The provisions of this Section are inoperative on and after July 1, 2025.

3	(410 ILCS 705/75-65 new)
4	Sec. 75-65. Denial of registry identification cards.
5	(a) The Commission may deny an application or renewal of a
6	qualifying patient's registry identification card only if the
7	applicant:
8	(1) did not provide the required information and
9	materials;
10	(2) previously had a registry identification card
11	revoked;
12	(3) did not meet the requirements of this Article;
13	(4) provided false or falsified information; or
14	(5) violated any requirement of this Article.
15	(b) (Blank).
16	<u>(b-5) (Blank).</u>
17	(c) The Commission may deny an application or renewal for
18	a designated caregiver chosen by a qualifying patient whose
19	registry identification card was granted only if:
20	(1) the designated caregiver does not meet the
21	requirements of subsection (i) of Section 75-10;
22	(2) the applicant did not provide the information
23	required;
24	(3) the prospective patient's application was denied;
25	(4) the designated caregiver previously had a registry

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1	identification card revoked;
2	(5) the applicant or the designated caregiver provided
3	false or falsified information; or
4	(6) violated any requirement of this Article.
5	(d) (Blank).
6	(e) The Commission shall notify the qualifying patient who
7	has designated someone to serve as the patient's designated
8	caregiver if a registry identification card will not be issued
9	to the designated caregiver.
10	(f) Denial of an application or renewal is considered a
11	final Commission action, subject to judicial review.
12	Jurisdiction and venue for judicial review are vested in the
13	<u>Circuit Court.</u>
14	(410 ILCS 705/75-70 new)
14 15	(410 ILCS 705/75-70 new) Sec. 75-70. Registry identification cards.
15	Sec. 75-70. Registry identification cards.
15 16	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated
15 16 17	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the
15 16 17 18	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging
15 16 17 18 19	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging in the medical use of cannabis.
15 16 17 18 19 20	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging in the medical use of cannabis. (b) Registry identification cards shall contain the
15 16 17 18 19 20 21	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging in the medical use of cannabis. (b) Registry identification cards shall contain the following:
15 16 17 18 19 20 21 22	Sec. 75-70. Registry identification cards. (a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging in the medical use of cannabis. (b) Registry identification cards shall contain the following: (1) the name of the cardholder;

1	registry identification card;
2	(4) a random alphanumeric identification number that
3	is unique to the cardholder;
4	(5) if the cardholder is a designated caregiver, the
5	random alphanumeric identification number of the
6	registered qualifying patient the designated caregiver is
7	receiving the registry identification card to assist; and
8	(6) a photograph of the cardholder, if required by
9	<u>Commission rules.</u>
10	(c) To maintain a valid registration identification card,
11	a registered qualifying patient and caregiver must annually
12	resubmit, at least 45 days prior to the expiration date stated
13	on the registry identification card, a completed renewal
14	application, renewal fee, and accompanying documentation as
15	described in Commission rules. The Commission shall send a
16	notification to a registered qualifying patient or registered
17	designated caregiver 90 days prior to the expiration of the
18	registered qualifying patient's or registered designated
19	caregiver's identification card. If the Commission fails to
20	grant or deny a renewal application received in accordance
21	with this Section, then the renewal is deemed granted and the
22	registered qualifying patient or registered designated
23	caregiver may continue to use the expired identification card
24	until the Commission denies the renewal or issues a new
25	identification card.
26	(d) Except as otherwise provided in this Section, the

1	expiration date is 3 years after the date of issuance.
2	(e) The Commission may electronically store in the card
3	any or all of the information listed in subsection (b), along
4	with the address and date of birth of the cardholder and the
5	qualifying patient's designated dispensary organization, to
6	allow it to be read by law enforcement agents.
7	(410 ILCS 705/75-75 new)
8	Sec. 75-75. Notifications to Commission and responses;
9	civil penalty.
10	(a) The following notifications and Commission responses
11	are required:
12	(1) A registered qualifying patient shall notify the
13	Commission of any change in the patient's name or address,
14	or if the registered qualifying patient ceases to have the
15	debilitating medical condition, within 10 days of the
16	change.
17	(2) A registered designated caregiver shall notify the
18	Commission of any change in the caregiver's name or
19	address, or if the designated caregiver becomes aware the
20	registered qualifying patient passed away, within 10 days
21	of the change.
22	(3) Before a registered qualifying patient changes the
23	patient's designated caregiver, the qualifying patient
24	must notify the Commission.
25	(4) If a cardholder loses the cardholder's registry

