

HB0032



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB0032

Introduced 1/12/2023, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/15-100
410 ILCS 705/30-30
410 ILCS 705/35-25

Amends the Cannabis Regulation and Tax Act. Provides that premises may be shared between up to 3 craft growers, an infuser organization, a cultivation center, a dispensing organization, or any combination thereof, provided that specified requirements are met. Effective immediately.

LRB103 03547 CPF 48553 b

A BILL FOR

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, 15-100, 30-30, and 35-25 as
6 follows:

7 (410 ILCS 705/1-10)

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

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

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

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

1 cannabis business establishment.

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

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

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

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

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

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

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

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

1 transportation.

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

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

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

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

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

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

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

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

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

23 "Conditional Adult Use Dispensing Organization License"
24 means a contingent license awarded to applicants for an Adult
25 Use Dispensing Organization License that reserves the right to
26 an Adult Use Dispensing Organization License if the applicant

1 meets certain conditions described in this Act, but does not
2 entitle the recipient to begin purchasing or selling cannabis
3 or cannabis-infused products.

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

11 "Craft grower" means a facility operated by an
12 organization or business that is licensed by the Department of
13 Agriculture to cultivate, dry, cure, and package cannabis and
14 perform other necessary activities to make cannabis available
15 for sale at a dispensing organization or use at a processing
16 organization. A craft grower may contain up to 5,000 square
17 feet of canopy space on its premises for plants in the
18 flowering state. The Department of Agriculture may authorize
19 an increase or decrease of flowering stage cultivation space
20 in increments of 3,000 square feet by rule based on market
21 need, craft grower capacity, and the licensee's history of
22 compliance or noncompliance, with a maximum space of 14,000
23 square feet for cultivating plants in the flowering stage,
24 which must be cultivated in all stages of growth in an enclosed
25 and secure area. A craft grower may share premises with up to 2
26 other craft growers, an infuser organization, a cultivation

1 center, a dispensing organization, or any combination thereof
2 ~~a processing organization or a dispensing organization, or~~
3 ~~both~~, provided each licensee stores currency and cannabis or
4 cannabis-infused products in a separate secured vault to which
5 the other licensee does not have access or all licensees
6 sharing a vault share more than 50% of the same ownership.

7 "Craft grower agent" means a principal officer, board
8 member, employee, or other agent of a craft grower who is 21
9 years of age or older.

10 "Craft Grower Agent Identification Card" means a document
11 issued by the Department of Agriculture that identifies a
12 person as a craft grower agent.

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

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

22 "Cultivation Center Agent Identification Card" means a
23 document issued by the Department of Agriculture that
24 identifies a person as a cultivation center agent.

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

26 "Dispensary" means a facility operated by a dispensing

1 organization at which activities licensed by this Act may
2 occur.

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

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

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

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

26 "Disproportionately Impacted Area" means a census tract or

1 comparable geographic area that satisfies the following
2 criteria as determined by the Department of Commerce and
3 Economic Opportunity, that:

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

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

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

11 (C) at least 20% of the households in the area
12 receive assistance under the Supplemental Nutrition
13 Assistance Program; or

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

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

24 "Early Approval Adult Use Cultivation Center License"
25 means a license that permits a medical cannabis cultivation
26 center licensed under the Compassionate Use of Medical

1 Cannabis Program Act as of the effective date of this Act to
2 begin cultivating, infusing, packaging, transporting (unless
3 otherwise provided in this Act), processing, and selling
4 cannabis or cannabis-infused product to cannabis business
5 establishments for resale to purchasers as permitted by this
6 Act as of January 1, 2020.

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

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

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

25 "Enclosed, locked facility" means a room, greenhouse,
26 building, or other enclosed area equipped with locks or other

1 security devices that permit access only by cannabis business
2 establishment agents working for the licensed cannabis
3 business establishment or acting pursuant to this Act to
4 cultivate, process, store, or distribute cannabis.

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

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

17 (2) a structure, such as a shed or greenhouse, that
18 lies on the same plot of land as a residential building
19 that (i) includes sleeping quarters and indoor plumbing
20 and (ii) is used as a primary residence by the person
21 cultivating 5 or fewer cannabis plants that are more than
22 5 inches tall, such as a shed or greenhouse. The structure
23 must remain locked when it is unoccupied by people.

