

*Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.*

## Emergency Rule

### SPORTS WAGERING

The ILLINOIS GAMING BOARD adopted emergency amendments to the Part titled Sports Wagering (11 IAC 1900; 44 Ill Reg 2900) effective 1/28/20 for a maximum of 150 days. An identical proposed amendment appears in this week's *Illinois Register* at 44 Ill Reg 2618. The emergency rulemaking adds further provisions to the Part (originally adopted by emergency rulemaking effective 1/3/20) concerning advertising and marketing; prohibited conduct; competitive bidding for licenses; recordkeeping; tax payment; conduct of wagering; equipment, testing, and facility requirements; and self-exclusion provisions for problem gamblers.

### Advertising

Sports wagering licensees may not advertise wagering to minors or to any audience where the

majority of viewers/participants are presumed to be under 21. Advertising must also provide contact information for compulsive gamblers seeking help. Signage must be posted on the premises of each licensee with instructions on how to access the IGB self-exclusion program and advising patrons that they must be 21 or older.

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### Prohibited Conduct

Allegations of prohibited conduct may be reported anonymously to IGB on its website. If, after a preliminary investigation, the IGB Administrator deems the allegations credible, the Administrator shall refer the allegations to an appropriate law

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## Proposed Rulemakings

### CANNABIS TAXES

The DEPARTMENT OF REVENUE proposed new Parts titled Cannabis Cultivation Privilege Tax (86 IAC 422; 44 Ill Reg 2624), Cannabis Purchaser Excise Tax (86 IAC 423; 44 Ill Reg 2643), County Cannabis Retailers' Occupation Tax (86 IAC 424; 44 Ill Reg 2669), and Municipal Cannabis Retailer's Occupation Tax (86 IAC 425; 44 Ill Reg 2682) and proposed amendments to Medical Cannabis Cultivation Privilege Tax Law (86 IAC 429; 44 Ill Reg 2695). These rulemakings implement various tax provisions of Public Act 101-27, some of which have previously been implemented by emergency rule. The new Part 422 imposes a tax of 7% of gross receipts upon the initial sale of cannabis by cultivation centers and craft growers to other cannabis

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**ADOPTED RULES:** Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.  
**PROPOSED RULES:** Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.  
**PEREMPTORY RULES:** Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.  
■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.  
**QUESTIONS/COMMENTS:** Submit mail, email or phone calls to the agency personnel listed below each summary.  
**RULE TEXT:** Available on the Secretary of State ([www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)) and General Assembly ([www.ilga.gov](http://www.ilga.gov)) websites under *Illinois Register*. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

# Emergency Rule

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enforcement agency. Credible allegations involving prohibited conduct by athletes shall be referred to the appropriate sports governing body. Persons prohibited from wagering include those who are under 21 or are not physically located in Illinois at the time they place a wager; persons who have enrolled in the self-exclusion program; athletes, coaches, referees, trainers, and others who have access to non-public information regarding an athlete or team; and key persons or employees of a master sports wagering licensee and their immediate family/household members. Wagers cannot be placed on minor league events, K-12 school sports events, or on collegiate events involving teams or individuals from Illinois, but wagers can be made on the final outcome of a collegiate tournament or series in which an Illinois participant is involved provided the wager is not on the Illinois participant.

## Prohibited Wagering

IGB may prohibit certain types of wagering or wagering on specific sports, events, leagues or competitions that would otherwise be permitted if it determines that such wagering would be contrary to the public interest or affect the integrity of the sport or of the wagering industry. Any master sports wagering licensee; professional team, league, or association; sports governing body; or higher education

institution may request that IGB prohibit wagering on a particular event or sport for these reasons, and they may also request that a prohibition be lifted. These requests will be placed on the IGB website for public review and comment.

## Competitive Applications

Master sports wagering license applicants may apply online. The application period for competitive selection must begin no later than 420 days (14 months) after the first license is issued under the Sports Wagering Act and must continue for 120 days. Information to be submitted during this process includes fingerprints and criminal histories for all key persons (e.g., owners, managers) working for the license applicant. After the application period closes, qualified applicants shall be publically announced; within 90 days after the announcement, 3 winning applicants will be chosen. Another application period may be opened if fewer than 3 applicants are awarded licenses during the first period. A master sports wagering licensee must be in compliance with the Act and this Part before it begins accepting wagers. The Administrator has authority to suspend any licensee's wagering operations if he or she determines the operation is a threat to the safety or health of patrons or employees, or poses a "significant, imminent danger to the integrity of sports wagering in Illinois".

