

103RD GENERAL ASSEMBLY State of Illinois 2023 and 2024 HB4211

Introduced 11/7/2023, by Rep. Robert "Bob" Rita

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.55 new
410 ILCS 705/1-10
410 ILCS 705/5-10
410 ILCS 705/20-30
410 ILCS 705/30-30
410 ILCS 705/35-25
410 ILCS 705/40-5
410 ILCS 705/40-5
410 ILCS 705/40-50 new

Amends the Cannabis Regulation and Tax Act. Provides for the licensure of consolidated transport centers. Specifies requirements for consolidated transport centers, including operating documents, security plans, facility requirements, plant monitoring, prohibitions on ownership, and prohibitions on offering things of value to certain persons and licensees. Provides that cannabis business entities shall adhere to the traceability and consumer protection guidelines established by the Department of Agriculture when utilizing the cannabis plant monitoring system or cannabis transport GPS tracking system. Provides that entities awarded a transporting license may defer paying the associated license fee for a period of no more than 3 years. Provides that from January 1, 2024 through January 1, 2026, the Department shall not issue any transporting licenses other than those issued before the effective date of the amendatory Act. Provides that all products received and shipped to and from a consolidated transport center shall be tracked within the cannabis plant monitoring system. Provides that a craft grower or infuser may enter into a contract with a transporting organization to transport cannabis to a consolidated transport center or a different transporting organization at the consolidated transport center. Provides that no person, cannabis business establishment, or entity other than a licensed transportation organization shall transport cannabis or cannabis-infused products on behalf of a cannabis business establishment to or from a consolidated transport center, unless otherwise authorized by rule. Makes other changes. Authorizes emergency rulemaking. Makes a conforming change in the Illinois Administrative Procedure Act. Effective immediately.

LRB103 35162 RLC 65132 b

1 AN ACT concerning health.

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

- Section 5. The Illinois Administrative Procedure Act is amended by adding Section 5-45.55 as follows:
- 6 (5 ILCS 100/5-45.55 new)
- Sec. 5-45.55. Emergency rulemaking; this amendatory Act of
 the 103rd General Assembly. To provide for the expeditious and
 timely implementation of this amendatory Act of the 103rd
 General Assembly, emergency rules implementing this amendatory
 Act of the 103rd General Assembly may be adopted in accordance
 with Section 5-45 by the Department of Agriculture. The
 adoption of emergency rules authorized by Section 5-45 and
- 14 this Section is deemed to be necessary for the public
- interest, safety, and welfare.
- This Section is repealed one year after the effective date
 of this amendatory Act of the 103rd General Assembly.
- Section 10. The Cannabis Regulation and Tax Act is amended by changing Sections 1-10, 5-10, 20-30, 30-30, 35-25, 40-5, and 40-25 and by adding Section 40-50 as follows:
- 21 (410 ILCS 705/1-10)

- 1 Sec. 1-10. Definitions. In this Act:
- 2 "Adult Use Cultivation Center License" means a license
- 3 issued by the Department of Agriculture that permits a person
- 4 to act as a cultivation center under this Act and any
- 5 administrative rule made in furtherance of this Act.
- 6 "Adult Use Dispensing Organization License" means a
- 7 license issued by the Department of Financial and Professional
- 8 Regulation that permits a person to act as a dispensing
- 9 organization under this Act and any administrative rule made
- in furtherance of this Act.
- "Advertise" means to engage in promotional activities
- including, but not limited to: newspaper, radio, Internet and
- 13 electronic media, and television advertising; the distribution
- of fliers and circulars; billboard advertising; and the
- 15 display of window and interior signs. "Advertise" does not
- 16 mean exterior signage displaying only the name of the licensed
- 17 cannabis business establishment.
- "Application points" means the number of points a
- 19 Dispensary Applicant receives on an application for a
- 20 Conditional Adult Use Dispensing Organization License.
- "BLS Region" means a region in Illinois used by the United
- 22 States Bureau of Labor Statistics to gather and categorize
- 23 certain employment and wage data. The 17 such regions in
- 24 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
- 25 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
- 26 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,

- 1 Rockford, St. Louis, Springfield, Northwest Illinois
- 2 nonmetropolitan area, West Central Illinois nonmetropolitan
- 3 area, East Central Illinois nonmetropolitan area, and South
- 4 Illinois nonmetropolitan area.
- 5 "By lot" means a randomized method of choosing between 2
- 6 or more Eligible Tied Applicants or 2 or more Qualifying
- 7 Applicants.

8 "Cannabis" means marijuana, hashish, and other substances 9 that are identified as including any parts of the plant 10 Cannabis sativa and including derivatives or subspecies, such 11 as indica, of all strains of cannabis, whether growing or not; 12 the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, 13 14 mixture, or preparation of the plant, its seeds, or resin, 15 including tetrahydrocannabinol (THC) and all other naturally 16 produced cannabinol derivatives, whether produced directly or 17 indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the 18 stalks, oil or cake made from the seeds of the plant, any other 19 20 compound, manufacture, salt, derivative, mixture, 21 preparation of the mature stalks (except the resin extracted 22 from it), fiber, oil or cake, or the sterilized seed of the 23 plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the 24 25 Industrial Hemp Act. "Cannabis" also means cannabis flower, 26 concentrate, and cannabis-infused products.

