



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3921

Introduced 2/17/2023, by Rep. Kelly M. Cassidy

SYNOPSIS AS INTRODUCED:

See Index

Amends the Compassionate Use of Medical Cannabis Program Act. Removes a provision preventing a certifying health care professional who certifies a debilitating medical condition for a qualifying patient from performing a physical examination by remote means, including telemedicine. Provides that the Department of Agriculture shall have authority to conduct random inspections of transporting organization while at dispensary organizations. In provisions concerning confidentiality of applications and renewals under the Act, provides that copies of licenses and other communications and documents issued to cannabis business establishments by regulating agencies under the Act may be disclosed. Amends the Cannabis Regulation and Tax Act. Modifies definitions and add a definition. Removes a provision prohibiting a dispensing organization from operating drive-through windows. Provides that a dispensing organization may dispense cannabis from a drive-through window of the restricted access area or a curbside pickup location in close proximity to the restricted access area. In provisions relating to Conditional Adult Use Dispensing Organization Licenses, provides that the Department of Financial and Professional Regulation may extend the period for finding a physical address a total of 540 days (rather than another 180 days) if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. Provides that the Department has the authority to issue policy prohibiting the use of pesticides during flowering stage. In commitments required for an adult use cultivation center or craft grower applicant to submit to the Department of Agriculture, provides that the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment (removing provisions differentiating commitments based upon the square feet of canopy of the licensee). Makes corresponding and other changes.

LRB103 29885 CPF 56296 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 Compassionate Use of Medical Cannabis
5 Program Act is amended by changing Sections 35, 130, and 145 as
6 follows:

7 (410 ILCS 130/35)

8 Sec. 35. Certifying health care professional requirements.

9 (a) A certifying health care professional who certifies a
10 debilitating medical condition for a qualifying patient shall
11 comply with all of the following requirements:

12 (1) The certifying health care professional shall be
13 currently licensed under the Medical Practice Act of 1987
14 to practice medicine in all its branches, the Nurse
15 Practice Act, or the Physician Assistant Practice Act of
16 1987, shall be in good standing, and must hold a
17 controlled substances license under Article III of the
18 Illinois Controlled Substances Act.

19 (2) A certifying health care professional certifying a
20 patient's condition shall comply with generally accepted
21 standards of medical practice, the provisions of the Act
22 under which he or she is licensed and all applicable
23 rules.

1 (3) (Blank). ~~The physical examination required by this~~
2 ~~Act may not be performed by remote means, including~~
3 ~~telemedicine.~~

4 (4) The certifying health care professional shall
5 maintain a record-keeping system for all patients for whom
6 the certifying health care professional has certified the
7 patient's medical condition. These records shall be
8 accessible to and subject to review by the Department of
9 Public Health and the Department of Financial and
10 Professional Regulation upon request.

11 (b) A certifying health care professional may not:

12 (1) accept, solicit, or offer any form of remuneration
13 from or to a qualifying patient, primary caregiver,
14 cultivation center, or dispensing organization, including
15 each principal officer, board member, agent, and employee,
16 to certify a patient, other than accepting payment from a
17 patient for the fee associated with the required
18 examination, except for the limited purpose of performing
19 a medical cannabis-related research study;

20 (1.5) accept, solicit, or offer any form of
21 remuneration from or to a medical cannabis cultivation
22 center or dispensary organization for the purposes of
23 referring a patient to a specific dispensary organization;

24 (1.10) engage in any activity that is prohibited under
25 Section 22.2 of the Medical Practice Act of 1987,
26 regardless of whether the certifying health care

1 professional is a physician, advanced practice registered
2 nurse, or physician assistant;

3 (2) offer a discount of any other item of value to a
4 qualifying patient who uses or agrees to use a particular
5 primary caregiver or dispensing organization to obtain
6 medical cannabis;

7 (3) conduct a personal physical examination of a
8 patient for purposes of diagnosing a debilitating medical
9 condition at a location where medical cannabis is sold or
10 distributed or at the address of a principal officer,
11 agent, or employee or a medical cannabis organization;

12 (4) hold a direct or indirect economic interest in a
13 cultivation center or dispensing organization if he or she
14 recommends the use of medical cannabis to qualified
15 patients or is in a partnership or other fee or
16 profit-sharing relationship with a certifying health care
17 professional who recommends medical cannabis, except for
18 the limited purpose of performing a medical
19 cannabis-related research study;

20 (5) serve on the board of directors or as an employee
21 of a cultivation center or dispensing organization;

22 (6) refer patients to a cultivation center, a
23 dispensing organization, or a registered designated
24 caregiver; or

25 (7) advertise in a cultivation center or a dispensing
26 organization.

1 (c) The Department of Public Health may with reasonable
2 cause refer a certifying health care professional, who has
3 certified a debilitating medical condition of a patient, to
4 the Illinois Department of Financial and Professional
5 Regulation for potential violations of this Section.

6 (d) Any violation of this Section or any other provision
7 of this Act or rules adopted under this Act is a violation of
8 the certifying health care professional's licensure act.