24 "Financial institution" has the same meaning as "financial
25 organization" as defined in Section 1501 of the Illinois
26 Income Tax Act, and also includes the holding companies,

1 subsidiaries, and affiliates of such financial organizations.

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

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

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

12 "Individual" means a natural person.

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

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

22 "Labor peace agreement" means an agreement between a
23 cannabis business establishment and any labor organization
24 recognized under the National Labor Relations Act, referred to
25 in this Act as a bona fide labor organization, that prohibits
26 labor organizations and members from engaging in picketing,

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

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

1 Program participants.

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

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

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

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

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

1 "Possession limit" means the amount of cannabis under
2 Section 10-10 that may be possessed at any one time by a person
3 21 years of age or older or who is a registered qualifying
4 medical cannabis patient or caregiver under the Compassionate
5 Use of Medical Cannabis Program Act.

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

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

25 "Processing organization" or "processor" means a facility
26 operated by an organization or business that is licensed by

1 the Department of Agriculture to either extract constituent
2 chemicals or compounds to produce cannabis concentrate or
3 incorporate cannabis or cannabis concentrate into a product
4 formulation to produce a cannabis product.

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

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

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

14 "Qualifying Applicant" means an applicant that submitted
15 an application pursuant to Section 15-30 that received at
16 least 85% of 250 application points available under Section
17 15-30 as the applicant's final score and meets the definition
18 of "Social Equity Applicant" as set forth under this Section.

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

26 "Qualified Social Equity Applicant" means a Social Equity

1 Applicant who has been awarded a conditional license under
2 this Act to operate a cannabis business establishment.

3 "Resided" means an individual's primary residence was
4 located within the relevant geographic area as established by
5 2 of the following:

6 (1) a signed lease agreement that includes the
7 applicant's name;

8 (2) a property deed that includes the applicant's
9 name;

10 (3) school records;

11 (4) a voter registration card;

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

15 (6) a paycheck stub;

16 (7) a utility bill;

17 (8) tax records; or

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

20 "Smoking" means the inhalation of smoke caused by the
21 combustion of cannabis.

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

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

1 Impacted Area;

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

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

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

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

11 (i) currently reside in a Disproportionately
12 Impacted Area; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (410 ILCS 705/15-100)

23 Sec. 15-100. Security.

24 (a) A dispensing organization shall implement security
25 measures to deter and prevent entry into and theft of cannabis

1 or currency.

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

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

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

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

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

18 (4) Dispose of cannabis in accordance with this Act
19 and rules;

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

25 (6) When the dispensary is closed, store all cannabis
26 and currency in a reinforced vault room in the restricted

1 access area and in a manner as to prevent diversion,
2 theft, or loss;

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

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

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

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

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

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

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

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

25 (15) Develop emergency policies and procedures for
26 securing all product and currency following any instance

1 of diversion, theft, or loss of cannabis, and conduct an
2 assessment to determine whether additional safeguards are
3 necessary; and

4 (16) Develop sufficient additional safeguards in
5 response to any special security concerns, or as required
6 by the Department.

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

12 (e) A dispensing organization may share premises with up
13 to 3 craft growers, an infuser organization, a cultivation
14 center, or any combination thereof ~~a craft grower or an~~
15 ~~infuser organization, or both~~, provided each licensee stores
16 currency and cannabis or cannabis-infused products in a
17 separate secured vault to which the other licensee does not
18 have access or all licensees sharing a vault share more than
19 50% of the same ownership.

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

23 (g) Restricted access areas.

24 (1) All restricted access areas must be identified by
25 the posting of a sign that is a minimum of 12 inches by 12
26 inches and that states "Do Not Enter - Restricted Access

1 Area - Authorized Personnel Only" in lettering no smaller
2 than one inch in height.

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

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

12 (h) Security and alarm.

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

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

22 (ii) Security shatterproof tinted film on exterior
23 windows;

24 (iii) A failure notification system that provides
25 an audible, text, or visual notification of any
26 failure in the surveillance system, including, but not

1 limited to, panic buttons, alarms, and video
2 monitoring system. The failure notification system
3 shall provide an alert to designated dispensing
4 organization agents within 5 minutes after the
5 failure, either by telephone or text message;

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

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

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

23 (3) Access to surveillance monitoring recording
24 equipment shall be limited to persons who are essential to
25 surveillance operations, law enforcement authorities
26 acting within their jurisdiction, security system service

1 personnel, and the Department. A current list of
2 authorized dispensing organization agents and service
3 personnel that have access to the surveillance equipment
4 must be available to the Department upon request.