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

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

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

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

"Cannabis-infused product" means a beverage, food, oil,

- 1 ointment, tincture, topical formulation, or another product
- 2 containing cannabis or cannabis concentrate that is not
- 3 intended to be smoked.
- 4 "Cannabis paraphernalia" means equipment, products, or
- 5 materials intended to be used for planting, propagating,
- 6 cultivating, growing, harvesting, manufacturing, producing,
- 7 processing, preparing, testing, analyzing, packaging,
- 8 repackaging, storing, containing, concealing, ingesting, or
- 9 otherwise introducing cannabis into the human body.
- "Cannabis plant monitoring system" or "plant monitoring
- 11 system" means a system that includes, but is not limited to,
- 12 testing and data collection established and maintained by the
- 13 cultivation center, craft grower, or processing organization
- 14 and that is available to the Department of Revenue, the
- Department of Agriculture, the Department of Financial and
- 16 Professional Regulation, and the Illinois State Police for the
- 17 purposes of documenting each cannabis plant and monitoring
- 18 plant development throughout the life cycle of a cannabis
- 19 plant cultivated for the intended use by a customer from seed
- 20 planting to final packaging.
- "Cannabis testing facility" means an entity registered by
- 22 the Department of Agriculture to test cannabis for potency and
- 23 contaminants.
- "Cannabis transport GPS tracking system" means a system
- 25 that includes, but is not limited to, real-time tracking,
- tracing, and recording of global positioning system data for

- 1 <u>licensed transporter vehicles registered with the Department</u>
- 2 of Agriculture to transport cannabis and cannabis-infused
- 3 products.
- 4 "Clone" means a plant section from a female cannabis plant
- 5 not yet rootbound, growing in a water solution or other
- 6 propagation matrix, that is capable of developing into a new
- 7 plant.
- 8 "Community College Cannabis Vocational Training Pilot
- 9 Program faculty participant" means a person who is 21 years of
- 10 age or older, licensed by the Department of Agriculture, and
- is employed or contracted by an Illinois community college to
- 12 provide student instruction using cannabis plants at an
- 13 Illinois Community College.
- 14 "Community College Cannabis Vocational Training Pilot
- 15 Program faculty participant Agent Identification Card" means a
- 16 document issued by the Department of Agriculture that
- identifies a person as a Community College Cannabis Vocational
- 18 Training Pilot Program faculty participant.
- "Conditional Adult Use Dispensing Organization License"
- 20 means a contingent license awarded to applicants for an Adult
- Use Dispensing Organization License that reserves the right to
- 22 an Adult Use Dispensing Organization License if the applicant
- 23 meets certain conditions described in this Act, but does not
- 24 entitle the recipient to begin purchasing or selling cannabis
- or cannabis-infused products.
- 26 "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 conditions as determined by the Department of Agriculture by rule, but does not entitle the recipient to begin growing, processing, or selling cannabis or cannabis-infused products.

"Consolidated transport center" means a facility licensed by the Department of Agriculture that is: (i) integrated with access controls, cameras, and alarms; (ii) owned and operated by an independent social equity transporting organization; and (iii) used for unloading products from vehicles, sorting and securely storing products, and reloading products onto licensed and registered transport vehicles before being shipped to cannabis business establishments.

"Craft grower" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000

- square feet for cultivating plants in the flowering stage,
 which must be cultivated in all stages of growth in an enclosed
 and secure area. A craft grower may share premises with a
 processing organization or a dispensing 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.
- 9 "Craft grower agent" means a principal officer, board
 10 member, employee, or other agent of a craft grower who is 21
 11 years of age or older.
- "Craft Grower Agent Identification Card" means a document issued by the Department of Agriculture that identifies a person as a craft grower agent.
- "Cultivation center" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, process, transport (unless otherwise limited by this Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.
- "Cultivation center agent" means a principal officer, board member, employee, or other agent of a cultivation center who is 21 years of age or older.
- "Cultivation Center Agent Identification Card" means a document issued by the Department of Agriculture that identifies a person as a cultivation center agent.

- 1 "Currency" means currency and coin of the United States.
- 2 "Dispensary" means a facility operated by a dispensing
- 3 organization at which activities licensed by this Act may
- 4 occur.
- 5 "Dispensary Applicant" means the Proposed Dispensing
- 6 Organization Name as stated on an application for a
- 7 Conditional Adult Use Dispensing Organization License.
- 8 "Dispensing organization" means a facility operated by an
- 9 organization or business that is licensed by the Department of
- 10 Financial and Professional Regulation to acquire cannabis from
- 11 a cultivation center, craft grower, processing organization,
- or another dispensary for the purpose of selling or dispensing
- 13 cannabis, cannabis-infused products, cannabis seeds,
- 14 paraphernalia, or related supplies under this Act to
- 15 purchasers or to qualified registered medical cannabis
- 16 patients and caregivers. As used in this Act, "dispensing
- 17 organization" includes a registered medical cannabis
- 18 organization as defined in the Compassionate Use of Medical
- 19 Cannabis Program Act or its successor Act that has obtained an
- 20 Early Approval Adult Use Dispensing Organization License.
- "Dispensing organization agent" means a principal officer,
- 22 employee, or agent of a dispensing organization who is 21
- years of age or older.
- "Dispensing organization agent identification card" means
- 25 a document issued by the Department of Financial and
- 26 Professional Regulation that identifies a person as a

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"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:

- (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
- (B) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or
- (C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
- (D) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and
- (2) has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.
- "Early Approval Adult Use Cultivation Center License"

means a license that permits a medical cannabis cultivation center licensed under the Compassionate Use of Medical Cannabis Program Act as of the effective date of this Act to begin cultivating, infusing, packaging, transporting (unless otherwise provided in this Act), processing, and selling cannabis or cannabis-infused product to cannabis business establishments for resale to purchasers as permitted by this Act as of January 1, 2020.

