



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5562

Introduced 2/9/2024, by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/7-10
410 ILCS 705/7-15
410 ILCS 705/55-30

Amends the Cannabis Regulation and Tax Act. Provides that the Cannabis Business Development Fund may be used to provide financial assistance that supports lending to or private investment in qualified Social Equity Applicants and Social Equity Lottery Licensees or facilitates access to the facilities needed to commence operations on a cannabis business establishment. Provides that the Department of Commerce and Economic Opportunity may enter into financial agreements to facilitate lending to or investment in qualified Social Equity Applicants or Social Equity Lottery Licensees, or their subsidiaries or affiliates, to ensure the availability of facilities necessary to operate a cannabis business establishment. Provides that notwithstanding anything in the confidentiality provisions of the Act to the contrary, the Department of Financial and Professional Regulation and the Department of Agriculture may share licensee information with the Department of Commerce and Economic Opportunity necessary to support the administration of Social Equity programming.

LRB103 39472 RLC 69666 b

1 AN ACT concerning health.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Sections 1-10, 7-10, 7-15, and 55-30 as follows:

6 (410 ILCS 705/1-10)

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

8 "Adult Use Cultivation Center License" means a license
9 issued by the Department of Agriculture that permits a person
10 to act as a cultivation center under this Act and any
11 administrative rule made in furtherance of this Act.

12 "Adult Use Dispensing Organization License" means a
13 license issued by the Department of Financial and Professional
14 Regulation that permits a person to act as a dispensing
15 organization under this Act and any administrative rule made
16 in furtherance of this Act.

17 "Advertise" means to engage in promotional activities
18 including, but not limited to: newspaper, radio, Internet and
19 electronic media, and television advertising; the distribution
20 of fliers and circulars; billboard advertising; and the
21 display of window and interior signs. "Advertise" does not
22 mean exterior signage displaying only the name of the licensed
23 cannabis business establishment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 "Conditional Adult Use Dispensing Organization License"
23 means a contingent license awarded to applicants for an Adult
24 Use Dispensing Organization License that reserves the right to
25 an Adult Use Dispensing Organization License if the applicant
26 meets certain conditions described in this Act, but does not

1 entitle the recipient to begin purchasing or selling cannabis
2 or cannabis-infused products.

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

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

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

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

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

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

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

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

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

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

26 "Dispensary Applicant" means the Proposed Dispensing

1 Organization Name as stated on an application for a
2 Conditional Adult Use Dispensing Organization License.

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

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

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

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

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

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

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

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

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

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

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

1 cannabis or cannabis-infused product to cannabis business
2 establishments for resale to purchasers as permitted by this
3 Act as of January 1, 2020.

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

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

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

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

1 cultivate, process, store, or distribute cannabis.

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

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

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

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

25 "Flowering stage" means the stage of cultivation where and
26 when a cannabis plant is cultivated to produce plant material

1 for cannabis products. This includes mature plants as follows:

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

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

9 "Individual" means a natural person.

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

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

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

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

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

25 "Member of an impacted family" means an individual who has
26 a parent, legal guardian, child, spouse, or dependent, or was

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

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

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

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

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

24 "Possession limit" means the amount of cannabis under
25 Section 10-10 that may be possessed at any one time by a person
26 21 years of age or older or who is a registered qualifying

1 medical cannabis patient or caregiver under the Compassionate
2 Use of Medical Cannabis Program Act.

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

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

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

1 formulation to produce a cannabis product.

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

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

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

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

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

23 "Qualified Social Equity Applicant" means a Social Equity
24 Applicant who has been awarded a conditional license under
25 this Act to operate a cannabis business establishment.

26 "Resided" means an individual's primary residence was

1 located within the relevant geographic area as established by
2 of the following:

3 (1) a signed lease agreement that includes the
4 applicant's name;

5 (2) a property deed that includes the applicant's
6 name;

7 (3) school records;

8 (4) a voter registration card;

9 (5) an Illinois driver's license, an Illinois
10 Identification Card, or an Illinois Person with a
11 Disability Identification Card;

12 (6) a paycheck stub;

13 (7) a utility bill;

14 (8) tax records; or

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

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

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

1 (i) have been arrested for, convicted of, or
2 adjudicated delinquent for any offense that is
3 eligible for expungement under this Act; or

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

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

8 (i) currently reside in a Disproportionately
9 Impacted Area; or

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

14 "Social Equity Lottery Licensee" means a holder of an
15 adult-use cannabis dispensary license awarded through a
16 lottery held pursuant to subsection (c) of Section 15-35.20
17 and any amendments thereto.

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

23 "Tied Applicant" means an application submitted by a
24 Dispensary Applicant pursuant to Section 15-30 that received
25 the same number of application points under Section 15-30 as
26 the Dispensary Applicant's final score as one or more

1 top-scoring applications in the same BLS Region and would have
2 been awarded a license but for the one or more other
3 top-scoring applications that received the same number of
4 application points. Each application for which a Dispensary
5 Applicant was required to pay a required application fee for
6 the application period ending January 2, 2020 shall be
7 considered an application of a separate Tied Applicant.