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1	identification card, he or she shall notify the Commission
2	within 10 days of becoming aware the card has been lost.
3	(b) When a cardholder notifies the Commission of items
4	listed in subsection (a), but remains eligible under this
5	Article, the Commission shall issue the cardholder a new
6	registry identification card with a new random alphanumeric
7	identification number within 15 business days of receiving the
8	updated information and a fee as specified in Commission
9	rules. If the person notifying the Commission is a registered
10	qualifying patient, the Department shall also issue his or her
11	registered designated caregiver, if any, a new registry
12	identification card within 15 business days of receiving the
13	updated information.
14	(c) If a registered qualifying patient ceases to be a
15	registered qualifying patient or changes his or her registered
16	designated caregiver, the Commission shall promptly notify the
17	designated caregiver. The registered designated caregiver's
18	protections under this Article as to that qualifying patient
19	shall expire 15 days after notification by the Department.
20	(d) A cardholder who fails to make a notification to the
21	Commission that is required by this Section is subject to a
22	civil infraction, punishable by a penalty of no more than
23	<u>\$150.</u>
24	(f) If the registered qualifying patient's certifying
25	health care professional notifies the Department in writing
26	that either the registered qualifying patient has ceased to

1	suffer from a debilitating medical condition, that the bona
2	fide health care professional-patient relationship has
3	terminated, or that continued use of medical cannabis would
4	result in contraindication with the patient's other
5	medication, the card shall become null and void. However, the
6	registered qualifying patient shall have 15 days to destroy
7	his or her remaining medical cannabis and related
8	paraphernalia.

9	(410 ILCS 705/75-80 new)
10	Sec. 75-80. Preparation of cannabis infused products.
11	(a) Notwithstanding any other provision of law, neither
12	the Department of Public Health nor the Commission nor the
13	health department of a unit of local government may regulate
14	the service of food by a registered cultivation center or
15	registered dispensing organization provided that all of the
16	following conditions are met:
17	(1) No cannabis infused products requiring
17 18	(1) No cannabis infused products requiring refrigeration or hot-holding shall be manufactured at a
18	refrigeration or hot-holding shall be manufactured at a
18 19	refrigeration or hot-holding shall be manufactured at a cultivation center for sale or distribution at a
18 19 20	refrigeration or hot-holding shall be manufactured at a cultivation center for sale or distribution at a dispensing organization due to the potential for
18 19 20 21	refrigeration or hot-holding shall be manufactured at a cultivation center for sale or distribution at a dispensing organization due to the potential for food-borne illness.

25 <u>dispensing organizations. The products are allowable for</u>

1	sale only at registered dispensing organizations.
2	(3) All items shall be individually wrapped at the
3	original point of preparation. The packaging of the
4	medical cannabis infused product shall conform to the
5	labeling requirements of the Illinois Food, Drug and
6	Cosmetic Act and shall include the following information
7	on each product offered for sale or distribution:
8	(A) the name and address of the registered
9	cultivation center where the item was manufactured;
10	(B) the common or usual name of the item;
11	(C) all ingredients of the item, including any
12	colors, artificial flavors, and preservatives, listed
13	in descending order by predominance of weight shown
14	with common or usual names;
15	(D) the following phrase: "This product was
16	produced in a medical cannabis cultivation center not
17	subject to public health inspection that may also
18	process common food allergens.";
19	(E) allergen labeling as specified in the Federal
20	Food, Drug and Cosmetics Act, Federal Fair Packaging
21	and Labeling Act, and the Illinois Food, Drug and
22	Cosmetic Act;
23	(F) the pre-mixed total weight (in ounces or
24	grams) of usable cannabis in the package;
25	(G) a warning that the item is a medical cannabis
26	infused product and not a food must be distinctly and