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

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

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

"Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by cannabis business establishment agents working for the licensed cannabis business establishment or acting pursuant to this Act to 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:

- (1) a space within a residential building that (i) is the primary residence of the individual cultivating 5 or fewer cannabis plants that are more than 5 inches tall and (ii) includes sleeping quarters and indoor plumbing. The space must only be accessible by a key or code that is different from any key or code that can be used to access 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.
- "Financial institution" has the same meaning as "financial

organization" as defined in Section 1501 of the Illinois Income Tax Act, and also includes the holding companies, subsidiaries, and affiliates of such financial organizations.

"Flowering stage" means the stage of cultivation where and when a cannabis plant is cultivated to produce plant material for cannabis products. This includes mature plants as follows:

- (1) if greater than 2 stigmas are visible at each internode of the plant; or
- (2) if the cannabis plant is in an area that has been intentionally deprived of light for a period of time intended to produce flower buds and induce maturation, from the moment the light deprivation began through the remainder of the marijuana plant growth cycle.

"Individual" means a natural person.

"Independent social equity transporting organization"

means a transporting organization that is not owned in whole

or in part by a cultivation center, dispensing organization,

processing organization, or any principal officer of a

cultivation center, dispensing organization, or processing

organization.

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

"Kief" means the resinous crystal-like trichomes that are

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found on cannabis and that are accumulated, resulting in a higher concentration of cannabinoids, untreated by heat or pressure, or extracted using a solvent.

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

"Limited access area" means a room or other area under the control of a cannabis dispensing organization licensed under this Act and upon the licensed premises where cannabis sales occur with access limited to purchasers, dispensing

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organization owners and other dispensing organization agents, 1 2 service professionals conducting business or with the 3 dispensing organization, or, if sales to registered qualifying patients, caregivers, provisional patients, and 4 5 Alternative Pilot Program participants licensed pursuant to the Compassionate Use of Medical Cannabis Program Act are also 6 7 permitted at the dispensary, registered qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot 8 9 Program participants.

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

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

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

"Ownership and control" means ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the

- 1 business and an interest in the capital, assets, and profits
- 2 and losses of the business proportionate to percentage of
- 3 ownership.
- 4 "Person" means a natural individual, firm, partnership,
- 5 association, joint stock company, joint venture, public or
- 6 private corporation, limited liability company, or a receiver,
- 7 executor, trustee, guardian, or other representative appointed
- 8 by order of any court.
- 9 "Possession limit" means the amount of cannabis under
- 10 Section 10-10 that may be possessed at any one time by a person
- 11 21 years of age or older or who is a registered qualifying
- 12 medical cannabis patient or caregiver under the Compassionate
- 13 Use of Medical Cannabis Program Act.
- 14 "Principal officer" includes a cannabis business
- 15 establishment applicant or licensed cannabis business
- 16 establishment's board member, owner with more than 1% interest
- of the total cannabis business establishment or more than 5%
- 18 interest of the total cannabis business establishment of a
- 19 publicly traded company, president, vice president, secretary,
- treasurer, partner, officer, member, manager member, or person
- 21 with a profit sharing, financial interest, or revenue sharing
- 22 arrangement. The definition includes a person with authority
- 23 to control the cannabis business establishment, a person who
- 24 assumes responsibility for the debts of the cannabis business
- establishment and who is further defined in this Act.
- 26 "Primary residence" means a dwelling where a person

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- usually stays or stays more often than other locations. It may 1 2 be determined by, without limitation, presence, tax filings; Illinois driver's license, 3 address on an an Illinois Identification Card, or an Illinois Person with a Disability 5 Identification Card; or voter registration. No person may have
- more than one primary residence. "Processing organization" or "processor" means a facility 7 8 operated by an organization or business that is licensed by 9 the Department of Agriculture to either extract constituent 10 chemicals or compounds to produce cannabis concentrate or 11 incorporate cannabis or cannabis concentrate into a product
- 13 "Processing organization agent" means a principal officer, board member, employee, or agent of a processing organization. 14

formulation to produce a cannabis product.

- 15 "Processing organization agent identification card" means 16 a document issued by the Department of Agriculture that 17 identifies a person as a processing organization agent.
 - "Purchaser" means a person 21 years of age or older who acquires cannabis for a valuable consideration. "Purchaser" does not include a cardholder under the Compassionate Use of Medical Cannabis Program Act.
 - "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 15-30 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"
2	means an applicant that submitted an application pursuant to
3	Section 15-30 that received at least 85% of 250 application
l	points available under Section 15-30 as the applicant's final
5	score and meets the criteria of either paragraph (1) or (2) of
5	the definition of "Social Equity Applicant" as set forth under
7	this Section.