8 "Tied Applicant Lottery" means the process established
9 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
10 Use Dispensing Organization Licenses pursuant to Sections
11 15-25 and 15-30 among Eligible Tied Applicants.

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

19 "Transporting organization" or "transporter" means an
20 organization or business that is licensed by the Department of
21 Agriculture to transport cannabis or cannabis-infused product
22 on behalf of a cannabis business establishment or a community
23 college licensed under the Community College Cannabis
24 Vocational Training Pilot Program.

25 "Transporting organization agent" means a principal
26 officer, board member, employee, or agent of a transporting

1 organization.

2 "Transporting organization agent identification card"
3 means a document issued by the Department of Agriculture that
4 identifies a person as a transporting organization agent.

5 "Unit of local government" means any county, city,
6 village, or incorporated town.

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

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

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

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

23 (410 ILCS 705/7-10)

24 Sec. 7-10. Cannabis Business Development Fund.

25 (a) There is created in the State treasury a special fund,

1 which shall be held separate and apart from all other State
2 moneys, to be known as the Cannabis Business Development Fund.
3 The Cannabis Business Development Fund shall be exclusively
4 used for the following purposes:

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

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

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

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

23 (5) to provide financial assistance that supports
24 lending to or private investment in Qualified Social
25 Equity Applicants and Social Equity Lottery Licensees or
26 facilitates access to the facilities needed to commence

1 operations as a cannabis business establishment ~~(blank)~~;

2 (6) to conduct any study or research concerning the
3 participation of minorities, women, veterans, or people
4 with disabilities in the cannabis industry, including,
5 without limitation, barriers to such individuals entering
6 the industry as equity owners of cannabis business
7 establishments;

8 (7) (blank); and

9 (8) to assist with job training and technical
10 assistance for residents in Disproportionately Impacted
11 Areas.

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

18 (c) (Blank).

19 (c-5) In addition to any other transfers that may be
20 provided for by law, on July 1, 2023, or as soon thereafter as
21 practical, the State Comptroller shall direct and the State
22 Treasurer shall transfer the sum of \$40,000,000 from the
23 Compassionate Use of Medical Cannabis Fund to the Cannabis
24 Business Development Fund.

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

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

5 (Source: P.A. 103-8, eff. 6-7-23.)

6 (410 ILCS 705/7-15)

7 Sec. 7-15. Loans, financial assistance, and grants to
8 Qualified Social Equity Applicants and Social Equity Lottery
9 Licensees.

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

17 (b) The Department of Commerce and Economic Opportunity
18 has the power to:

19 (1) provide Cannabis Social Equity loans, financial
20 assistance, and grants from appropriations from the
21 Cannabis Business Development Fund to assist Qualified
22 Social Equity Applicants and Social Equity Lottery
23 Licensees in gaining entry to, and successfully operating
24 in, the State's regulated cannabis marketplace;

25 (2) enter into agreements that set forth terms and

1 conditions of the financial assistance, accept funds or
2 grants, and engage in cooperation with private entities
3 and agencies of State or local government to carry out the
4 purposes of this Section;

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

10 (4) coordinate assistance under these financial
11 assistance ~~loan~~ programs with activities of the Illinois
12 Department of Financial and Professional Regulation, the
13 Illinois Department of Agriculture, and other agencies as
14 needed to maximize the effectiveness and efficiency of
15 this Act;

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

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

26 (7) enter into financial intermediary agreements to

1 facilitate lending to or investment in Qualified Social
2 Equity Applicants or Social Equity Lottery Licensees, or
3 their subsidiaries or affiliates, to ensure the
4 availability of facilities necessary to operate a cannabis
5 business establishment;

6 (8) ~~(7)~~ establish application, notification, contract,
7 and other forms, procedures, or rules deemed necessary and
8 appropriate; and

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

11 (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 security, insurance, reporting, delinquency charges,
18 default remedies, and other matters as the Department
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; and ~~-~~

23 (3) may be distributed by lot if the Department
24 determines that the amount of funding available is
25 insufficient to provide an adequate amount of funding for
26 all of the applicants eligible to receive a loan. The

1 Department may determine the number of loans available
2 based on the amount of funding available and communicate
3 the number of loans available on the loan application. The
4 Department may use competitive criteria to establish which
5 applicants are eligible to receive a grant, loan, or
6 financial assistance.

7 (d) Grants made under this Section shall be awarded on a
8 competitive and annual basis under the Grant Accountability
9 and Transparency Act. Grants made under this Section shall
10 further and promote the goals of this Act, including promotion
11 of Social Equity Applicants, Qualified Social Equity
12 Applicants, Social Equity Lottery Licensees, job training and
13 workforce development, and technical assistance to Social
14 Equity Applicants. To the extent registration with the federal
15 System for Award Management requires a grant applicant to
16 certify compliance with all federal laws, the grant applicants
17 under this Section shall not be required to register for a
18 unique entity identifier through the federal System for Award
19 Management to be qualified to receive a grant so long as
20 federal law prohibits the cultivation and sale of cannabis.

21 (e) Financial intermediary agreements to provide financial
22 assistance must further the goals set forth in this Act and
23 result in financing or lease costs that are affordable or
24 below market rate.