9 (e) A certifying health care professional who certifies a
10 debilitating medical condition for a qualifying patient may
11 notify the Department of Public Health in writing: (1) if the
12 certifying health care professional has reason to believe
13 either that the registered qualifying patient has ceased to
14 suffer from a debilitating medical condition; (2) that the
15 bona fide health care professional-patient relationship has
16 terminated; or (3) that continued use of medical cannabis
17 would result in contraindication with the patient's other
18 medication. The registered qualifying patient's registry
19 identification card shall be revoked by the Department of
20 Public Health after receiving the certifying health care
21 professional's notification.

22 (f) Nothing in this Act shall preclude a certifying health
23 care professional from referring a patient for health
24 services, except when the referral is limited to certification
25 purposes only, under this Act.

26 (Source: P.A. 101-363, eff. 8-9-19; 102-558, eff. 8-20-21.)

1 (410 ILCS 130/130)

2 Sec. 130. Requirements; prohibitions; penalties;
3 dispensing organizations.

4 (a) The Department of Financial and Professional
5 Regulation shall implement the provisions of this Section by
6 rule.

7 (b) A dispensing organization shall maintain operating
8 documents which shall include procedures for the oversight of
9 the registered dispensing organization and procedures to
10 ensure accurate recordkeeping.

11 (c) A dispensing organization shall implement appropriate
12 security measures, as provided by rule, to deter and prevent
13 the theft of cannabis and unauthorized entrance into areas
14 containing cannabis.

15 (d) A dispensing organization may not be located within
16 1,000 feet of the property line of a pre-existing public or
17 private preschool or elementary or secondary school or day
18 care center, day care home, group day care home, or part day
19 child care facility. A registered dispensing organization may
20 not be located in a house, apartment, condominium, or an area
21 zoned for residential use. This subsection shall not apply to
22 any dispensing organizations registered on or after July 1,
23 2019.

24 (e) A dispensing organization is prohibited from acquiring
25 cannabis from anyone other than a cultivation center, craft

1 grower, processing organization, another dispensing
2 organization, or transporting organization licensed or
3 registered under this Act or the Cannabis Regulation and Tax
4 Act. A dispensing organization is prohibited from obtaining
5 cannabis from outside the State of Illinois.

6 (f) A registered dispensing organization is prohibited
7 from dispensing cannabis for any purpose except to assist
8 registered qualifying patients with the medical use of
9 cannabis directly or through the qualifying patients'
10 designated caregivers.

11 (g) The area in a dispensing organization where medical
12 cannabis is stored can only be accessed by dispensing
13 organization agents working for the dispensing organization,
14 Department of Financial and Professional Regulation staff
15 performing inspections, law enforcement or other emergency
16 personnel, and contractors working on jobs unrelated to
17 medical cannabis, such as installing or maintaining security
18 devices or performing electrical wiring.

19 (h) A dispensing organization may not dispense more than
20 2.5 ounces of cannabis to a registered qualifying patient,
21 directly or via a designated caregiver, in any 14-day period
22 unless the qualifying patient has a Department of Public
23 Health-approved quantity waiver. Any Department of Public
24 Health-approved quantity waiver process must be made available
25 to qualified veterans.

26 (i) Except as provided in subsection (i-5), before medical

1 cannabis may be dispensed to a designated caregiver or a
2 registered qualifying patient, a dispensing organization agent
3 must determine that the individual is a current cardholder in
4 the verification system and must verify each of the following:

5 (1) that the registry identification card presented to
6 the registered dispensing organization is valid;

7 (2) that the person presenting the card is the person
8 identified on the registry identification card presented
9 to the dispensing organization agent;

10 (3) (blank); and

11 (4) that the registered qualifying patient has not
12 exceeded his or her adequate supply.

13 (i-5) A dispensing organization may dispense medical
14 cannabis to an Opioid Alternative Pilot Program participant
15 under Section 62 and to a person presenting proof of
16 provisional registration under Section 55. Before dispensing
17 medical cannabis, the dispensing organization shall comply
18 with the requirements of Section 62 or Section 55, whichever
19 is applicable, and verify the following:

20 (1) that the written certification presented to the
21 registered dispensing organization is valid and an
22 original document;

23 (2) that the person presenting the written
24 certification is the person identified on the written
25 certification; and

26 (3) that the participant has not exceeded his or her

1 adequate supply.

2 (j) Dispensing organizations shall ensure compliance with
3 this limitation by maintaining internal, confidential records
4 that include records specifying how much medical cannabis is
5 dispensed to the registered qualifying patient and whether it
6 was dispensed directly to the registered qualifying patient or
7 to the designated caregiver. Each entry must include the date
8 and time the cannabis was dispensed. Additional recordkeeping
9 requirements may be set by rule.

10 (k) The health care professional-patient privilege as set
11 forth by Section 8-802 of the Code of Civil Procedure shall
12 apply between a qualifying patient and a registered dispensing
13 organization and its agents with respect to communications and
14 records concerning qualifying patients' debilitating
15 conditions.