- "Qualified Social Equity Applicant" means a Social Equity

 Applicant who has been awarded a conditional license under

 this Act to operate a cannabis business establishment.
- "Resided" means an individual's primary residence was located within the relevant geographic area as established by 2 of the following:
- 14 (1) a signed lease agreement that includes the applicant's name;
- 16 (2) a property deed that includes the applicant's name;
- 18 (3) school records;
- 19 (4) a voter registration card;
- 20 (5) an Illinois driver's license, an Illinois
 21 Identification Card, or an Illinois Person with a
 22 Disability Identification Card;
 - (6) a paycheck stub;
- 24 (7) a utility bill;

- 25 (8) tax records; or
- 26 (9) any other proof of residency or other information

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- 2 "Smoking" means the inhalation of smoke caused by the combustion of cannabis.
- "Social Equity Applicant" means an applicant that is an Illinois resident that meets one of the following criteria:
 - (1) an applicant with at least 51% ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a Disproportionately Impacted Area;
 - (2) an applicant with at least 51% ownership and control by one or more individuals who:
 - (i) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act; or
 - (ii) is a member of an impacted family;
 - (3) for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:
 - (i) currently reside in a Disproportionately 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.

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

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

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

"Transporting organization" or "transporter" means an

- 1 organization or business that is licensed by the Department of
- 2 Agriculture to transport cannabis or cannabis-infused product
- 3 on behalf of a cannabis business establishment or a community
- 4 college licensed under the Community College Cannabis
- 5 Vocational Training Pilot Program.
- 6 "Transporting organization agent" means a principal
- 7 officer, board member, employee, or agent of a transporting
- 8 organization.
- 9 "Transporting organization agent identification card"
- 10 means a document issued by the Department of Agriculture that
- identifies a person as a transporting organization agent.
- "Unit of local government" means any county, city,
- village, or incorporated town.
- "Vegetative stage" means the stage of cultivation in which
- 15 a cannabis plant is propagated to produce additional cannabis
- 16 plants or reach a sufficient size for production. This
- includes seedlings, clones, mothers, and other immature
- 18 cannabis plants as follows:
- 19 (1) if the cannabis plant is in an area that has not
- 20 been intentionally deprived of light for a period of time
- intended to produce flower buds and induce maturation, it
- 22 has no more than 2 stigmas visible at each internode of the
- cannabis plant; or
- 24 (2) any cannabis plant that is cultivated solely for
- 25 the purpose of propagating clones and is never used to
- 26 produce cannabis.

- 1 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 2 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 3 5-13-22.)
- 4 (410 ILCS 705/5-10)
- Sec. 5-10. Department of Agriculture. The Department of Agriculture shall administer and enforce provisions of this
- 7 Act relating to the oversight and registration of cultivation
- 8 centers, craft growers, infuser organizations, and
- 9 transporting organizations and agents, including the issuance
- of identification cards and establishing limits on potency or
- 11 serving size for cannabis or cannabis products. The Department
- of Agriculture may suspend or revoke the license of, or impose
- 13 other penalties upon cultivation centers, craft growers,
- 14 infuser organizations, transporting organizations, and their
- 15 principal officers, Agents-in-Charge, and agents for
- 16 violations of this Act and any rules adopted under this Act.
- The Department may adopt rules and emergency rules in
- 18 <u>accordance with the Illinois Administrative Procedure Act and</u>
- 19 prescribe forms and fees relating to the administration and
- 20 <u>enforcement of this amendatory Act of the 103rd General</u>
- 21 Assembly, as it deems appropriate.
- 22 (Source: P.A. 101-27, eff. 6-25-19.)
- 23 (410 ILCS 705/20-30)
- 24 Sec. 20-30. Cultivation center requirements; prohibitions.

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- (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.
 - (b) A cultivation center 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, 24-hour surveillance system to monitor the interior and exterior of the cultivation center facility and accessibility authorized law enforcement, the Department of Public Health takes place, where processing and the Department Agriculture in real time.
 - (c) All cultivation of cannabis by a cultivation center must take place in an enclosed, locked facility at the physical address provided to the Department of Agriculture during the licensing process. The cultivation center location shall only be accessed by the agents working for the cultivation center, the Department of Agriculture staff performing inspections, the Department of Public Health staff performing inspections, local and State law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, individuals in a

- 1 mentoring or educational program approved by the State, or 2 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 indirectly discriminate in price between different dispensing organizations, craft growers, or infuser organizations that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (e) prevents a cultivation center 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.
 - (f) All cannabis harvested by a cultivation center and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55-21, and placed into a cannabis container for transport. All cannabis harvested by a cultivation center and intended for distribution to a craft grower or infuser organization must be packaged in a labeled cannabis container and entered into a data collection system before transport.
 - (g) Cultivation centers are subject to random inspections by the Department of Agriculture, the Department of Public Health, local safety or health inspectors, the Illinois State

- 1 Police, or as provided by rule.
- 2 (h) A cultivation center agent shall notify local law
- 3 enforcement, the Illinois State Police, and the Department of
- 4 Agriculture within 24 hours of the discovery of any loss or
- 5 theft. Notification shall be made by phone or in person, or by
- 6 written or electronic communication.
- 7 (i) A cultivation center shall comply with all State and
- 8 any applicable federal rules and regulations regarding the use
- 9 of pesticides on cannabis plants.
- 10 (j) No person or entity shall hold any legal, equitable,
- 11 ownership, or beneficial interest, directly or indirectly, of
- more than 3 cultivation centers licensed under this Article.
- 13 Further, no person or entity that is employed by, an agent of,
- 14 has a contract to receive payment in any form from a
- 15 cultivation center, is a principal officer of a cultivation
- 16 center, or entity controlled by or affiliated with a principal
- officer of a cultivation shall hold any legal, equitable,
- 18 ownership, or beneficial interest, directly or indirectly, in
- 19 a cultivation that would result in the person or entity owning
- or controlling in combination with any cultivation center,
- 21 principal officer of a cultivation center, or entity
- 22 controlled or affiliated with a principal officer of a
- cultivation center by which he, she, or it is employed, is an
- agent of, or participates in the management of, more than 3
- 25 cultivation center licenses.
- 26 (k) A cultivation center may not contain more than 210,000