## Placing/Redeeming Wagers

Wagers may be placed or redeemed at a window or counter staffed by a clerk, cashier or other employee of the licensee, or at a self-service kiosk. A kiosk must be supervised by an attendant at all times unless located inside the admission turnstiles of a gaming operation or organization gaming facility. A kiosk cannot accept a wager of more than \$100 or redeem a wager of more than \$500 without an attendant's intervention. Sports facilities that hold master sports wagering licenses may conduct wagering only within a 5-block or 3,300-foot radius of the facility. Wagers must be made in U.S. currency and documented in the licensee's internal control system. If a wager is placed through a kiosk or cashier, the bettor shall be issued a ticket. Master sports wagering licensees shall redeem any winning ticket they have issued that has not expired (tickets expire 1 year after the conclusion of the event or series that was the subject of the wager). Wagers of \$1,000 or less must give the patron the option of being paid in cash or chips; wagers of greater than \$1,000 must give the patron the option of being paid by check. Any patron who wins \$500 or more must have his or her name checked against the self-exclusion list. Wagers may be cancelled or declared void under specified circumstances (e.g., a contest has been cancelled or a wager was placed with incorrect odds).

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# Proposed Rulemakings

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business establishments. Part 423 imposes sales taxes of 10% of the purchase price upon cannabis with a THC level at or below 35%; 20% of the purchase price upon cannabis-infused products; and 25% of the purchase price upon cannabis with THC levels above 35%. Part 424 permits counties to impose additional taxes, not to exceed 3% of gross sales within municipalities and 3.75% of gross sales in unincorporated areas, upon businesses selling non-medical cannabis. Part 425 permits municipalities to impose their own taxes of up to 3% of gross sales upon businesses selling non-medical cannabis. Taxes imposed under Parts 424 and 425 must be set in increments of 0.25%. Amendments to Part 429 update references to the Compassionate Use of Medical Cannabis Program (formerly "Pilot" Program) and the Cannabis Control Act (formerly the Medical Cannabis Control Act). This rulemaking also updates the information required on applications for registration as a medical cannabis cultivation center; provides that registration lasts 1 year (formerly 5 years) and is renewed automatically unless DOR refuses renewal; and states that registration renewal may be refused if any owner, partner, officer or other significant figure in a medical cannabis cultivation business is in default on any tax payments due to the State. Taxes due under the Cannabis

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## DPH Public Hearing

### ■ NURSING HOMES

The DEPARTMENT OF PUBLIC HEALTH will hold a public hearing on proposed amendments to Skilled Nursing and Intermediate Care Facilities Code (77 IAC 300; 44 Ill Reg 435) on **Monday, Feb. 24, from 1 to 3 p.m.** at the John R. Block Building Auditorium, 801 E. Sangamon Ave. (Gate 11-State Fairgrounds), Springfield. The hearing concerns proposed amendments published in the 1/10/20 *Illinois Register* that establish oversight procedures and penalties for nursing homes that violate minimum staffing requirements or fail to obtain

informed consent from residents prior to administering psychotropic medications. Persons giving oral testimony at this hearing must submit a written copy of their remarks and limit their comments to no more than 3 minutes. Organizations or associations are asked to choose one spokesperson for the group, whose remarks will be limited to 5 minutes.

*Questions regarding this rulemaking or the public hearing:* Erin Conley, DPH, 535 W. Jefferson St., 5<sup>th</sup> Fl, Springfield IL 62761-0001, 217/782-2043, [dph.rules@illinois.gov](mailto:dph.rules@illinois.gov)

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## Peremptory Rule

### STATE EMPLOYEES

The DEPARTMENT OF CENTRAL MANAGEMENT SERVICES adopted a peremptory amendment to Pay Plan (80 IAC 310; 44 Ill Reg 2985) effective 1/31/20. The peremptory rule implements a 4-year collective bargaining agreement with the Illinois Federation of Teachers, covering educators employed by the Department of Human Services at the Illinois School for the Deaf in Jacksonville. The agreement updates pay rates; provides for general pay increases effective 1/1/20, 8/16/20, 8/16/21

and 8/16/22; and clarifies provisions for family/parental leave, summer employment, holiday and vacation pay, extracurricular activity pay, and time off for meetings, professional development, or union-related activity. Provisions for merit incentive and gain sharing programs that were included in the previous (2015-2019) contract are repealed.