16 (l) A dispensing organization may not permit any person to
17 consume cannabis on the property of a medical cannabis
18 organization.

19 (m) A dispensing organization may not share office space
20 with or refer patients to a certifying health care
21 professional.

22 (n) Notwithstanding any other criminal penalties related
23 to the unlawful possession of cannabis, the Department of
24 Financial and Professional Regulation may revoke, suspend,
25 place on probation, reprimand, refuse to issue or renew, or
26 take any other disciplinary or non-disciplinary action as the

1 Department of Financial and Professional Regulation may deem
2 proper with regard to the registration of any person issued
3 under this Act to operate a dispensing organization or act as a
4 dispensing organization agent, including imposing fines not to
5 exceed \$10,000 for each violation, for any violations of this
6 Act and rules adopted in accordance with this Act. The
7 procedures for disciplining a registered dispensing
8 organization shall be determined by rule. All final
9 administrative decisions of the Department of Financial and
10 Professional Regulation are subject to judicial review under
11 the Administrative Review Law and its rules. The term
12 "administrative decision" is defined as in Section 3-101 of
13 the Code of Civil Procedure.

14 (o) Dispensing organizations are subject to random
15 inspection and cannabis testing by the Department of Financial
16 and Professional Regulation, the Illinois State Police, the
17 Department of Revenue, the Department of Public Health, the
18 Department of Agriculture, or as provided by rule. The
19 Department of Agriculture shall also have authority to conduct
20 random inspections of transporting organization while at
21 dispensary organizations.

22 (p) The Department of Financial and Professional
23 Regulation shall adopt rules permitting returns, and potential
24 refunds, for damaged or inadequate products.

25 (q) The Department of Financial and Professional
26 Regulation may issue nondisciplinary citations for minor

1 violations which may be accompanied by a civil penalty not to
2 exceed \$10,000 per violation. The penalty shall be a civil
3 penalty or other condition as established by rule. The
4 citation shall be issued to the licensee and shall contain the
5 licensee's name, address, and license number, a brief factual
6 statement, the Sections of the law or rule allegedly violated,
7 and the civil penalty, if any, imposed. The citation must
8 clearly state that the licensee may choose, in lieu of
9 accepting the citation, to request a hearing. If the licensee
10 does not dispute the matter in the citation with the
11 Department of Financial and Professional Regulation within 30
12 days after the citation is served, then the citation shall
13 become final and shall not be subject to appeal.

14 (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21.)

15 (410 ILCS 130/145)

16 Sec. 145. Confidentiality.

17 (a) The following information received and records kept by
18 the Department of Public Health, Department of Financial and
19 Professional Regulation, Department of Agriculture, or
20 Illinois State Police for purposes of administering this Act
21 are subject to all applicable federal privacy laws,
22 confidential, and exempt from the Freedom of Information Act,
23 and not subject to disclosure to any individual or public or
24 private entity, except as necessary for authorized employees
25 of those authorized agencies to perform official duties under

1 this Act and the following information received and records
2 kept by Department of Public Health, Department of
3 Agriculture, Department of Financial and Professional
4 Regulation, and Illinois State Police, excluding any existing
5 or non-existing Illinois or national criminal history record
6 information as defined in subsection (d), may be disclosed to
7 each other upon request:

8 (1) Applications and renewals, their contents, and
9 supporting information submitted by qualifying patients
10 and designated caregivers, including information regarding
11 their designated caregivers and certifying health care
12 professionals.

13 (2) Applications and renewals, their contents, and
14 supporting information submitted by or on behalf of
15 cultivation centers and dispensing organizations in
16 compliance with this Act, including their physical
17 addresses, including copies of licenses and other
18 communications and documents issued to cannabis business
19 establishments by regulating agencies under this Act. This
20 does not preclude the release of ownership information of
21 cannabis business establishment licenses.

22 (3) The individual names and other information
23 identifying persons to whom the Department of Public
24 Health has issued registry identification cards.

25 (4) Any dispensing information required to be kept
26 under Section 135, Section 150, or Department of Public

1 Health, Department of Agriculture, or Department of
2 Financial and Professional Regulation rules shall identify
3 cardholders and registered cultivation centers by their
4 registry identification numbers and medical cannabis
5 dispensing organizations by their registration number and
6 not contain names or other personally identifying
7 information.

8 (5) All medical records provided to the Department of
9 Public Health in connection with an application for a
10 registry card.

11 (b) Nothing in this Section precludes the following:

12 (1) Department of Agriculture, Department of Financial
13 and Professional Regulation, or Public Health employees
14 may notify law enforcement about falsified or fraudulent
15 information submitted to the Departments if the employee
16 who suspects that falsified or fraudulent information has
17 been submitted conferred with his or her supervisor and
18 both agree that circumstances exist that warrant
19 reporting.