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- square feet of canopy space for plants in the flowering stage for cultivation of adult use cannabis as provided in this Act.
- 3 (1) A cultivation center may process cannabis, cannabis
 4 concentrates, and cannabis-infused products.
 - (m) Beginning July 1, 2020, a cultivation center shall not transport cannabis or cannabis-infused products to a craft grower, dispensing organization, infuser organization, or laboratory licensed under this Act, unless it has obtained a transporting organization license.
 - (n) It is unlawful for any person having a cultivation center license any officer, associate, member. or representative, or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act, or to any person connected with or in any way representing, or to any member of the family of, such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act, or to any stockholders in any corporation engaged in the retail sale

- 1 any officer, manager, of cannabis, agent, or to 2 representative of the Early Approval Adult Use Dispensing a Conditional Adult Use Dispensing 3 Organization License, 4 Organization License, an Adult Use Dispensing Organization 5 License, or a medical cannabis dispensing organization license 6 issued under the Compassionate Use of Medical Cannabis Program 7 Act to obtain preferential placement within the dispensing 8 organization, including, without limitation, on shelves and in 9 display cases where purchasers can view products, or on the 10 dispensing organization's website.
- 10 (o) A cultivation center must comply with any other 12 requirements or prohibitions set by administrative rule of the 13 Department of Agriculture.
- 14 <u>(p) Cannabis business entities shall adhere to the</u>
 15 <u>traceability and consumer protection guidelines established by</u>
 16 <u>the Department of Agriculture when utilizing the cannabis</u>
 17 <u>plant monitoring system or cannabis transport GPS tracking</u>
 18 <u>system.</u>
- 19 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 20 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 21 5-13-22.)
- 22 (410 ILCS 705/30-30)
- 23 Sec. 30-30. Craft grower requirements; prohibitions.
- 24 (a) The operating documents of a craft grower shall 25 include procedures for the oversight of the craft grower, a

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- cannabis plant monitoring system including a physical inventory recorded weekly, accurate recordkeeping, and a staffing plan.
 - (b) A craft grower 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 craft grower facility and that is accessible to authorized law enforcement and the Department of Agriculture in real time.
 - (c) All cultivation of cannabis by a craft grower must take place in an enclosed, locked facility at the physical address provided to the Department of Agriculture during the licensing process. The craft grower location shall only be accessed by the agents working for the craft grower, the Department of Agriculture staff performing inspections, the Department of Public Health staff performing inspections, State and local law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents provided in this Act, or participants in the incubator program, individuals in a mentoring or educational program approved by the State, or other individuals as provided by rule. However, if a craft grower shares a premises with an

- infuser or dispensing organization, agents from those other
 licensees may access the craft grower portion of the premises
 if that is the location of common bathrooms, lunchrooms,
 locker rooms, or other areas of the building where work or
 cultivation of cannabis is not performed. At no time may an
 infuser or dispensing organization agent perform work at a
 craft grower without being a registered agent of the craft
 grower.
 - (d) A craft grower may not sell or distribute any cannabis to any person other than a cultivation center, a craft grower, an infuser organization, a dispensing organization, or as otherwise authorized by rule.
- 13 (e) A craft grower may not be located in an area zoned for 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.
 - (g) All cannabis harvested by a craft grower and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55-21, and, if distribution is to a dispensing

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- organization that does not share a premises with the dispensing organization receiving the cannabis, placed into a cannabis container for transport. All cannabis harvested by a craft grower and intended for distribution to a cultivation center, to an infuser organization, or to a craft grower with which it does not share a premises, must be packaged in a labeled cannabis container and entered into a data collection system before transport.
- (h) Craft growers are subject to random inspections by the 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 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.
 - (k) A craft grower or craft grower agent shall not transport cannabis or cannabis-infused products to any other cannabis business establishment without a transport organization license unless:
- 24 (i) If the craft grower is located in a county with a 25 population of 3,000,000 or more, the cannabis business 26 establishment receiving the cannabis is within 2,000 feet

of the property line of the craft grower;

- (ii) If the craft grower 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 is within 2 miles of the craft grower; or
- (iii) If the craft grower is located in a county with a population of fewer than 700,000, the cannabis business establishment receiving the cannabis is within 15 miles of the craft grower.
- (1) A craft grower may enter into a contract with a transporting organization to transport cannabis to <u>a</u> consolidated transport center, a different transporting organization at the consolidated transport center, a cultivation center, a craft grower, an infuser organization, a dispensing organization, or a laboratory. <u>All products received and shipped to and from a consolidated transport center shall be tracked within the cannabis plant monitoring system.</u>
- (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 a craft grower shall hold any legal, equitable, ownership, or