1	clearly legible on the front of the package;
2	(H) a clearly legible warning emphasizing that the
3	product contains medical cannabis and is intended for
4	consumption by registered qualifying patients only;
5	and
6	(I) date of manufacture and "use by date".
7	(4) Any dispensing organization that sells edible
8	cannabis infused products must display a placard that
9	states the following: "Edible cannabis infused products
10	were produced in a kitchen not subject to public health
11	inspections that may also process common food allergens."
12	The placard shall be no smaller than 24" tall by 36" wide,
13	with typed letters no smaller than 2". The placard shall
14	be clearly visible and readable by customers and shall be
15	written in English.
16	(5) Cannabis infused products for sale or distribution
17	at a dispensing organization must be prepared by an
18	approved staff member of a registered cultivation center.
19	(6) A cultivation center that prepares cannabis
20	infused products for sale or distribution at a dispensing
21	organization shall be under the operational supervision of
22	a Department of Public Health certified food service
23	sanitation manager.
24	(b) The Commission in collaboration with the Department of
25	Public Health shall adopt rules for the manufacture of medical
26	cannabis-infused products and shall enforce these provisions,

1	and for that purpose it may at all times enter every building,
2	room, basement, enclosure, or premises occupied or used or
3	suspected of being occupied or used for the production,
4	preparation, manufacture for sale, storage, sale, distribution
5	or transportation of medical cannabis edible products, to
6	inspect the premises and all utensils, fixtures, furniture,
7	and machinery used for the preparation of these products.
8	(c) If a local health organization has a reasonable belief
9	that a cultivation center's cannabis-infused product poses a
10	public health hazard, it may refer the cultivation center to
11	the Department of Public Health and the Commission. If the
12	Department of Public Health in collaboration with the
13	Commission finds that a cannabis-infused product poses a
14	health hazard, the Commission may without administrative
15	procedure to bond, bring an action for immediate injunctive
16	relief to require that action be taken as the court may deem
17	necessary to meet the hazard of the cultivation center.
18	(410 ILCS 705/75-115.5 new)

18	(410 ILCS 705/75-115.5 new)
19	Sec. 75-115.5. Social Equity Justice Involved Medical
20	Lottery.
21	(a) In this Section:
22	"By lot" has the same meaning as defined in Section 1-10.
23	"Qualifying Applicant" has the same meaning as defined in
24	subsection (a-5) of Section 75-115.
25	"Social Equity Justice Involved Applicant" has the same

1	meaning as defined in subsection (a-5) of Section 75-115.
2	"Social Equity Justice Involved Medical Lottery" means the
3	process of issuing 5 available medical cannabis dispensing
4	organization registrations by lot, conducted by the Department
5	of Financial and Professional Regulation, for applicants who
6	are either: (i) Social Equity Justice Involved Applicants; or
7	(ii) Qualifying Applicants.
8	(b) The Department of Financial and Professional
9	Regulation and, after July 1, 2023, the Commission, shall
10	conduct a Social Equity Justice Involved Medical Lottery to
11	award up to 5 medical cannabis dispensing organization
12	registrations by lot in accordance with Section 75-115.
13	(c) The Department of Financial and Professional
14	Regulation and, after July 1, 2023, the Commission, shall
15	adopt rules through emergency rulemaking in accordance with
16	subsection (kk) of Section 5-45 of the Illinois Administrative
17	Procedure Act to create a registration process, a streamlined
18	application, an application fee not to exceed \$5,000 for
19	purposes of this Section, and limits on the number of entries
20	into the Social Equity Justice Involved Medical Lottery, as
21	well as any other measures to reduce barriers to enter the
22	cannabis industry. The General Assembly finds that the
23	adoption of rules to regulate cannabis use is deemed an
24	emergency and necessary for the public interest, safety, and
25	welfare.
26	(d) Social Equity Justice Involved Applicants awarded a

registration under subsection (a-5) of Section 75-115 are eligible to serve purchasers at the same site and a secondary site under this Article, subject to application and inspection processes established by the Department. The licenses issued under this Section shall be valid for 2 years after the date of issuance and shall renew in the manner proscribed by the Department.