20 (2) If the employee conferred with his or her
21 supervisor and both agree that circumstances exist that
22 warrant reporting, Department of Public Health employees
23 may notify the Department of Financial and Professional
24 Regulation if there is reasonable cause to believe a
25 certifying health care professional:

26 (A) issued a written certification without a bona

1 fide health care professional-patient relationship
2 under this Act;

3 (B) issued a written certification to a person who
4 was not under the certifying health care
5 professional's care for the debilitating medical
6 condition; or

7 (C) failed to abide by the acceptable and
8 prevailing standard of care when evaluating a
9 patient's medical condition.

10 (3) The Department of Public Health, Department of
11 Agriculture, and Department of Financial and Professional
12 Regulation may notify State or local law enforcement about
13 apparent criminal violations of this Act if the employee
14 who suspects the offense has conferred with his or her
15 supervisor and both agree that circumstances exist that
16 warrant reporting.

17 (4) Medical cannabis cultivation center agents and
18 medical cannabis dispensing organizations may notify the
19 Department of Public Health, Department of Financial and
20 Professional Regulation, or Department of Agriculture of a
21 suspected violation or attempted violation of this Act or
22 the rules issued under it.

23 (5) Each Department may verify registry identification
24 cards under Section 150.

25 (6) The submission of the report to the General
26 Assembly under Section 160.

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

9 (c) Except for any ownership information released pursuant
10 to subsection (b-5) or as otherwise authorized or required by
11 law, it is a Class B misdemeanor with a \$1,000 fine for any
12 person, including an employee or official of the Department of
13 Public Health, Department of Financial and Professional
14 Regulation, or Department of Agriculture or another State
15 agency or local government, to breach the confidentiality of
16 information obtained under this Act.

17 (d) The Department of Public Health, the Department of
18 Agriculture, the Illinois State Police, and the Department of
19 Financial and Professional Regulation shall not share or
20 disclose any existing or non-existing Illinois or national
21 criminal history record information. For the purposes of this
22 Section, "any existing or non-existing Illinois or national
23 criminal history record information" means any Illinois or
24 national criminal history record information, including but
25 not limited to the lack of or non-existence of these records.

26 (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21;

1 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)

2 Section 10. The Cannabis Regulation and Tax Act is amended
3 by changing Sections 1-10, 15-25, 15-35, 15-35.10, 15-70,
4 15-100, 15-135, 20-15, 20-30, 30-10, 30-30, 50-5, and 55-30 as
5 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. The Adult Use Cultivation Center
17 License is the property of the State and shall be surrendered
18 upon demand of the Department.

19 "Advertise" means to engage in promotional activities
20 including, but not limited to: newspaper, radio, Internet and
21 electronic media, and television advertising; the distribution
22 of fliers and circulars; billboard advertising; and the
23 display of window and interior signs. "Advertise" does not
24 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. Cannabis business entities shall
5 adhere to the traceability and consumer protection guidelines
6 established by the Department when utilizing the cannabis
7 plant monitoring system.

8 "Cannabis testing facility" means an entity licensed
9 ~~registered~~ by the Department of Agriculture to test cannabis
10 for potency and contaminants. Licensed cannabis testing
11 facilities authorized under this Act to transport cannabis
12 from licensed cannabis business entities to the licensed
13 cannabis testing facility are exempt from the transporting
14 organization license requirements.

15 "Clone" means a plant section from a female cannabis plant
16 not yet rootbound, growing in a water solution or other
17 propagation matrix, that is capable of developing into a new
18 plant.

19 "Community College Cannabis Vocational Training Pilot
20 Program faculty participant" means a person who is 21 years of
21 age or older, licensed by the Department of Agriculture, and
22 is employed or contracted by an Illinois community college to
23 provide student instruction using cannabis plants at an
24 Illinois Community College. The Community College Cannabis
25 Vocational Training Pilot Program License is the property of
26 the State and shall be surrendered upon demand of the

1 Department.

2 "Community College Cannabis Vocational Training Pilot
3 Program faculty participant Agent Identification Card" means a
4 document issued by the Department of Agriculture that
5 identifies a person as a Community College Cannabis Vocational
6 Training Pilot Program faculty participant.

7 "Conditional Adult Use Dispensing Organization License"
8 means a contingent license awarded to applicants for an Adult
9 Use Dispensing Organization License that reserves the right to
10 an Adult Use Dispensing Organization License if the applicant
11 meets certain conditions described in this Act, but does not
12 entitle the recipient to begin purchasing or selling cannabis
13 or cannabis-infused products.

14 "Conditional Adult Use Cultivation Center License" means a
15 license awarded to top-scoring applicants for an Adult Use
16 Cultivation Center License that reserves the right to an Adult
17 Use Cultivation Center License if the applicant meets certain
18 conditions as determined by the Department of Agriculture by
19 rule, but does not entitle the recipient to begin growing,
20 processing, or selling cannabis or cannabis-infused products.
21 The Conditional Adult Use Cultivation Center License is the
22 property of the State and shall be surrendered upon demand of
23 the Department.