*Questions/requests for copies:* Lisa Fendrich, CMS, 504 Stratton Bldg., Springfield IL 62706, 217/782-7976, fax 217/524-4570, [CMS.PayPlan@illinois.gov](mailto:CMS.PayPlan@illinois.gov)

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## Emergency Rule

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### Internet Wagering

Online wagering shall only be conducted between a master sports wagering licensee and a patron with a sports wagering account. This type of wagering must occur within 3,300 feet of the property on which the relevant sports facility is located. Master sports wagering licensees must create electronic files and accounts for each internet wagering patron and verify their identities. An account may be suspended if it has a negative balance, if the patron is prohibited from placing wagers, or if the licensee has reason to suspect that the patron is engaging in illegal or suspicious activity. Patrons may voluntarily impose wagering limitations or restrictions on their accounts for no less than 72 hours and no more than 1 year.

### Tier 2 Wagering

Tier 2 wagering includes any form of betting other than Tier 1 (placing bets in advance of an event solely

on its final score or outcome), such as bets placed during an event or on aspects of a team's or individual's performance. Wagers on the individual performance of a minor or on the injury of a competitor are prohibited. Sports governing bodies may supply official league data to licensees under a tier 2 official league data provider license, which can be held either by the governing body itself or by an authorized vendor. League data must be provided under "commercially reasonable" terms. A licensee that believes a league data provider is not operating under commercially reasonable terms may petition IGB for a hearing on the issue.

### Self-Exclusion

The Self-Exclusion List established by IGB in 86 IAC 3000 for riverboat and casino gambling may also be used by problem gamblers to exclude themselves from sports wagering. The confidential list may only be distributed to master sports wagering licensees and may not be disclosed to any third party

unless authorized by rule or required under a court order. Licensees may not accept wagers or redeem tickets from anyone on the Self-Exclusion List, nor may they send marketing or promotional materials to these persons.

### Other Provisions

Other provisions of the emergency rule address information to be included in license applications and ownership records; financial and statistical records to be kept and reported either quarterly or annually; annual and special audits; payment of wagering taxes (15% of adjusted gross wagering receipts, plus an additional 2% in Cook County); surveillance and security requirements; and testing, certification and minimum technical requirements of wagering equipment.

*Questions/requests for copies/comments on the proposed rulemaking through 3/30/20: Agostino Lorenzini, IGB, 160 N. La Salle St., Chicago IL 60601, [IGB.RuleComments@igb.illinois.gov](mailto:IGB.RuleComments@igb.illinois.gov)*

## Proposed Rulemakings

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Regulation and Tax Act for adult use non-medical cannabis may be filed on the same return as taxes due under the medical cannabis program. Penalties of \$1,000 for the first violation and \$3,000 for each subsequent violation may be imposed for failure to keep required books and records or make them available for inspection

by DOR. Cannabis cultivation centers, craft growers, and dispensaries are affected by these rulemakings.

### ■ HOTEL TAXES

DOR also proposed amendments to Hotel Operators' Occupation Tax Act (86 IAC 480; 44 Ill Reg 2706) implementing Public Act 100-213. The rulemaking expands the

definition of hotels subject to the tax (currently includes inns, motels, tourist homes/courts, and lodging/rooming/apartment houses) to include hunting lodges, camps, cabins, and third-party platform rentals of apartments, houses and rooms. It also provides that, effective 7/1/17, the Hotel Operators Occupation Tax (HOOT)

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## Proposed Rulemakings

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does not apply to certain gross rental receipts paid by an entity organized and operated exclusively for religious purposes. In order for the hotel operator to claim the exemption, the religious entity must use the rented facilities in furtherance of the purposes for which it was organized (e.g., worship services, retreats, seminars) and the hotel operator must cite the religious entity's current Exemption Identification Number. Examples of when the tax exemption does and does not apply are included. Other provisions outline the documentation required for retreat centers operated by religious organizations to claim the HOOT exemption when they rent rooms or facilities to other religious organizations. Those affected by this rulemaking include hotel operators and non-profit religious organizations.

