



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3916

Introduced 2/17/2023, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/20-15
410 ILCS 705/20-30
410 ILCS 705/30-10

Amends the Cannabis Regulation and Tax Act. Defines "enclosed, locked facility" to mean a room, greenhouse, building, outdoor canopy space, or other enclosed area (currently 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 to cultivate, process, store, or distribute cannabis. Makes conforming changes.

LRB103 27158 CPF 53527 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, 20-15, 20-30, and 30-10 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, outdoor canopy space, or other enclosed area
24 equipped with locks or other security devices that permit
25 access only by cannabis business establishment agents working
26 for the licensed cannabis business establishment or acting

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

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

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

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

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

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

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

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

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

10 "Individual" means a natural person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 "Resided" means an individual's primary residence was
2 located within the relevant geographic area as established by
3 2 of the following:

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

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

8 (3) school records;

9 (4) a voter registration card;

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

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

18 "Smoking" means the inhalation of smoke caused by the
19 combustion of cannabis.

20 "Social Equity Applicant" means an applicant that is an
21 Illinois resident that meets one of the following criteria:

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

26 (2) an applicant with at least 51% ownership and

1 control by one or more individuals who:

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

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

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

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

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

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

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

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

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

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

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

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

25 "Transporting organization agent identification card"
26 means a document issued by the Department of Agriculture that

1 identifies a person as a transporting organization agent.

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

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

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

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

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

20 (410 ILCS 705/20-15)

21 Sec. 20-15. Conditional Adult Use Cultivation Center
22 application.

23 (a) If the Department of Agriculture makes available
24 additional cultivation center licenses pursuant to Section
25 20-5, applicants for a Conditional Adult Use Cultivation

1 Center License shall electronically submit the following in
2 such form as the Department of Agriculture may direct:

3 (1) the nonrefundable application fee set by rule by
4 the Department of Agriculture, to be deposited into the
5 Cannabis Regulation Fund;

6 (2) the legal name of the cultivation center;

7 (3) the proposed physical address of the cultivation
8 center;

9 (4) the name, address, social security number, and
10 date of birth of each principal officer and board member
11 of the cultivation center; each principal officer and
12 board member shall be at least 21 years of age;

13 (5) the details of any administrative or judicial
14 proceeding in which any of the principal officers or board
15 members of the cultivation center (i) pled guilty, were
16 convicted, were fined, or had a registration or license
17 suspended or revoked, or (ii) managed or served on the
18 board of a business or non-profit organization that pled
19 guilty, was convicted, was fined, or had a registration or
20 license suspended or revoked;

21 (6) proposed operating bylaws that include procedures
22 for the oversight of the cultivation center, including the
23 development and implementation of a plant monitoring
24 system, accurate recordkeeping, staffing plan, and
25 security plan approved by the Illinois State Police that
26 are in accordance with the rules issued by the Department

1 of Agriculture under this Act. A physical inventory shall
2 be performed of all plants and cannabis on a weekly basis
3 by the cultivation center;

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

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

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

18 (10) whether an applicant can demonstrate experience
19 in or business practices that promote economic empowerment
20 in Disproportionately Impacted Areas;

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

24 (12) a description of the enclosed, locked facility
25 where cannabis will be grown, harvested, manufactured,
26 processed, packaged, or otherwise prepared for

1 distribution to a dispensing organization;

2 (13) a survey of the enclosed, locked facility,
3 including a survey of the space used for cultivation and
4 any outdoor canopy space;

5 (14) cultivation, processing, inventory, and packaging
6 plans;

7 (15) a description of the applicant's experience with
8 agricultural cultivation techniques and industry
9 standards;

10 (16) a list of any academic degrees, certifications,
11 or relevant experience of all prospective principal
12 officers, board members, and agents of the related
13 business;

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

20 (18) a plan describing how the cultivation center will
21 address each of the following:

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

1 (ii) water needs, including estimated water draw
2 and if it has or will adopt a sustainable water use and
3 water conservation policy; and

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

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

11 (20) any other information required by rule;

12 (21) a recycling plan:

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

15 (B) Any recyclable waste generated by the cannabis
16 cultivation facility shall be recycled per applicable
17 State and local laws, ordinances, and rules.