24 "Craft grower" means a facility operated by an
25 organization or business that is licensed by the Department of
26 Agriculture to cultivate, dry, cure, and package cannabis and

1 perform other necessary activities to make cannabis available
2 for sale at a dispensing organization or use at a processing
3 organization. A craft grower may contain up to 5,000 square
4 feet of canopy space on its premises for plants in the
5 flowering state. The Department of Agriculture may authorize
6 an increase or decrease of flowering stage cultivation space
7 in increments of 3,000 square feet by rule based on market
8 need, craft grower capacity, and the licensee's history of
9 compliance or noncompliance, with a maximum space of 14,000
10 square feet for cultivating plants in the flowering stage,
11 which must be cultivated in all stages of growth in an enclosed
12 and secure area. A craft grower may share premises with an
13 infuser ~~a processing~~ organization or a dispensing
14 organization, or both, provided each licensee stores currency
15 and cannabis or cannabis-infused products in a separate
16 secured vault to which the other licensee does not have access
17 or all licensees sharing a vault share more than 50% of the
18 same ownership. The Craft Grower License is the property of
19 the State and shall be surrendered upon demand of the
20 Department.

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

24 "Craft Grower Agent Identification Card" means a document
25 issued by the Department of Agriculture that identifies a
26 person as a craft grower agent.

1 "Cultivation center" means a facility operated by an
2 organization or business that is licensed by the Department of
3 Agriculture to cultivate, process, transport (unless otherwise
4 limited by this Act), and perform other necessary activities
5 to provide cannabis and cannabis-infused products to cannabis
6 business establishments.

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

10 "Cultivation Center Agent Identification Card" means a
11 document issued by the Department of Agriculture that
12 identifies a person as a cultivation center agent.

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

14 "Dispensary" means a facility operated by a dispensing
15 organization at which activities licensed by this Act may
16 occur.

17 "Dispensary Applicant" means the Proposed Dispensing
18 Organization Name as stated on an application for a
19 Conditional Adult Use Dispensing Organization License.

20 "Dispensing organization" means a facility operated by an
21 organization or business that is licensed by the Department of
22 Financial and Professional Regulation to acquire cannabis from
23 a cultivation center, craft grower, processing organization,
24 or another dispensary for the purpose of selling or dispensing
25 cannabis, cannabis-infused products, cannabis seeds,
26 paraphernalia, or related supplies under this Act to

1 purchasers or to qualified registered medical cannabis
2 patients and caregivers. As used in this Act, "dispensing
3 organization" includes a registered medical cannabis
4 organization as defined in the Compassionate Use of Medical
5 Cannabis Program Act or its successor Act that has obtained an
6 Early Approval Adult Use Dispensing Organization License.

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

10 "Dispensing organization agent identification card" means
11 a document issued by the Department of Financial and
12 Professional Regulation that identifies a person as a
13 dispensing organization agent.

14 "Disproportionately Impacted Area" means a census tract or
15 comparable geographic area that satisfies the following
16 criteria as determined by the Department of Commerce and
17 Economic Opportunity, that:

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

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

21 (B) 75% or more of the children in the area
22 participate in the federal free lunch program
23 according to reported statistics from the State Board
24 of Education; or

25 (C) at least 20% of the households in the area
26 receive assistance under the Supplemental Nutrition

1 Assistance Program; or

2 (D) the area has an average unemployment rate, as
3 determined by the Illinois Department of Employment
4 Security, that is more than 120% of the national
5 unemployment average, as determined by the United
6 States Department of Labor, for a period of at least 2
7 consecutive calendar years preceding the date of the
8 application; and

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

12 "Early Approval Adult Use Cultivation Center License"
13 means a license that permits a medical cannabis cultivation
14 center licensed under the Compassionate Use of Medical
15 Cannabis Program Act as of the effective date of this Act to
16 begin cultivating, infusing, packaging, transporting (unless
17 otherwise provided in this Act), processing, and selling
18 cannabis or cannabis-infused product to cannabis business
19 establishments for resale to purchasers as permitted by this
20 Act as of January 1, 2020.

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

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

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

13 "Enclosed, locked facility" means a room, greenhouse,
14 building, or other enclosed area equipped with locks or other
15 security devices that permit access only by cannabis business
16 establishment agents working for the licensed cannabis
17 business establishment or acting pursuant to this Act to
18 cultivate, process, store, or distribute cannabis.

19 "Enclosed, locked space" means a closet, room, greenhouse,
20 building, or other enclosed area equipped with locks or other
21 security devices that permit access only by authorized
22 individuals under this Act. "Enclosed, locked space" may
23 include:

- 24 (1) a space within a residential building that (i) is
25 the primary residence of the individual cultivating 5 or
26 fewer cannabis plants that are more than 5 inches tall and

1 (ii) includes sleeping quarters and indoor plumbing. The
2 space must only be accessible by a key or code that is
3 different from any key or code that can be used to access
4 the residential building from the exterior; or

5 (2) a structure, such as a shed or greenhouse, that
6 lies on the same plot of land as a residential building
7 that (i) includes sleeping quarters and indoor plumbing
8 and (ii) is used as a primary residence by the person
9 cultivating 5 or fewer cannabis plants that are more than
10 5 inches tall, such as a shed or greenhouse. The structure
11 must remain locked when it is unoccupied by people.