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

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

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

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

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

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

1 recognition, the capture of clear and certain
2 identification of any person entering or exiting the
3 dispensary area and in lighting sufficient during all
4 times of night or day;

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

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

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

25 (6) A date and time stamp embedded on all video
26 surveillance recordings. The date and time shall be

1 synchronized and set correctly and shall not significantly
2 obscure the picture;

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

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

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

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

1 (11) A failure notification system that provides an
2 audible and visual notification of any failure in the
3 electronic video monitoring system; and

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

9 (j) The requirements contained in this Act are minimum
10 requirements for operating a dispensing organization. The
11 Department may establish additional requirements by rule.

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

14 (410 ILCS 705/30-30)

15 Sec. 30-30. Craft grower requirements; prohibitions.

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

21 (b) A craft grower shall implement a security plan
22 reviewed by the Illinois State Police that includes, but is
23 not limited to: facility access controls, perimeter intrusion
24 detection systems, personnel identification systems, and a
25 24-hour surveillance system to monitor the interior and

1 exterior of the craft grower facility and that is accessible
2 to authorized law enforcement and the Department of
3 Agriculture in real time.

4 (c) All cultivation of cannabis by a craft grower must
5 take place in an enclosed, locked facility at the physical
6 address provided to the Department of Agriculture during the
7 licensing process. The craft grower location shall only be
8 accessed by the agents working for the craft grower, the
9 Department of Agriculture staff performing inspections, the
10 Department of Public Health staff performing inspections,
11 State and local law enforcement or other emergency personnel,
12 contractors working on jobs unrelated to cannabis, such as
13 installing or maintaining security devices or performing
14 electrical wiring, transporting organization agents as
15 provided in this Act, or participants in the incubator
16 program, individuals in a mentoring or educational program
17 approved by the State, or other individuals as provided by
18 rule. However, if a craft grower shares a premises with an
19 infuser or dispensing organization, agents from those other
20 licensees may access the craft grower portion of the premises
21 if that is the location of common bathrooms, lunchrooms,
22 locker rooms, or other areas of the building where work or
23 cultivation of cannabis is not performed. At no time may an
24 infuser or dispensing organization agent perform work at a
25 craft grower without being a registered agent of the craft
26 grower.

1 (d) A craft grower may not sell or distribute any cannabis
2 to any person other than a cultivation center, a craft grower,
3 an infuser organization, a dispensing organization, or as
4 otherwise authorized by rule.

5 (e) A craft grower may not be located in an area zoned for
6 residential use.

7 (f) A craft grower may not either directly or indirectly
8 discriminate in price between different cannabis business
9 establishments that are purchasing a like grade, strain,
10 brand, and quality of cannabis or cannabis-infused product.
11 Nothing in this subsection (f) prevents a craft grower from
12 pricing cannabis differently based on differences in the cost
13 of manufacturing or processing, the quantities sold, such as
14 volume discounts, or the way the products are delivered.

15 (g) All cannabis harvested by a craft grower and intended
16 for distribution to a dispensing organization must be entered
17 into a data collection system, packaged and labeled under
18 Section 55-21, and, if distribution is to a dispensing
19 organization that does not share a premises with the
20 dispensing organization receiving the cannabis, placed into a
21 cannabis container for transport. All cannabis harvested by a
22 craft grower and intended for distribution to a cultivation
23 center, to an infuser organization, or to a craft grower with
24 which it does not share a premises, must be packaged in a
25 labeled cannabis container and entered into a data collection
26 system before transport.

1 (h) Craft growers are subject to random inspections by the
2 Department of Agriculture, local safety or health inspectors,
3 the Illinois State Police, or as provided by rule.

4 (i) A craft grower agent shall notify local law
5 enforcement, the Illinois State Police, and the Department of
6 Agriculture within 24 hours of the discovery of any loss or
7 theft. Notification shall be made by phone, in person, or
8 written or electronic communication.