18 (C) Any cannabis waste, liquid waste, or hazardous
19 waste shall be disposed of in accordance with 8 Ill.
20 Adm. Code 1000.460, except, to the greatest extent
21 feasible, all cannabis plant waste will be rendered
22 unusable by grinding and incorporating the cannabis
23 plant waste with compostable mixed waste to be
24 disposed of in accordance with 8 Ill. Adm. Code
25 1000.460 (g) (1);

26 (22) commitment to comply with local waste provisions:

1 a cultivation facility must remain in compliance with
2 applicable State and federal environmental requirements,
3 including, but not limited to:

4 (A) storing, securing, and managing all
5 recyclables and waste, including organic waste
6 composed of or containing finished cannabis and
7 cannabis products, in accordance with applicable State
8 and local laws, ordinances, and rules; and

9 (B) disposing liquid waste containing cannabis or
10 byproducts of cannabis processing in compliance with
11 all applicable State and federal requirements,
12 including, but not limited to, the cannabis
13 cultivation facility's permits under Title X of the
14 Environmental Protection Act; and

15 (23) a commitment to a technology standard for
16 resource efficiency of the cultivation center facility.

17 (A) A cannabis cultivation facility commits to use
18 resources efficiently, including energy and water. For
19 the following, a cannabis cultivation facility commits
20 to meet or exceed the technology standard identified
21 in items (i), (ii), (iii), and (iv), which may be
22 modified by rule:

23 (i) lighting systems, including light bulbs;

24 (ii) HVAC system;

25 (iii) water application system to the crop;

26 and

1 (iv) filtration system for removing
2 contaminants from wastewater.

3 (B) Lighting. The Lighting Power Densities (LPD)
4 for cultivation space commits to not exceed an average
5 of 36 watts per gross square foot of active and growing
6 space canopy, or all installed lighting technology
7 shall meet a photosynthetic photon efficacy (PPE) of
8 no less than 2.2 micromoles per joule fixture and
9 shall be featured on the DesignLights Consortium (DLC)
10 Horticultural Specification Qualified Products List
11 (QPL). In the event that DLC requirement for minimum
12 efficacy exceeds 2.2 micromoles per joule fixture,
13 that PPE shall become the new standard.

14 (C) HVAC.

15 (i) For cannabis grow operations with less
16 than 6,000 square feet of canopy, the licensee
17 commits that all HVAC units will be
18 high-efficiency ductless split HVAC units, or
19 other more energy efficient equipment.

20 (ii) For cannabis grow operations with 6,000
21 square feet of canopy or more, the licensee
22 commits that all HVAC units will be variable
23 refrigerant flow HVAC units, or other more energy
24 efficient equipment.

25 (D) Water application.

26 (i) The cannabis cultivation facility commits

1 to use automated watering systems, including, but
2 not limited to, drip irrigation and flood tables,
3 to irrigate cannabis crop.

4 (ii) The cannabis cultivation facility commits
5 to measure runoff from watering events and report
6 this volume in its water usage plan, and that on
7 average, watering events shall have no more than
8 20% of runoff of water.

9 (E) Filtration. The cultivator commits that HVAC
10 condensate, dehumidification water, excess runoff, and
11 other wastewater produced by the cannabis cultivation
12 facility shall be captured and filtered to the best of
13 the facility's ability to achieve the quality needed
14 to be reused in subsequent watering rounds.

15 (F) Reporting energy use and efficiency as
16 required by rule.

17 (b) Applicants must submit all required information,
18 including the information required in Section 20-10, to the
19 Department of Agriculture. Failure by an applicant to submit
20 all required information may result in the application being
21 disqualified.

22 (c) If the Department of Agriculture receives an
23 application with missing information, the Department of
24 Agriculture may issue a deficiency notice to the applicant.
25 The applicant shall have 10 calendar days from the date of the
26 deficiency notice to resubmit the incomplete information.

1 Applications that are still incomplete after this opportunity
2 to cure will not be scored and will be disqualified.

3 (e) A cultivation center that is awarded a Conditional
4 Adult Use Cultivation Center License pursuant to the criteria
5 in Section 20-20 shall not grow, purchase, possess, or sell
6 cannabis or cannabis-infused products until the person has
7 received an Adult Use Cultivation Center License issued by the
8 Department of Agriculture pursuant to Section 20-21 of this
9 Act.

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

12 (410 ILCS 705/20-30)

13 Sec. 20-30. Cultivation center requirements; prohibitions.

14 (a) The operating documents of a cultivation center shall
15 include procedures for the oversight of the cultivation
16 center, a cannabis plant monitoring system including a
17 physical inventory recorded weekly, accurate recordkeeping,
18 and a staffing plan.

19 (b) A cultivation center shall implement a security plan
20 reviewed by the Illinois State Police that includes, but is
21 not limited to: facility access controls, perimeter intrusion
22 detection systems, personnel identification systems, 24-hour
23 surveillance system to monitor the interior and exterior of
24 the cultivation center facility and accessibility to
25 authorized law enforcement, the Department of Public Health

1 where processing takes place, and the Department of
2 Agriculture in real time.