12 "Financial institution" has the same meaning as "financial
13 organization" as defined in Section 1501 of the Illinois
14 Income Tax Act, and also includes the holding companies,
15 subsidiaries, and affiliates of such financial organizations.

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

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

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

26 "Individual" means a natural person.

1 "Infuser organization" or "infuser" means a facility
2 operated by an organization or business that is licensed by
3 the Department of Agriculture to directly incorporate cannabis
4 or cannabis concentrate into a product formulation to produce
5 a cannabis-infused product. The infuser license is the
6 property of the State and shall be surrendered upon demand of
7 the Department.

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

12 "Labor peace agreement" means an agreement between a
13 cannabis business establishment and any labor organization
14 recognized under the National Labor Relations Act, referred to
15 in this Act as a bona fide labor organization, that prohibits
16 labor organizations and members from engaging in picketing,
17 work stoppages, boycotts, and any other economic interference
18 with the cannabis business establishment. This agreement means
19 that the cannabis business establishment has agreed not to
20 disrupt efforts by the bona fide labor organization to
21 communicate with, and attempt to organize and represent, the
22 cannabis business establishment's employees. The agreement
23 shall provide a bona fide labor organization access at
24 reasonable times to areas in which the cannabis business
25 establishment's employees work, for the purpose of meeting
26 with employees to discuss their right to representation,

1 employment rights under State law, and terms and conditions of
2 employment. This type of agreement shall not mandate a
3 particular method of election or certification of the bona
4 fide labor organization.

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

18 "Member of an impacted family" means an individual who has
19 a parent, legal guardian, child, spouse, or dependent, or was
20 a dependent of an individual who, prior to the effective date
21 of this Act, was arrested for, convicted of, or adjudicated
22 delinquent for any offense that is eligible for expungement
23 under this Act.

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

1 infuser or dispensing organization.

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

6 "Ownership and control" means ownership of at least 51% of
7 the business, including corporate stock if a corporation, and
8 control over the management and day-to-day operations of the
9 business and an interest in the capital, assets, and profits
10 and losses of the business proportionate to percentage of
11 ownership.

12 "Person" means a natural individual, firm, partnership,
13 association, joint stock company, joint venture, public or
14 private corporation, limited liability company, or a receiver,
15 executor, trustee, guardian, or other representative appointed
16 by order of any court.

17 "Possession limit" means the amount of cannabis under
18 Section 10-10 that may be possessed at any one time by a person
19 21 years of age or older or who is a registered qualifying
20 medical cannabis patient or caregiver under the Compassionate
21 Use of Medical Cannabis Program Act.

22 "Principal officer" includes a cannabis business
23 establishment applicant or licensed cannabis business
24 establishment's board member, owner with more than 1% interest
25 of the total cannabis business establishment or more than 5%
26 interest of the total cannabis business establishment of a

1 publicly traded company, president, vice president, secretary,
2 treasurer, partner, officer, member, manager member, or person
3 with a profit sharing, financial interest, or revenue sharing
4 arrangement. The definition includes a person with authority
5 to control the cannabis business establishment, a person who
6 assumes responsibility for the debts of the cannabis business
7 establishment and who is further defined in this Act.

8 "Primary residence" means a dwelling where a person
9 usually stays or stays more often than other locations. It may
10 be determined by, without limitation, presence, tax filings;
11 address on an Illinois driver's license, an Illinois
12 Identification Card, or an Illinois Person with a Disability
13 Identification Card; or voter registration. No person may have
14 more than one primary residence.

15 "Processing organization" or "processor" means a facility
16 operated by an organization or business that is licensed by
17 the Department of Agriculture to either extract constituent
18 chemicals or compounds to produce cannabis concentrate or
19 incorporate cannabis or cannabis concentrate into a product
20 formulation to produce a cannabis product. The processing
21 organization license is the property of the State and shall be
22 surrendered upon demand of the Department.

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

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

1 identifies a person as a processing organization agent.

2 "Purchaser" means a person 21 years of age or older who
3 acquires cannabis for a valuable consideration. "Purchaser"
4 does not include a cardholder under the Compassionate Use of
5 Medical Cannabis Program Act.

6 "Qualifying Applicant" means an applicant that submitted
7 an application pursuant to Section 15-30 that received at
8 least 85% of 250 application points available under Section
9 15-30 as the applicant's final score and meets the definition
10 of "Social Equity Applicant" as set forth under this Section.

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

18 "Qualified Social Equity Applicant" means a Social Equity
19 Applicant who has been awarded a conditional license under
20 this Act to operate a cannabis business establishment.

21 "Resided" means an individual's primary residence was
22 located within the relevant geographic area as established by
23 2 of the following:

24 (1) a signed lease agreement that includes the
25 applicant's name;

26 (2) a property deed that includes the applicant's

1 name;

2 (3) school records;

3 (4) a voter registration card;

4 (5) an Illinois driver's license, an Illinois
5 Identification Card, or an Illinois Person with a
6 Disability Identification Card;

7 (6) a paycheck stub;

8 (7) a utility bill;

9 (8) tax records; or

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

12 "Smoking" means the inhalation of smoke caused by the
13 combustion of cannabis.