25 (f)~~(e)~~ Beginning January 1, 2021 and each year thereafter,
26 the Department shall annually report to the Governor and the

1 General Assembly on the outcomes and effectiveness of this
2 Section that shall include the following:

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

5 (2) the amount in financial assistance awarded in the
6 aggregate, in addition to the amount of loans made that
7 are outstanding and the amount of grants awarded;

8 (3) the location of the project engaged in by the
9 person or business; and

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

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

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

18 (410 ILCS 705/55-30)

19 Sec. 55-30. Confidentiality.

20 (a) Information provided by the cannabis business
21 establishment licensees or applicants to the Department of
22 Agriculture, the Department of Public Health, the Department
23 of Financial and Professional Regulation, the Department of
24 Commerce and Economic Opportunity, or other agency shall be
25 limited to information necessary for the purposes of

1 administering this Act. The information is subject to the
2 provisions and limitations contained in the Freedom of
3 Information Act and may be disclosed in accordance with
4 Section 55-65.

5 (b) The following information received and records kept by
6 the Department of Agriculture, the Department of Public
7 Health, the Illinois State Police, and the Department of
8 Financial and Professional Regulation for purposes of
9 administering this Article are subject to all applicable
10 federal privacy laws, are confidential and exempt from
11 disclosure under the Freedom of Information Act, except as
12 provided in this Act, and not subject to disclosure to any
13 individual or public or private entity, except to the
14 Department of Financial and Professional Regulation, the
15 Department of Agriculture, the Department of Public Health,
16 the Department of Commerce and Economic Opportunity, and the
17 Illinois State Police as necessary to perform official duties
18 under this Article and to the Attorney General as necessary to
19 enforce the provisions of this Act. The following information
20 received and kept by the Department of Financial and
21 Professional Regulation or the Department of Agriculture may
22 be disclosed to the Department of Public Health, the
23 Department of Agriculture, the Department of Revenue, the
24 Illinois State Police, the Department of Commerce and Economic
25 Opportunity, or the Attorney General upon proper request:

26 (1) Applications and renewals, their contents, and

1 supporting information submitted by or on behalf of
2 dispensing organizations, cannabis business
3 establishments, or Community College Cannabis Vocational
4 Program licensees, in compliance with this Article,
5 including their physical addresses; however, this does not
6 preclude the release of ownership information about
7 cannabis business establishment licenses, or information
8 submitted with an application required to be disclosed
9 pursuant to subsection (f);

10 (2) Any plans, procedures, policies, or other records
11 relating to cannabis business establishment security; and

12 (3) Information otherwise exempt from disclosure by
13 State or federal law.

14 Illinois or national criminal history record information,
15 or the nonexistence or lack of such information, may not be
16 disclosed by the Department of Financial and Professional
17 Regulation or the Department of Agriculture, except as
18 necessary to the Attorney General to enforce this Act.

19 (c) The name and address of a dispensing organization
20 licensed under this Act shall be subject to disclosure under
21 the Freedom of Information Act. The name and cannabis business
22 establishment address of the person or entity holding each
23 cannabis business establishment license shall be subject to
24 disclosure.

25 (d) All information collected by the Department of
26 Financial and Professional Regulation or the Department of

1 Agriculture in the course of an examination, inspection, or
2 investigation of a licensee or applicant, including, but not
3 limited to, any complaint against a licensee or applicant
4 filed with the Department of Financial and Professional
5 Regulation or the Department of Agriculture and information
6 collected to investigate any such complaint, shall be
7 maintained for the confidential use of the Department of
8 Financial and Professional Regulation or the Department of
9 Agriculture and shall not be disclosed, except as otherwise
10 provided in this Act. A formal complaint against a licensee by
11 the Department of Financial and Professional Regulation or the
12 Department of Agriculture or any disciplinary order issued by
13 the Department of Financial and Professional Regulation or the
14 Department of Agriculture against a licensee or applicant
15 shall be a public record, except as otherwise provided by law.
16 Complaints from consumers or members of the general public
17 received regarding a specific, named licensee or complaints
18 regarding conduct by unlicensed entities shall be subject to
19 disclosure under the Freedom of Information Act.

20 (e) The Department of Agriculture, the Illinois State
21 Police, and the Department of Financial and Professional
22 Regulation shall not share or disclose any Illinois or
23 national criminal history record information, or the
24 nonexistence or lack of such information, to any person or
25 entity not expressly authorized by this Act.

26 (f) Each Department responsible for licensure under this

1 Act shall publish on the Department's website a list of the
2 ownership information of cannabis business establishment
3 licensees under the Department's jurisdiction. The list shall
4 include, but is not limited to: the name of the person or
5 entity holding each cannabis business establishment license;
6 and the address at which the entity is operating under this
7 Act. This list shall be published and updated monthly.

8 (g) Notwithstanding anything in this Section to the
9 contrary, the Department of Financial and Professional
10 Regulation and the Department of Agriculture may share
11 licensee information with the Department of Commerce and
12 Economic Opportunity necessary to support the administration
13 of Social Equity programming.

14 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
15 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
16 5-13-22.)