8 <u>(e) No applicant may be awarded more than one medical</u> 9 <u>cannabis dispensing organization registration at the</u> 10 <u>conclusion of the lottery conducted under this Section.</u>

11 (f) No individual may be listed as a principal officer of 12 more than one medical cannabis dispensing organization 13 registration awarded under this Section.

14 (410 ILCS 705/75-140 new) 15 Sec. 75-140. Local ordinances. A unit of local government 16 may enact reasonable zoning ordinances or resolutions, not in conflict with this Article or with Department of Agriculture 17 18 or Department of Financial and Professional Regulation rules, regulating registered medical cannabis cultivation center or 19 20 medical cannabis dispensing organizations. No unit of local 21 government, including a home rule unit, or school district may 22 regulate registered medical cannabis organizations other than 23 as provided in this Article and may not unreasonably prohibit the cultivation, dispensing, and use of medical cannabis 24 authorized by this Article. This Section is a denial and 25

## 1 limitation under subsection (i) of Section 6 of Article VII of 2 the Illinois Constitution on the concurrent exercise by home 3 rule units of powers and functions exercised by the State.

4 (410 ILCS 705/75-145 new) 5 Sec. 75-145. Confidentiality. 6 (a) The following information received and records kept by 7 the Department of Public Health, Department of Financial and 8 Professional Regulation, Department of Agriculture, or 9 Illinois State Police and, after July 1, 2023, the Commission, 10 for purposes of administering this Article are subject to all 11 applicable federal privacy laws, confidential, and exempt from 12 the Freedom of Information Act, and not subject to disclosure 13 to any individual or public or private entity, except as necessary for authorized employees of those authorized 14 15 agencies to perform official duties under this Article and the 16 following information received and records kept by the Department of Public Health, Department of Agriculture, 17 18 Department of Financial and Professional Regulation, Illinois State Police, and the Commission excluding any existing or 19 20 non-existing Illinois or national criminal history record 21 information as defined in subsection (d), may be disclosed to 22 each other upon request: 23 (1) Applications and renewals, their contents, and

24 <u>supporting information submitted by qualifying patients</u>
 25 <u>and designated caregivers, including information regarding</u>

1 their designated caregivers and certifying health care 2 professionals. 3 (2) Applications and renewals, their contents, and supporting information submitted by or on behalf of 4 5 cultivation centers and dispensing organizations in compliance with this Article, including their physical 6 7 addresses. This does not preclude the release of ownership 8 information of cannabis business establishment licenses. 9 (3) The individual names and other information 10 identifying persons to whom the Department of Public 11 Health has issued registry identification cards. 12 (4) Any dispensing information required to be kept under Section 75-135, Section 75-150, or Department of 13 14 Public Health, Department of Agriculture, Department of Financial and Professional Regulation, and Commission 15 16 rules shall identify cardholders and registered cultivation centers by their registry identification 17 numbers and medical cannabis dispensing organizations by 18 19 their registration number and not contain names or other 20 personally identifying information. 21 (5) All medical records provided to the Department of 22 Public Health and the Commission in connection with an 23 application for a registry card. 24 (b) Nothing in this Section precludes the following: 25 (1) Department of Agriculture, Department of Financial

26 <u>and Professional Regulation, Public Health, or Commission</u>

1 employees may notify law enforcement about falsified or 2 fraudulent information submitted to the Departments if the 3 employee who suspects that falsified or fraudulent 4 information has been submitted conferred with his or her 5 supervisor and both agree that circumstances exist that 6 warrant reporting. 7 (2) If the employee conferred with the employee's

8 <u>supervisor and both agree that circumstances exist that</u> 9 <u>warrant reporting, Commission employees may notify the</u> 10 <u>Department of Financial and Professional Regulation if</u> 11 <u>there is reasonable cause to believe a certifying health</u> 12 care professional:

13(A) issued a written certification without a bona14fide health care professional-patient relationship15under this Article;

16(B) issued a written certification to a person who17was not under the certifying health care18professional's care for the debilitating medical19condition; or

20 <u>(C) failed to abide by the acceptable and</u> 21 prevailing standard of care when evaluating a 22 patient's medical condition.