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

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

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

22 (i) have been arrested for, convicted of, or
23 adjudicated delinquent for any offense that is
24 eligible for expungement under this Act; or

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

26 (3) for applicants with a minimum of 10 full-time

1 employees, an applicant with at least 51% of current
2 employees who:

3 (i) currently reside in a Disproportionately
4 Impacted Area; or

5 (ii) have been arrested for, convicted of, or
6 adjudicated delinquent for any offense that is
7 eligible for expungement under this Act or member of
8 an impacted family.

9 Nothing in this Act shall be construed to preempt or limit
10 the duties of any employer under the Job Opportunities for
11 Qualified Applicants Act. Nothing in this Act shall permit an
12 employer to require an employee to disclose sealed or expunged
13 offenses, unless otherwise required by law.

14 "Tied Applicant" means an application submitted by a
15 Dispensary Applicant pursuant to Section 15-30 that received
16 the same number of application points under Section 15-30 as
17 the Dispensary Applicant's final score as one or more
18 top-scoring applications in the same BLS Region and would have
19 been awarded a license but for the one or more other
20 top-scoring applications that received the same number of
21 application points. Each application for which a Dispensary
22 Applicant was required to pay a required application fee for
23 the application period ending January 2, 2020 shall be
24 considered an application of a separate Tied Applicant.

25 "Tied Applicant Lottery" means the process established
26 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult

1 Use Dispensing Organization Licenses pursuant to Sections
2 15-25 and 15-30 among Eligible Tied Applicants.

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

10 "Transporting organization" or "transporter" means an
11 organization or business that is licensed by the Department of
12 Agriculture to transport cannabis or cannabis-infused product
13 on behalf of a cannabis business establishment or a community
14 college licensed under the Community College Cannabis
15 Vocational Training Pilot Program. The transporting
16 organization license is the property of the State and shall be
17 surrendered upon demand of the Department.

18 "Transporting organization agent" means a principal
19 officer, board member, employee, or agent of a transporting
20 organization.

21 "Transporting organization agent identification card"
22 means a document issued by the Department of Agriculture that
23 identifies a person as a transporting organization agent.

24 "Unit of local government" means any county, city,
25 village, or incorporated town.

26 "Vault" means a secure storage area used to store

1 cannabis, cannabis flower, and cannabis infused products. The
2 Department has the authority to issue vault standards directly
3 to cannabis business entities. Due to security and
4 confidentiality concerns, these standards shall be exempt from
5 the Freedom of Information Act, publication, and the
6 rulemaking process.

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

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

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

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

23 (410 ILCS 705/15-25)

24 Sec. 15-25. Awarding of Conditional Adult Use Dispensing
25 Organization Licenses prior to January 1, 2021.

1 (a) The Department shall issue up to 75 Conditional Adult
2 Use Dispensing Organization Licenses before May 1, 2020.

3 (b) The Department shall make the application for a
4 Conditional Adult Use Dispensing Organization License
5 available no later than October 1, 2019 and shall accept
6 applications no later than January 1, 2020.

7 (c) To ensure the geographic dispersion of Conditional
8 Adult Use Dispensing Organization License holders, the
9 following number of licenses shall be awarded in each BLS
10 Region as determined by each region's percentage of the
11 State's population:

12 (1) Bloomington: 1

13 (2) Cape Girardeau: 1

14 (3) Carbondale-Marion: 1

15 (4) Champaign-Urbana: 1

16 (5) Chicago-Naperville-Elgin: 47

17 (6) Danville: 1

18 (7) Davenport-Moline-Rock Island: 1

19 (8) Decatur: 1

20 (9) Kankakee: 1

21 (10) Peoria: 3

22 (11) Rockford: 2

23 (12) St. Louis: 4

24 (13) Springfield: 1

25 (14) Northwest Illinois nonmetropolitan: 3

26 (15) West Central Illinois nonmetropolitan: 3

1 (16) East Central Illinois nonmetropolitan: 2

2 (17) South Illinois nonmetropolitan: 2

3 (d) An applicant seeking issuance of a Conditional Adult
4 Use Dispensing Organization License shall submit an
5 application on forms provided by the Department. An applicant
6 must meet the following requirements:

7 (1) Payment of a nonrefundable application fee of
8 \$5,000 for each license for which the applicant is
9 applying, which shall be deposited into the Cannabis
10 Regulation Fund;

11 (2) Certification that the applicant will comply with
12 the requirements contained in this Act;

13 (3) The legal name of the proposed dispensing
14 organization;

15 (4) A statement that the dispensing organization
16 agrees to respond to the Department's supplemental
17 requests for information;

18 (5) From each principal officer, a statement
19 indicating whether that person:

20 (A) has previously held or currently holds an
21 ownership interest in a cannabis business
22 establishment in Illinois; or