3 (c) All cultivation of cannabis by a cultivation center
4 must take place in an enclosed, locked facility or outdoor
5 canopy space which, in either case, shall be located at the
6 physical address provided to the Department of Agriculture
7 during the licensing process. The cultivation center location
8 shall only be accessed by the agents working for the
9 cultivation center, the Department of Agriculture staff
10 performing inspections, the Department of Public Health staff
11 performing inspections, local and State law enforcement or
12 other emergency personnel, contractors working on jobs
13 unrelated to cannabis, such as installing or maintaining
14 security devices or performing electrical wiring, transporting
15 organization agents as provided in this Act, individuals in a
16 mentoring or educational program approved by the State, or
17 other individuals as provided by rule.

18 (d) A cultivation center may not sell or distribute any
19 cannabis or cannabis-infused products to any person other than
20 a dispensing organization, craft grower, infuser organization,
21 transporter, or as otherwise authorized by rule.

22 (e) A cultivation center may not either directly or
23 indirectly discriminate in price between different dispensing
24 organizations, craft growers, or infuser organizations that
25 are purchasing a like grade, strain, brand, and quality of
26 cannabis or cannabis-infused product. Nothing in this

1 subsection (e) prevents a cultivation center from pricing
2 cannabis differently based on differences in the cost of
3 manufacturing or processing, the quantities sold, such as
4 volume discounts, or the way the products are delivered.

5 (f) All cannabis harvested by a cultivation center and
6 intended for distribution to a dispensing organization must be
7 entered into a data collection system, packaged and labeled
8 under Section 55-21, and placed into a cannabis container for
9 transport. All cannabis harvested by a cultivation center and
10 intended for distribution to a craft grower or infuser
11 organization must be packaged in a labeled cannabis container
12 and entered into a data collection system before transport.

13 (g) Cultivation centers are subject to random inspections
14 by the Department of Agriculture, the Department of Public
15 Health, local safety or health inspectors, the Illinois State
16 Police, or as provided by rule.

17 (h) A cultivation center agent shall notify local law
18 enforcement, the Illinois State Police, and the Department of
19 Agriculture within 24 hours of the discovery of any loss or
20 theft. Notification shall be made by phone or in person, or by
21 written or electronic communication.

22 (i) A cultivation center shall comply with all State and
23 any applicable federal rules and regulations regarding the use
24 of pesticides on cannabis plants.

25 (j) No person or entity shall hold any legal, equitable,
26 ownership, or beneficial interest, directly or indirectly, of

1 more than 3 cultivation centers licensed under this Article.
2 Further, no person or entity that is employed by, an agent of,
3 has a contract to receive payment in any form from a
4 cultivation center, is a principal officer of a cultivation
5 center, or entity controlled by or affiliated with a principal
6 officer of a cultivation shall hold any legal, equitable,
7 ownership, or beneficial interest, directly or indirectly, in
8 a cultivation that would result in the person or entity owning
9 or controlling in combination with any cultivation center,
10 principal officer of a cultivation center, or entity
11 controlled or affiliated with a principal officer of a
12 cultivation center by which he, she, or it is employed, is an
13 agent of, or participates in the management of, more than 3
14 cultivation center licenses.

15 (k) A cultivation center may not contain more than 210,000
16 square feet of canopy space for plants in the flowering stage
17 for cultivation of adult use cannabis as provided in this Act.

18 (l) A cultivation center may process cannabis, cannabis
19 concentrates, and cannabis-infused products.

20 (m) Beginning July 1, 2020, a cultivation center shall not
21 transport cannabis or cannabis-infused products to a craft
22 grower, dispensing organization, infuser organization, or
23 laboratory licensed under this Act, unless it has obtained a
24 transporting organization license.

25 (n) It is unlawful for any person having a cultivation
26 center license or any officer, associate, member,

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

26 (o) A cultivation center must comply with any other

1 requirements or prohibitions set by administrative rule of the
2 Department of Agriculture.

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 705/30-10)

7 Sec. 30-10. Application.

8 (a) When applying for a license, the applicant shall
9 electronically submit the following in such form as the
10 Department of Agriculture may direct:

11 (1) the nonrefundable application fee of \$5,000 to be
12 deposited into the Cannabis Regulation Fund, or another
13 amount as the Department of Agriculture may set by rule
14 after January 1, 2021;

15 (2) the legal name of the craft grower;

16 (3) the proposed physical address of the craft grower;

17 (4) the name, address, social security number, and
18 date of birth of each principal officer and board member
19 of the craft grower; each principal officer and board
20 member shall be at least 21 years of age;

21 (5) the details of any administrative or judicial
22 proceeding in which any of the principal officers or board
23 members of the craft grower (i) pled guilty, were
24 convicted, were fined, or had a registration or license
25 suspended or revoked or (ii) managed or served on the

1 board of a business or non-profit organization that pled
2 guilty, was convicted, was fined, or had a registration or
3 license suspended or revoked;