9 (j) A craft grower shall comply with all State and any
10 applicable federal rules and regulations regarding the use of
11 pesticides.

12 (k) A craft grower or craft grower agent shall not
13 transport cannabis or cannabis-infused products to any other
14 cannabis business establishment without a transport
15 organization license unless:

16 (i) If the craft grower is located in a county with a
17 population of 3,000,000 or more, the cannabis business
18 establishment receiving the cannabis is within 2,000 feet
19 of the property line of the craft grower;

20 (ii) If the craft grower is located in a county with a
21 population of more than 700,000 but fewer than 3,000,000,
22 the cannabis business establishment receiving the cannabis
23 is within 2 miles of the craft grower; or

24 (iii) If the craft grower is located in a county with a
25 population of fewer than 700,000, the cannabis business
26 establishment receiving the cannabis is within 15 miles of

1 the craft grower.

2 (l) A craft grower may enter into a contract with a
3 transporting organization to transport cannabis to a
4 cultivation center, a craft grower, an infuser organization, a
5 dispensing organization, or a laboratory.

6 (m) No person or entity shall hold any legal, equitable,
7 ownership, or beneficial interest, directly or indirectly, of
8 more than 3 craft grower licenses. Further, no person or
9 entity that is employed by, an agent of, or has a contract to
10 receive payment from or participate in the management of a
11 craft grower, is a principal officer of a craft grower, or
12 entity controlled by or affiliated with a principal officer of
13 a craft grower shall hold any legal, equitable, ownership, or
14 beneficial interest, directly or indirectly, in a craft grower
15 license that would result in the person or entity owning or
16 controlling in combination with any craft grower, principal
17 officer of a craft grower, or entity controlled or affiliated
18 with a principal officer of a craft grower by which he, she, or
19 it is employed, is an agent of, or participates in the
20 management of more than 3 craft grower licenses.

21 (n) It is unlawful for any person having a craft grower
22 license or any officer, associate, member, representative, or
23 agent of the licensee to offer or deliver money, or anything
24 else of value, directly or indirectly, to any person having an
25 Early Approval Adult Use Dispensing Organization License, a
26 Conditional Adult Use Dispensing Organization License, an

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

22 (o) A craft grower shall not be located within 1,500 feet
23 of another craft grower or a cultivation center, unless the
24 craft grower shares premises with up to 2 other craft growers,
25 an infuser organization, a dispensing organization, or any
26 combination thereof as provided under the definition of "craft

1 grower" in Section 1-10 or under subsection (e) of Section
2 15-100 or subsection (1) of Section 35-25.

3 (p) A craft grower may process cannabis, cannabis
4 concentrates, and cannabis-infused products.

5 (q) A craft grower must comply with any other requirements
6 or prohibitions set by administrative rule of the Department
7 of Agriculture.

8 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
9 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
10 5-13-22.)

11 (410 ILCS 705/35-25)

12 Sec. 35-25. Infuser organization requirements;
13 prohibitions.

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

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

1 (c) All processing of cannabis by an infuser must take
2 place in an enclosed, locked facility at the physical address
3 provided to the Department of Agriculture during the licensing
4 process. The infuser location shall only be accessed by the
5 agents working for the infuser, the Department of Agriculture
6 staff performing inspections, the Department of Public Health
7 staff performing inspections, State and local law enforcement
8 or other emergency personnel, contractors working on jobs
9 unrelated to cannabis, such as installing or maintaining
10 security devices or performing electrical wiring, transporting
11 organization agents as provided in this Act, participants in
12 the incubator program, individuals in a mentoring or
13 educational program approved by the State, local safety or
14 health inspectors, or other individuals as provided by rule.
15 However, if an infuser shares a premises with a craft grower or
16 dispensing organization, agents from these other licensees may
17 access the infuser portion of the premises if that is the
18 location of common bathrooms, lunchrooms, locker rooms, or
19 other areas of the building where processing of cannabis is
20 not performed. At no time may a craft grower or dispensing
21 organization agent perform work at an infuser without being a
22 registered agent of the infuser.

23 (d) An infuser may not sell or distribute any cannabis to
24 any person other than a dispensing organization, or as
25 otherwise authorized by rule.