<u>(3) The Department of Public Health, Department of</u>
 <u>Agriculture, and Department of Financial and Professional</u>
 <u>Regulation and, after July 1, 2023, the Commission, may</u>
 <u>notify State or local law enforcement about apparent</u>

1 criminal violations of this Article if the employee who 2 suspects the offense has conferred with the employee's 3 supervisor and both agree that circumstances exist that 4 warrant reporting. 5 (4) Medical cannabis cultivation center agents and 6 medical cannabis dispensing organizations may notify the 7 Department of Public Health, Department of Financial and 8 Professional Regulation, or Department of Agriculture and, 9 after July 1, 2023, the Commission, of a suspected 10 violation or attempted violation of this Article or the 11 rules issued under it. 12 (5) The Commission may verify registry identification 13 cards under Section 75-150. 14 (6) The submission of the report to the General 15 Assembly under Section 75-160. 16 (b-5) Each Department responsible for licensure under this Article shall publish on the Department's website a list of 17 the ownership information of cannabis business establishment 18 19 licensees under the Department's jurisdiction. The list shall include, but shall not be limited to, the name of the person or 20 entity holding each cannabis business establishment license 21 22 and the address at which the entity is operating under this Article. This list shall be published and updated monthly. 23 24 (c) Except for any ownership information released pursuant 25 to subsection (b-5) or as otherwise authorized or required by 26 law, it is a Class B misdemeanor with a \$1,000 fine for any

1	person, including an employee or official of the Department of
2	Public Health, Department of Financial and Professional
3	Regulation, or Department of Agriculture or another State
4	agency or local government, to breach the confidentiality of
5	information obtained under this Article.

6 (d) The Department of Public Health, the Department of 7 Agriculture, the Illinois State Police, and the Department of Financial and Professional Regulation shall not share or 8 9 disclose any existing or non-existing Illinois or national 10 criminal history record information. For the purposes of this 11 Section, "any existing or non-existing Illinois or national 12 criminal history record information" means any Illinois or 13 national criminal history record information, including but 14 not limited to the lack of or non-existence of these records.

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15	(410	ILCS	705/75-170	new)

## 16 <u>Sec. 75-170. Enforcement of this Article.</u> 17 <u>(a) If a Department fails to adopt rules to implement this</u> 18 Article within the times provided for in this Article, any

19 <u>citizen may commence a mandamus action in the Circuit Court to</u> 20 <u>compel the Departments to perform the actions mandated under</u> 21 <u>the provisions of this Article.</u>

(b) If the Department of Public Health, Department of Agriculture, or Department of Financial and Professional Regulation fails to issue a valid identification card in response to a valid application or renewal submitted under

this Article or fails to issue a verbal or written notice of denial of the application within 30 days of its submission, the identification card is deemed granted, and a copy of the registry identification application, including a valid written certification in the case of patients, or renewal shall be deemed a valid registry identification card.

7 <u>(c) Authorized employees of State or local law enforcement</u> 8 <u>agencies shall immediately notify the Department of Public</u> 9 <u>Health when any person in possession of a registry</u> 10 <u>identification card has been determined by a court of law to</u> 11 <u>have willfully violated the provisions of this Article or has</u> 12 <u>pled guilty to the offense.</u>

13 (410 ILCS 705/75-173 new)

14 <u>Sec. 75-173. Conflicts of law. To the extent that any</u> 15 provision of this Article conflicts with any Act that allows 16 <u>the recreational use of cannabis, the provisions of that Act</u> 17 <u>shall control.</u>

18 (410 ILCS 705/75-175 new)
19 <u>Sec. 75-175. Administrative hearings.</u>
20 (a) Administrative hearings involving the Department of
21 <u>Public Health, a qualifying patient, or a designated caregiver</u>
22 <u>shall be conducted under the Department of Public Health's</u>
23 <u>rules governing administrative hearings.</u>
24 (b) Administrative hearings involving the Department of

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Financial and Professional Regulation, dispensing
 organizations, or dispensing organization agents shall be
 conducted under the Department of Financial and Professional
 Regulation's rules governing administrative hearings.