*Questions/requests for copies/comments on the 6 DOR rulemakings through 3/30/20: Parts 422 through 429, Richard*

*S. Wolters; Part 480, Debra M. Boggess; DOR, 101 W. Jefferson St., Springfield IL 62794, 217/782-2844.*

### STUDENT RECORDS

The STATE BOARD OF EDUCATION proposed amendments to the Part titled Student Records (23 IAC 375; 44 Ill Reg 2718) implementing two Public Acts. The rulemaking updates the definition of a student temporary record to include information contained in service logs kept by a local education agency that is providing services to a student with disabilities under an Individualized Education Program. The rulemaking also allows schools to provide reasonable prior notice of impending destruction of student records via notice in a parent or student handbook; publication in a newspaper published in the school district; or, if no newspaper is published in the district, a newspaper of general circulation within the district, by U.S. Mail delivered to the parent or student's last known address, or by any

other means provided receipt of the notice is confirmed.

### CHARTER SCHOOLS

SBE also proposed amendments to Charter Schools (23 IAC 650; 44 Ill Reg 2729) implementing PA 101-543, which abolishes the State Charter School Commission effective 7/1/20 and reverts most of the Commission's duties to SBE. The rulemaking removes obsolete references to the Commission and makes provisions for SBE to hear appeals of local school board decisions to revoke or not renew a school's charter (formerly the Commission's responsibility). It also clarifies when charter schools created by a local school board may have their authorization transferred to SBE.

*Questions/requests for copies/comments on the 2 SBE rulemakings through 3/30/20: Azita Kakvand, SBE, 100 N. First St., Springfield IL 62777-0001, 217/782-6510, [rules@isbe.net](mailto:rules@isbe.net)*

## Second Notice

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The following rulemaking was moved to Second Notice this week by the agency listed below, commencing the JCAR review period. This rulemaking will be considered at the March 18, 2020 JCAR meeting. Other items not published in the *Illinois Register* or The Flinn Report may also be considered. Further comments concerning this

rulemaking should be addressed to JCAR using the contact information on page 1.

### LIQUOR CONTROL COMMISSION

The Illinois Liquor Control Act (11 IAC 100; 43 Ill Reg 10763) proposed 10/4/19

# Adopted Rules

## ■ INCOME TAX

The DEPARTMENT OF REVENUE adopted amendments to Income Tax (86 IAC 100; 43 Ill Reg 10682 and 11073), effective 1/30/20, combining two separately proposed rulemakings. The amendments update various exemptions and credits to reflect recent Public Acts. The standard exemption for individual taxpayers is abolished after 12/31/23. For tax year 2017 and later, if the taxpayer's gross income exceeds \$250,000 (individual) or \$500,000 (spouses filing a joint return), the taxpayer cannot claim the standard exemption, the educational expense credit, or the residential property tax credit. The maximum educational expense credit is raised from \$500 to \$750 for tax years 2017 and beyond, and a tax credit of up to \$250 for instructional materials and supplies purchased by teachers for classroom use is established effective 1/1/17. The definition of a "school" for purposes of claiming the educational expense credit is also clarified to reflect recent changes to the School Code regarding compulsory attendance in kindergarten or first grade. Regarding the research and development tax credit, the rulemaking establishes a new sunset date of 1/1/27, extends the credit to the period 1/1/16 (when a previous version of the credit expired) through 7/6/17 (when the credit was reinstated) and validates all actions taken in reliance upon the credit during that period. The sunset date of the angel investment credit is

extended to 12/31/21 and the sunset date of the film production services credit is extended to 1/1/27. The rulemaking also lists the maximum Illinois earned income tax credit (EITC) amounts for the tax years from 2000 through 2017 (escalating from 5% to 14% of the federal EITC) and sets the Illinois EITC at 18% of the federal EITC for 2018 and later tax years. Finally, the rulemaking adds two items to the list of tax-exempt forms of income: interest from bonds issued under the New Harmony Bridge Authority Act (for reconstruction of a highway bridge over the Wabash River between White County, Illinois, and Posey County, Indiana) and student loan payments made by the Department of Public Health for health care providers (formerly, primary care physicians) working in designated health care shortage areas. Those affected by this rulemaking include small businesses and certain health care providers.