26 (e) An infuser may not either directly or indirectly

1 discriminate in price between different cannabis business
2 establishments that are purchasing a like grade, strain,
3 brand, and quality of cannabis or cannabis-infused product.
4 Nothing in this subsection (e) prevents an infuser from
5 pricing cannabis differently based on differences in the cost
6 of manufacturing or processing, the quantities sold, such
7 volume discounts, or the way the products are delivered.

8 (f) All cannabis infused by an infuser and intended for
9 distribution to a dispensing organization must be entered into
10 a data collection system, packaged and labeled under Section
11 55-21, and, if distribution is to a dispensing organization
12 that does not share a premises with the infuser, placed into a
13 cannabis container for transport. All cannabis produced by an
14 infuser and intended for distribution to a cultivation center,
15 infuser organization, or craft grower with which it does not
16 share a premises, must be packaged in a labeled cannabis
17 container and entered into a data collection system before
18 transport.

19 (g) Infusers are subject to random inspections by the
20 Department of Agriculture, the Department of Public Health,
21 the Illinois State Police, local law enforcement, or as
22 provided by rule.

23 (h) An infuser agent shall notify local law enforcement,
24 the Illinois State Police, and the Department of Agriculture
25 within 24 hours of the discovery of any loss or theft.
26 Notification shall be made by phone, in person, or by written

1 or electronic communication.

2 (i) An infuser organization may not be located in an area
3 zoned for residential use.

4 (j) An infuser or infuser agent shall not transport
5 cannabis or cannabis-infused products to any other cannabis
6 business establishment without a transport organization
7 license unless:

8 (i) If the infuser is located in a county with a
9 population of 3,000,000 or more, the cannabis business
10 establishment receiving the cannabis or cannabis-infused
11 product is within 2,000 feet of the property line of the
12 infuser;

13 (ii) If the infuser is located in a county with a
14 population of more than 700,000 but fewer than 3,000,000,
15 the cannabis business establishment receiving the cannabis
16 or cannabis-infused product is within 2 miles of the
17 infuser; or

18 (iii) If the infuser is located in a county with a
19 population of fewer than 700,000, the cannabis business
20 establishment receiving the cannabis or cannabis-infused
21 product is within 15 miles of the infuser.

22 (k) An infuser may enter into a contract with a
23 transporting organization to transport cannabis to a
24 dispensing organization or a laboratory.

25 (l) An infuser organization may share premises with up to
26 3 craft growers, a cultivation center, a dispensing

1 organization, or any combination thereof ~~a craft grower or a~~
2 ~~dispensing organization, or both,~~ provided each licensee
3 stores currency and cannabis or cannabis-infused products in a
4 separate secured vault to which the other licensee does not
5 have access or all licensees sharing a vault share more than
6 50% of the same ownership.

7 (m) It is unlawful for any person or entity having an
8 infuser organization license or any officer, associate,
9 member, representative or agent of such licensee to offer or
10 deliver money, or anything else of value, directly or
11 indirectly to any person having an Early Approval Adult Use
12 Dispensing Organization License, a Conditional Adult Use
13 Dispensing Organization License, an Adult Use Dispensing
14 Organization License, or a medical cannabis dispensing
15 organization license issued under the Compassionate Use of
16 Medical Cannabis Program Act, or to any person connected with
17 or in any way representing, or to any member of the family of,
18 such person holding an Early Approval Adult Use Dispensing
19 Organization License, a Conditional Adult Use Dispensing
20 Organization License, an Adult Use Dispensing Organization
21 License, or a medical cannabis dispensing organization license
22 issued under the Compassionate Use of Medical Cannabis Program
23 Act, or to any stockholders in any corporation engaged the
24 retail sales of cannabis, or to any officer, manager, agent,
25 or representative of the Early Approval Adult Use Dispensing
26 Organization License, a Conditional Adult Use Dispensing

1 Organization License, an Adult Use Dispensing Organization
2 License, or a medical cannabis dispensing organization license
3 issued under the Compassionate Use of Medical Cannabis Program
4 Act to obtain preferential placement within the dispensing
5 organization, including, without limitation, on shelves and in
6 display cases where purchasers can view products, or on the
7 dispensing organization's website.

8 (n) At no time shall an infuser organization or an infuser
9 agent perform the extraction of cannabis concentrate from
10 cannabis flower.

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

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.