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- beneficial interest, directly or indirectly, in a craft grower

 license that would result in the person or entity owning or

 controlling in combination with any craft grower, principal

 officer of a craft grower, or entity controlled or affiliated

 with a principal officer of a craft grower by which he, she, or

 it is employed, is an agent of, or participates in the

 management of more than 3 craft grower licenses.
 - (n) It is unlawful for any person having a craft grower license or any officer, associate, member, representative, or agent of the licensee to offer or deliver money, or anything else of value, directly or indirectly, to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act, or to any person connected with or in any way representing, or to any member of the family of, the person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act, or to any stockholders in any corporation engaged in the retail sale of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a

- 1 Conditional Adult Use Dispensing Organization License, an
- 2 Adult Use Dispensing Organization License, or a medical
- 3 cannabis dispensing organization license issued under the
- 4 Compassionate Use of Medical Cannabis Program Act to obtain
- 5 preferential placement within the dispensing organization,
- 6 including, without limitation, on shelves and in display cases
- 7 where purchasers can view products, or on the dispensing
- 8 organization's website.
- 9 (o) A craft grower shall not be located within 1,500 feet
- of another craft grower or a cultivation center.
- 11 (p) A craft grower may process cannabis, cannabis
- 12 concentrates, and cannabis-infused products.
- 13 (q) A craft grower must comply with any other requirements
- or prohibitions set by administrative rule of the Department
- of Agriculture.
- 16 (r) Cannabis business entities shall adhere to the
- traceability and consumer protection guidelines established by
- 18 the Department of Agriculture when utilizing the cannabis
- 19 plant monitoring system or cannabis transport GPS tracking
- 20 system.
- 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 705/35-25)
- 25 Sec. 35-25. Infuser organization requirements;

1 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 Department of Agriculture in real time.
 - (c) All processing of cannabis by an infuser must take place in an enclosed, locked facility at the physical address provided to the Department of Agriculture during the licensing process. The infuser location shall only be accessed by the agents working for the infuser, the Department of Agriculture staff performing inspections, the Department of Public Health staff performing inspections, State and local law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, participants in the incubator program, individuals in a mentoring or educational program approved by the State, local safety or

However, if an infuser shares a premises with a craft grower or dispensing organization, agents from these other licensees may access the infuser portion of the premises if that is the location of common bathrooms, lunchrooms, locker rooms, or other areas of the building where processing of cannabis is

health inspectors, or other individuals as provided by rule.

not performed. At no time may a craft grower or dispensing

organization agent perform work at an infuser without being a

9 registered agent of the infuser.

10 (d) An infuser may not sell or distribute any cannabis to

11 any person other than a dispensing organization, or as

otherwise authorized by rule.

- (e) An infuser 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 (e) prevents an infuser from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such volume discounts, or the way the products are delivered.
- (f) All cannabis infused by an infuser and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55-21, and, if distribution is to a dispensing organization that does not share a premises with the infuser, placed into a cannabis container for transport. All cannabis produced by an

- 1 infuser and intended for distribution to a cultivation center,
- 2 infuser organization, or craft grower with which it does not
- 3 share a premises, must be packaged in a labeled cannabis
- 4 container and entered into a data collection system before
- 5 transport.
- 6 (g) Infusers are subject to random inspections by the
- 7 Department of Agriculture, the Department of Public Health,
- 8 the Illinois State Police, local law enforcement, or as
- 9 provided by rule.
- 10 (h) An infuser agent shall notify local law enforcement,
- 11 the Illinois State Police, and the Department of Agriculture
- 12 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.
- 15 (i) An infuser organization may not be located in an area
- 16 zoned for residential use.
- 17 (j) An infuser or infuser agent shall not transport
- 18 cannabis or cannabis-infused products to any other cannabis
- 19 business establishment without a transport organization
- 20 license unless:
- 21 (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
- 25 infuser;
- 26 (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 product is within 15 miles of the infuser.
 - (k) An infuser may enter into a contract with a transporting organization to transport cannabis to a consolidated transport center, a different transporting organization at a consolidated transport center, a dispensing organization, or a laboratory. All products received and shipped to and from a consolidated transport center shall be tracked within the cannabis plant monitoring system.
 - (1) An infuser organization may share premises with a craft grower or a dispensing 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.
 - (m) It is unlawful for any person or entity having an infuser organization license or any officer, associate, member, representative or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use

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1 Dispensing Organization License, a Conditional Adult 2 Dispensing Organization License, an Adult Use Dispensing 3 Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of 5 Medical Cannabis Program Act, or to any person connected with or in any way representing, or to any member of the family of, 6 7 such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing 8 9 Organization License, an Adult Use Dispensing Organization 10 License, or a medical cannabis dispensing organization license 11 issued under the Compassionate Use of Medical Cannabis Program 12 Act, or to any stockholders in any corporation engaged the 13 retail sales of cannabis, or to any officer, manager, agent, 14 or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing 15 Organization License, an Adult Use Dispensing Organization 16 17 License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program 18 19 Act to obtain preferential placement within the dispensing 20 organization, including, without limitation, on shelves and in 21 display cases where purchasers can view products, or on the 22 dispensing organization's website.