5 <u>(c) Administrative hearings involving the Department of</u> 6 <u>Agriculture, registered cultivation centers, or cultivation</u> 7 <u>center agents shall be conducted under the Department of</u> 8 <u>Agriculture's rules governing administrative hearings.</u>

9 (410 ILCS 705/75-180 new) 10 Sec. 75-180. Destruction of medical cannabis. 11 (a) All cannabis byproduct, scrap, and harvested cannabis 12 not intended for distribution to a medical cannabis 13 organization must be destroyed and disposed of pursuant to 14 State law. Documentation of destruction and disposal shall be 15 retained at the cultivation center for a period of not less 16 than 5 years. (b) A cultivation center shall prior to the destruction, 17 18 notify the Department of Agriculture and the Illinois State 19 Police. (c) The cultivation center shall keep record of the date 20 21 of destruction and how much was destroyed. 22 (d) A dispensary organization shall destroy all cannabis, 23 including cannabis-infused products, that are not sold to 24 registered qualifying patients. Documentation of destruction 25 and disposal shall be retained at the dispensary organization HB1498 - 366 - LRB103 05062 CPF 50076 b

1	for a period of not less than 5 years.
2	(e) A dispensary organization shall prior to the
3	destruction, notify the Department of Financial and
4	Professional Regulation and the Illinois State Police.
5	(410 ILCS 705/75-185 new)
6	Sec. 75-185. Suspension revocation of a registration.
7	(a) The Department of Agriculture, the Department of
8	Financial and Professional Regulation, and the Department of
9	Public Health may suspend or revoke a registration for
10	violations of this Article and rules issued in accordance with
11	this Section.
12	(b) The suspension or revocation of a registration is a
13	final Department action, subject to judicial review.
14	Jurisdiction and venue for judicial review are vested in the
15	<u>Circuit Court.</u>
16	(410 ILCS 705/75-190 new)
17	Sec. 75-190. Medical Cannabis Cultivation Privilege Tax
18	Law. Sections 75-190 through 75-215 may be cited as the
19	Medical Cannabis Cultivation Privilege Tax Law.
20	(410 ILCS 705/75-195 new)
21	Sec. 75-195. Definitions. In this Law:
22	"Cultivation center" has the meaning ascribed to that term
23	in Section 75-10.

1	"Department" means the Department of Revenue.
2	"Dispensing organization" has the meaning ascribed to that
3	term in Section 75-10.
4	"Person" means an individual, partnership, corporation, or
5	public or private organization.
6	"Qualifying patient" means a qualifying patient registered
7	under this Article.
8	(410 ILCS 705/75-200 new)
9	Sec. 75-200. Tax imposed.
10	(a) Beginning on the effective date of this Article, a tax
11	is imposed upon the privilege of cultivating medical cannabis
12	at a rate of 7% of the sales price per ounce. The proceeds from
13	this tax shall be deposited into the Compassionate Use of
14	Medical Cannabis Fund created under the Compassionate Use of
15	Medical Cannabis Program Act. This tax shall be paid by a
16	cultivation center and is not the responsibility of a
17	dispensing organization or a qualifying patient.
18	(b) The tax imposed under this Article shall be in
19	addition to all other occupation or privilege taxes imposed by
20	the State of Illinois or by any municipal corporation or
21	political subdivision thereof.
22	(410 ILCS 705/75-205 new)

- 23 <u>Sec. 75-205. Department enforcement.</u>
- 24 (a) Every person subject to the tax under this Article

shall apply to the Department (upon a form prescribed and 1 2 furnished by the Department) for a certificate of registration 3 under this Article. Application for a certificate of registration shall be made to the Department upon forms 4 5 furnished by the Department. The certificate of registration which is issued by the Department to a retailer under the 6 7 Retailers' Occupation Tax Act shall permit the taxpayer to engage in a business which is taxable under this Article 8 9 without registering separately with the Department.