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

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

17 (8) a copy of the current local zoning ordinance or
18 permit and verification that the proposed craft grower is
19 in compliance with the local zoning rules and distance
20 limitations established by the local jurisdiction;

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

26 (10) whether an applicant can demonstrate experience

1 in or business practices that promote economic empowerment
2 in Disproportionately Impacted Areas;

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

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

11 (13) a survey of the enclosed, locked facility,
12 including a survey of the space used for cultivation and
13 any outdoor canopy space;

14 (14) cultivation, processing, inventory, and packaging
15 plans;

16 (15) a description of the applicant's experience with
17 agricultural cultivation techniques and industry
18 standards;

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

23 (17) the identity of every person having a financial
24 or voting interest of 5% or greater in the craft grower
25 operation, whether a trust, corporation, partnership,
26 limited liability company, or sole proprietorship,

1 including the name and address of each person;

2 (18) a plan describing how the craft grower will
3 address each of the following:

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

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

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

14 (19) a recycling plan:

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

17 (B) Any recyclable waste generated by the craft
18 grower facility shall be recycled per applicable State
19 and local laws, ordinances, and rules.

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

1 1000.460 (g) (1);

2 (20) a commitment to comply with local waste
3 provisions: a craft grower facility must remain in
4 compliance with applicable State and federal environmental
5 requirements, including, but not limited to:

6 (A) storing, securing, and managing all
7 recyclables and waste, including organic waste
8 composed of or containing finished cannabis and
9 cannabis products, in accordance with applicable State
10 and local laws, ordinances, and rules; and

11 (B) disposing liquid waste containing cannabis or
12 byproducts of cannabis processing in compliance with
13 all applicable State and federal requirements,
14 including, but not limited to, the cannabis
15 cultivation facility's permits under Title X of the
16 Environmental Protection Act;

17 (21) a commitment to a technology standard for
18 resource efficiency of the craft grower facility.

19 (A) A craft grower facility commits to use
20 resources efficiently, including energy and water. For
21 the following, a cannabis cultivation facility commits
22 to meet or exceed the technology standard identified
23 in paragraphs (i), (ii), (iii), and (iv), which may be
24 modified by rule:

25 (i) lighting systems, including light bulbs;

26 (ii) HVAC system;

1 (iii) water application system to the crop;
2 and
3 (iv) filtration system for removing
4 contaminants from wastewater.

5 (B) Lighting. The Lighting Power Densities (LPD)
6 for cultivation space commits to not exceed an average
7 of 36 watts per gross square foot of active and growing
8 space canopy, or all installed lighting technology
9 shall meet a photosynthetic photon efficacy (PPE) of
10 no less than 2.2 micromoles per joule fixture and
11 shall be featured on the DesignLights Consortium (DLC)
12 Horticultural Specification Qualified Products List
13 (QPL). In the event that DLC requirement for minimum
14 efficacy exceeds 2.2 micromoles per joule fixture,
15 that PPE shall become the new standard.

16 (C) HVAC.

17 (i) For cannabis grow operations with less
18 than 6,000 square feet of canopy, the licensee
19 commits that all HVAC units will be
20 high-efficiency ductless split HVAC units, or
21 other more energy efficient equipment.

22 (ii) For cannabis grow operations with 6,000
23 square feet of canopy or more, the licensee
24 commits that all HVAC units will be variable
25 refrigerant flow HVAC units, or other more energy
26 efficient equipment.

1 (D) Water application.

2 (i) The craft grower facility commits to use
3 automated watering systems, including, but not
4 limited to, drip irrigation and flood tables, to
5 irrigate cannabis crop.

6 (ii) The craft grower facility commits to
7 measure runoff from watering events and report
8 this volume in its water usage plan, and that on
9 average, watering events shall have no more than
10 20% of runoff of water.

11 (E) Filtration. The craft grower commits that HVAC
12 condensate, dehumidification water, excess runoff, and
13 other wastewater produced by the craft grower facility
14 shall be captured and filtered to the best of the
15 facility's ability to achieve the quality needed to be
16 reused in subsequent watering rounds.

17 (F) Reporting energy use and efficiency as
18 required by rule; and

19 (22) any other information required by rule.

20 (b) Applicants must submit all required information,
21 including the information required in Section 30-15, to the
22 Department of Agriculture. Failure by an applicant to submit
23 all required information may result in the application being
24 disqualified.

25 (c) If the Department of Agriculture receives an
26 application with missing information, the Department of

1 Agriculture may issue a deficiency notice to the applicant.
2 The applicant shall have 10 calendar days from the date of the
3 deficiency notice to resubmit the incomplete information.
4 Applications that are still incomplete after this opportunity
5 to cure will not be scored and will be disqualified.

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