- (n) At no time shall an infuser organization or an infuser agent perform the extraction of cannabis concentrate from cannabis flower.
- 26 (o) Cannabis business entities shall adhere to the

- 1 traceability and consumer protection guidelines established by
- 2 the Department of Agriculture when utilizing the cannabis
- 3 plant monitoring system or cannabis transport GPS tracking
- 4 system.
- 5 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 6 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 7 5-13-22.)
- 8 (410 ILCS 705/40-5)
- 9 Sec. 40-5. Issuance of licenses.
- 10 (a) The Department shall issue transporting licenses
- 11 through a process provided for in this Article no later than
- July 1, 2020. Entities awarded a license under this Section
- may defer paying the associated license fee for a period of no
- more than 3 years.
- 15 (b) The Department shall make the application for
- transporting organization licenses available on January 7,
- 17 2020 and shall receive such applications no later than March
- 18 15, 2020. The Department of Agriculture shall make available
- 19 such applications on every January 7 thereafter or if that
- 20 date falls on a weekend or holiday, the business day
- 21 immediately succeeding the weekend or holiday and shall
- 22 receive such applications no later than March 15 or the
- 23 succeeding business day thereafter.
- (c) From January 1, 2024 through January 1, 2026, the
- 25 Department shall not issue any transporting licenses other

- than those issued under subsection (a) before the effective 1 2 date of this amendatory Act of the 103rd General Assembly.
- (d) Upon completion of the disparity and availability 3
- study published by the Illinois Cannabis Regulation Oversight 4
- 5 Officer under subsection (e) of Section 5-45, the Department
- of Agriculture may modify or change the licensing application 6
- 7 process to reduce or eliminate barriers and remedy
- discrimination identified in the study. Beginning January 1, 8
- 9 2026, the Department of Agriculture shall make the
- applications available on every January 7 thereafter or, if 10
- 11 that date falls on a weekend or holiday, the business day
- 12 immediately succeeding the weekend or holiday and shall
- 13 receive the applications no later than March 15 or the
- 14 succeeding business day thereafter.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 15
- 16 (410 ILCS 705/40-25)
- 17 40-25. Transporting organization requirements;
- 18 prohibitions.
- (a) The operating documents of a transporting organization 19
- 20 shall include procedures for the oversight of the transporter,
- 21 an inventory monitoring system including a physical inventory
- 22 recorded weekly, accurate recordkeeping, and a staffing plan.
- (b) A transporting organization may not transport cannabis 23
- 24 or cannabis-infused products to any person other than a
- 25 cultivation center, a craft grower, an infuser organization, a

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- dispensing organization, a testing facility, <u>a consolidated</u>
- 2 <u>transport center</u>, or as otherwise authorized by rule.
- 3 (c) All cannabis transported by a transporting 4 organization must be entered into a data collection system and 5 placed into a cannabis container for transport.
- 6 (d) Transporters are subject to random inspections by the
 7 Department of Agriculture, the Department of Public Health,
 8 the Illinois State Police, or as provided by rule.
- 9 (e) A transporting organization agent shall notify local
 10 law enforcement, the Illinois State Police, and the Department
 11 of Agriculture within 24 hours of the discovery of any loss or
 12 theft. Notification shall be made by phone, in person, or by
 13 written or electronic communication.
- (f) No person under the age of 21 years shall be in a commercial vehicle or trailer transporting cannabis goods.
 - (g) No person or individual who is not a transporting organization agent shall be in a vehicle while transporting cannabis goods.
- 19 (h) Transporters may not use commercial motor vehicles 20 with a weight rating of over 10,001 pounds.
- 21 (i) It is unlawful for any person to offer or deliver 22 money, or anything else of value, directly or indirectly, to 23 any of the following persons to obtain preferential placement 24 within the dispensing organization, including, without 25 limitation, on shelves and in display cases where purchasers 26 can view products, or on the dispensing organization's

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- 2 (1) a person having a transporting organization 3 license, or any officer, associate, member, 4 representative, or agent of the licensee;
 - (2) a person having an Early Applicant Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act;
 - (3) person connected with or in anv representing, or a member of the family of, a person holding Early Applicant Adult an Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act; or
 - (4) a stockholder, officer, manager, agent, or representative of a corporation engaged in the retail sale of cannabis, an Early Applicant Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act.
 - (j) A transporting organization agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment and during the

- 1 transporting of cannabis when acting under his or her duties
- 2 as a transportation organization agent. During these times,
- 3 the transporting organization agent must also provide the
- 4 identification card upon request of any law enforcement
- 5 officer engaged in his or her official duties.
- 6 (k) A copy of the transporting organization's registration
- 7 and a manifest for the delivery shall be present in any vehicle
- 8 transporting cannabis.
- 9 (1) Cannabis shall be transported so it is not visible or
- 10 recognizable from outside the vehicle.
- 11 (m) A vehicle transporting cannabis must not bear any
- markings to indicate the vehicle contains cannabis or bear the
- name or logo of the cannabis business establishment.
- 14 (n) Cannabis must be transported in an enclosed, locked
- 15 storage compartment that is secured or affixed to the vehicle.
- 16 (o) The Department of Agriculture may, by rule, impose any
- other requirements or prohibitions on the transportation of
- 18 cannabis.
- 19 (p) No person, cannabis business establishment, or entity
- 20 other than a licensed transportation organization shall
- 21 transport cannabis or cannabis-infused products on behalf of a
- 22 cannabis business establishment to or from a consolidated
- transport center, unless otherwise authorized by rule.
- 24 (q) Cannabis business entities shall adhere to the
- 25 traceability and consumer protection guidelines established by
- 26 the Department of Agriculture when utilizing the cannabis