10 (b) The Department shall have full power to administer and 11 enforce this Article, to collect all taxes and penalties due 12 hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights 13 14 to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, 15 16 and compliance with, this Article, the Department and persons 17 who are subject to this Article shall have the same rights, remedies, privileges, immunities, powers and duties, and be 18 19 subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes 20 21 of procedure, as are prescribed in Sections 1, 1a, 2 through 22 2-65 (in respect to all provisions therein other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating 23 24 to transaction returns and quarter monthly payments, and except for provisions that are inconsistent with this 25 Article), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 26

1	6c,	7,	8,	9,	10,	11	,	11a,	12	and	13	of	the	Reta	iler	:s'
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4	here	ein.														

5 (410 ILCS 705/75-210 new
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## 6 <u>Sec. 75-210. Returns.</u>

7 <u>(a) This subsection (a) applies to returns due on or</u> 8 <u>before the effective date of this amendatory Act of the 103rd</u> 9 <u>General Assembly. On or before the twentieth day of each</u> 10 <u>calendar month, every person subject to the tax imposed under</u> 11 <u>this Article during the preceding calendar month shall file a</u> 12 <u>return with the Department, stating:</u>

- 13 (1) The name of the taxpayer;
- 14 (2) The number of ounces of medical cannabis sold to a 15 dispensing organization or a registered qualifying patient 16 during the preceding calendar month;
- 17 (3) The amount of tax due;
- 18 (4) The signature of the taxpayer; and
- 19 (5) Such other reasonable information as the
   20 Department may require.
- If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.
- 25 The taxpayer shall remit the amount of the tax due to the

1	Department at the time the taxpayer files his or her return.
2	(b) Beginning on the effective date of this amendatory Act
3	of the 103rd General Assembly, Section 65-20 shall apply to
4	returns filed and taxes paid under this Article to the same
5	extent as if those provisions were set forth in full in this
6	Section.

- 7 (410 ILCS 705/75-215 new)
- 8 <u>Sec. 75-215. Rules. The Department may adopt rules related</u> 9 <u>to the enforcement of this Article.</u>
- 10 (410 ILCS 705/10-30 rep.)

11	(410	ILCS	705/15-36	rep.)
12	(410	ILCS	705/15-40	rep.)
13	(410	ILCS	705/15-45	rep.)
14	(410	ILCS	705/15-50	rep.)
15	(410	ILCS	705/15-60	rep.)
16	(410	ILCS	705/15-65	rep.)
17	(410	ILCS	705/15-70	rep.)
18	(410	ILCS	705/15-95	rep.)
19	(410	ILCS	705/20-20	rep.)
20	(410	ILCS	705/20-25	rep.)
21	(410	ILCS	705/20-35	rep.)
22	(410	ILCS	705/20-40	rep.)
23	(410	ILCS	705/20-45	rep.)
24	(410	ILCS	705/30-15	rep.)

1	(410 ILCS 705/30-25 rep.)
2	(410 ILCS 705/30-35 rep.)
3	(410 ILCS 705/30-40 rep.)
4	(410 ILCS 705/35-15 rep.)
5	(410 ILCS 705/35-20 rep.)
6	(410 ILCS 705/35-30 rep.)
7	(410 ILCS 705/35-35 rep.)
8	(410 ILCS 705/35-40 rep.)
9	(410 ILCS 705/40-15 rep.)
10	(410 ILCS 705/40-30 rep.)
11	(410 ILCS 705/40-35 rep.)
12	(410 ILCS 705/40-40 rep.)
13	(410 ILCS 705/55-80 rep.)
14	Section 15. The Cannabis Re

Section 15. The Cannabis Regulation and Tax Act is amended
by repealing Sections 10-30, 15-36, 15-40, 15-45, 15-50,
15-60, 15-65, 15-70, 15-95, 20-20, 20-25, 20-35, 20-40, 20-45,
30-15, 30-25, 30-35, 30-40, 35-15, 35-20, 35-30, 35-35, 35-40,
40-15, 40-30, 40-35, 40-40, and 55-80.

19 410 ILCS 130/Act rep.

20 Section 20. The Compassionate Use of Medical Cannabis21 Program Act is repealed.

22 Section 99. Effective date. This Act takes effect upon 23 becoming law.

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