*Questions/requests for copies: Brian Stocker, DOR, 101 W. Jefferson St., Springfield IL 62794, 217/782-2844.*

## ■ MEDICAID ELIGIBILITY

The DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES adopted an amendment to Medical Assistance Programs (89 IAC 120; 43 Ill Reg 7599) effective 1/29/20, expanding the types of providers that can presumptively enroll pregnant women in the Medicaid/medical assistance

program. Medicaid Presumptive Eligibility (MPE) providers for this purpose now include any provider of health care items or services covered by the Medicaid State Plan or the Public Aid Code. MPE providers for pregnant women are no longer required to furnish services comparable to those of outpatient hospitals, rural health clinics or freestanding maternity clinics. The rulemaking also clarifies the definitions of entities that were previously, and continue to be, eligible to serve as MPE providers for pregnant women (e.g., Federally Qualified Health Centers, Community Based Health Clinics, local public health departments). Health care providers enrolled in the Medical Assistance Program are affected by this rulemaking.

*Questions/requests for copies: Steffanie Garrett, HFS, 201 S. Grand Ave. East, 3<sup>rd</sup> Fl., Springfield IL 62763-0002, [HFS.Rules@illinois.gov](mailto:HFS.Rules@illinois.gov)*

## ■ COMMUNITY CARE

The DEPARTMENT ON AGING adopted amendments to Community Care Program (89 IAC 240; 43 Ill Reg 12209), effective 1/29/20, concerning requirements for automated medication dispensing (AMD) services to Community Care Program (CCP) participants. Certain technical specifications for AMD systems are updated, and providers must make every effort to schedule and conduct

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# Adopted Rules

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installation when the participant, his/her authorized representative if any, and an assisting (formerly, “responsible”) party are present. A CCP participant may qualify for AMD services if he or she takes 1 (formerly, 5) or more medications that must be administered on a set schedule and has any (formerly, 2 or more) of the following diagnoses: cognitive impairment, diabetes, congestive heart failure, hypertension, depression/mental illness, or cancer. CCP clients and agencies and AMD service providers are affected by this rulemaking.

*Questions/requests for copies: Jason Jordan, DonA, One Natural Resources Way, #100, Springfield IL 62702-1271, 217/785-3370.*

## ■ INDEPENDENT LIVING

The DEPARTMENT OF HUMAN SERVICES adopted amendments to Centers for Independent Living (89 IAC 886; 43 Ill Reg 2196) effective 1/31/20, updating the Part (last amended in 1998) to align with current State and federal laws, rules and guidelines. References to the federal Americans With Disabilities Act, the Illinois Accessibility Code, the Illinois Human Rights Act, and the Grant Accountability and Transparency Act (GATA) have been added, and various definitions have been added or updated. A Center for Independent Living (CIL) is defined as a consumer-controlled, community-

based, non-residential, private and non-profit agency for individuals with significant disabilities, regardless of age or income. Core services to be provided by all CILs now include transitional services for persons moving from nursing homes or other institutions to home and community-based residences, as well as services for youth who are completing educational or training programs. Other provisions outline the role of the Designated State Entity (DSE) that oversees the federally approved State Plan for Independent Living (SPIL) in receiving applications for and distributing federal and State grants; require grant applicants to comply with GATA and federal grant fund requirements; and establish a compliance review process for grant recipients. Changes since 1<sup>st</sup> Notice clarify various definitions and clarify aspects of the compliance review process. Those affected by this rulemaking include small businesses or non-profits that serve as CILs.

*Questions/requests for copies: Tracie Drew, DHS, 100 S. Grand Ave. East, 3<sup>rd</sup> Fl., Springfield IL 62762, 217/785-9772.*

## VETERANS' GRANTS

The ILLINOIS STUDENT ASSISTANCE COMMISSION adopted an amendment to Illinois Veteran Grant (IVG) Program (23 IAC 2733; 43 Ill Reg 10789) effective 2/1/20, replacing an emergency amendment effective 9/18/19 (43 Ill Reg 10804). The rulemaking implements Public Act

101-334, effective 7/1/19, which expands eligibility for Veteran Grant student assistance to include veterans who do not meet previously existing IVG residency requirements (must have lived in IL or been enrolled at an IL community college/public university at the time of entering active duty federal service, or established IL residency within 6 months after leaving active duty) but have been IL residents for at least 15 consecutive years since leaving active duty. The rulemaking also clarifies that ISAC may request documents in addition to or in place of those listed in rule (e.g., driver's license, college transcripts) in order to establish an applicant's residency if the applicant's discharge documents (DD 214) do not indicate IL residency at the time of enlistment or discharge.

*Questions/requests for copies: Jackie Eckley, ISAC, 500 W. Monroe St. 3<sup>rd</sup> Fl., Springfield IL 62704, 217/782-5161, [jackie.eckley@illinois.gov](mailto:jackie.eckley@illinois.gov)*