- 1 plant monitoring system or cannabis transport GPS tracking
- 2 system.
- 3 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 4 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 5 5-13-22.)
- 6 (410 ILCS 705/40-50 new)
- 7 Sec. 40-50. Consolidated transport center requirements;
- 8 prohibitions.
- 9 <u>(a) The operating documents of a consolidated transport</u>
- 10 center shall include procedures for the oversight of the
- 11 consolidated transport center and a cannabis or
- 12 cannabis-infused products monitoring system, including, a
- 13 physical inventory recorded weekly, accurate recordkeeping,
- 14 and a staffing plan that is available to the Department of
- 15 Revenue, the Department of Agriculture, the Department of
- 16 Financial and Professional Regulation, and the Illinois State
- 17 Police.
- 18 (b) A consolidated transport center shall implement a
- 19 security plan reviewed by the Illinois State Police that
- 20 includes, but is not limited to, facility access controls,
- 21 perimeter intrusion detection systems, personnel
- identification systems, 24-hour surveillance system to monitor
- 23 the interior and exterior of the consolidated transport
- 24 center, and accessibility to authorized law enforcement and
- 25 the Department of Agriculture in real time.

- (c) All consolidating transport center activities by a consolidated transport center must take place in an enclosed, fenced, and locked facility at the physical address provided to the Department of Agriculture during the licensing process.

 The consolidated transport center location shall only be accessed by the agents working for the consolidated transport center, the Department of Agriculture staff performing inspections, local and State law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, individuals in a mentoring or educational program approved by the State, or other individuals as provided by rule.
- (d) A consolidated transport center may not distribute any cannabis or cannabis-infused products to any person other than a dispensing organization, craft grower, infuser organization, transporter, consolidated transport center, or as otherwise authorized by rule.
- (e) All cannabis or cannabis-infused products received by a consolidated transport center for distribution to a cannabis business establishment must be entered into the cannabis plant monitoring system, packaged and labeled under Section 55-21, and placed into a cannabis container for transport.
- (f) Consolidated transport centers are subject to random inspections by the Department of Agriculture, local safety or

- 1 <u>health inspectors</u>, and the Illinois State Police.
- 2 (g) A consolidated transport center agent shall notify
- 3 <u>local law enforcement, the Illinois State Police, and the</u>
- 4 Department of Agriculture within 24 hours of the discovery of
- 5 any loss or theft. Notification shall be made by phone, in
- 6 person, or by written or electronic communication.
- 7 (h) No person or entity shall hold any legal, equitable, 8 ownership, or beneficial interest, directly or indirectly, of
- 9 more than 3 consolidated transport center licenses under this
- 10 Act. Further, no person or entity that is employed by a
- 11 <u>cannabis</u> business establishment, an agent of a cannabis
- business establishment, has a contract to receive payment in
- 13 <u>any form from a cannabis business establishment, is a</u>
- 14 principal officer of a cannabis business establishment, or is
- an entity controlled by or affiliated with a principal officer
- of a cannabis business establishment shall hold any legal,
- 17 <u>equitable</u>, ownership, or beneficial interest, directly or
- 18 <u>indirectly</u>, in a cannabis business establishment that would
- 19 <u>result in the person or entity owning or controlling in</u>
- 20 <u>combination</u> with any cannabis business establishment,
- 21 <u>principal officer of a cannabis business establishment, or</u>
- 22 <u>entity controlled or affiliated with a principal officer of a</u>
- 23 <u>cannabis business establishment by which he, she, or it is</u>
- 24 <u>employed</u>, is an agent of, or participates in the management
- of, more than 3 consolidated transport center licenses.
- 26 (i) It is unlawful for any person having a consolidated

1 transport center license or any officer, associate, member, 2 representative, or agent of such licensee to offer or deliver 3 money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing 4 Organization License, a Conditional Adult Use Dispensing 5 Organization License, an Adult Use Dispensing Organization 6 7 License, or a medical cannabis dispensing organization license 8 issued under the Compassionate Use of Medical Cannabis Program 9 Act, or to any person connected with or in any way 10 representing, or to any member of the family of, such person 11 holding an Early Approval Adult Use Dispensing Organization 12 License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a 13 14 medical cannabis dispensing organization license issued under 15 the Compassionate Use of Medical Cannabis Program Act, or to 16 any stockholders in any corporation engaged in the retail sale 17 of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing 18 19 Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization 20 21 License, or a medical cannabis dispensing organization license 22 issued under the Compassionate Use of Medical Cannabis Program 23 Act to obtain preferential placement within the dispensing 24 organization, including, without limitation, on shelves and in 25 display cases where purchasers can view products, or on the 26 dispensing organization's website.

- 1 (j) A consolidated transport center must comply with the
- 2 application process, mandatory fees, compliance requirements,
- 3 <u>and prohibitions set by administrative rules of the Department</u>
- 4 of Agriculture.
- 5 <u>(k) All fees and fines collected under this Section shall</u>
- 6 <u>be deposited into the Cannabis Regulation Fund, unless</u>
- 7 <u>otherwise specified by rule by the Department of Agriculture.</u>
- 8 (1) A consolidated transport center may not transfer an
- 9 <u>ownership interest in a license without prior Department</u>
- 10 approval. Such approval may be withheld if the person or
- 11 entity to whom the license is being transferred does not meet
- 12 the definition of independent social equity transporting
- organization under this Act.
- 14 Section 99. Effective date. This Act takes effect upon
- 15 becoming law.