23 (B) has held an ownership interest in a dispensing
24 organization or its equivalent in another state or
25 territory of the United States that had the dispensing
26 organization registration or license suspended,

1 revoked, placed on probationary status, or subjected
2 to other disciplinary action;

3 (6) Disclosure of whether any principal officer has
4 ever filed for bankruptcy or defaulted on spousal support
5 or child support obligation;

6 (7) A resume for each principal officer, including
7 whether that person has an academic degree, certification,
8 or relevant experience with a cannabis business
9 establishment or in a related industry;

10 (8) A description of the training and education that
11 will be provided to dispensing organization agents;

12 (9) A copy of the proposed operating bylaws;

13 (10) A copy of the proposed business plan that
14 complies with the requirements in this Act, including, at
15 a minimum, the following:

16 (A) A description of services to be offered; and

17 (B) A description of the process of dispensing
18 cannabis;

19 (11) A copy of the proposed security plan that
20 complies with the requirements in this Article, including:

21 (A) The process or controls that will be
22 implemented to monitor the dispensary, secure the
23 premises, agents, and currency, and prevent the
24 diversion, theft, or loss of cannabis; and

25 (B) The process to ensure that access to the
26 restricted access areas is restricted to, registered

1 agents, service professionals, transporting
2 organization agents, Department inspectors, and
3 security personnel;

4 (12) A proposed inventory control plan that complies
5 with this Section;

6 (13) A proposed floor plan, a square footage estimate,
7 and a description of proposed security devices, including,
8 without limitation, cameras, motion detectors, servers,
9 video storage capabilities, and alarm service providers;

10 (14) The name, address, social security number, and
11 date of birth of each principal officer and board member
12 of the dispensing organization; each of those individuals
13 shall be at least 21 years of age;

14 (15) Evidence of the applicant's status as a Social
15 Equity Applicant, if applicable, and whether a Social
16 Equity Applicant plans to apply for a loan or grant issued
17 by the Department of Commerce and Economic Opportunity;

18 (16) The address, telephone number, and email address
19 of the applicant's principal place of business, if
20 applicable. A post office box is not permitted;

21 (17) Written summaries of any information regarding
22 instances in which a business or not-for-profit that a
23 prospective board member previously managed or served on
24 were fined or censured, or any instances in which a
25 business or not-for-profit that a prospective board member
26 previously managed or served on had its registration

1 suspended or revoked in any administrative or judicial
2 proceeding;

3 (18) A plan for community engagement;

4 (19) Procedures to ensure accurate recordkeeping and
5 security measures that are in accordance with this Article
6 and Department rules;

7 (20) The estimated volume of cannabis it plans to
8 store at the dispensary;

9 (21) A description of the features that will provide
10 accessibility to purchasers as required by the Americans
11 with Disabilities Act;

12 (22) A detailed description of air treatment systems
13 that will be installed to reduce odors;

14 (23) A reasonable assurance that the issuance of a
15 license will not have a detrimental impact on the
16 community in which the applicant wishes to locate;

17 (24) The dated signature of each principal officer;

18 (25) A description of the enclosed, locked facility
19 where cannabis will be stored by the dispensing
20 organization;

21 (26) Signed statements from each dispensing
22 organization agent stating that he or she will not divert
23 cannabis;

24 (27) The number of licenses it is applying for in each
25 BLS Region;

26 (28) A diversity plan that includes a narrative of at

1 least 2,500 words that establishes a goal of diversity in
2 ownership, management, employment, and contracting to
3 ensure that diverse participants and groups are afforded
4 equality of opportunity;

5 (29) A contract with a private security contractor
6 agency that is licensed under Section 10-5 of the Private
7 Detective, Private Alarm, Private Security, Fingerprint
8 Vendor, and Locksmith Act of 2004 in order for the
9 dispensary to have adequate security at its facility; and

10 (30) Other information deemed necessary by the
11 Illinois Cannabis Regulation Oversight Officer to conduct
12 the disparity and availability study referenced in
13 subsection (e) of Section 5-45.

14 (e) An applicant who receives a Conditional Adult Use
15 Dispensing Organization License under this Section has 180
16 days from the date of award to identify a physical location for
17 the dispensing organization retail storefront. The applicant
18 shall provide evidence that the location is not within 1,500
19 feet of an existing dispensing organization, unless the
20 applicant is a Social Equity Applicant or Social Equity
21 Justice Involved Applicant located or seeking to locate within
22 1,500 feet of a dispensing organization licensed under Section
23 15-15 or Section 15-20. If an applicant is unable to find a
24 suitable physical address in the opinion of the Department
25 within 180 days of the issuance of the Conditional Adult Use
26 Dispensing Organization License, the Department may extend the

1 period for finding a physical address a total of 540 ~~another~~
2 ~~180~~ days if the Conditional Adult Use Dispensing Organization
3 License holder demonstrates concrete attempts to secure a
4 location and a hardship. If the Department denies the
5 extension or the Conditional Adult Use Dispensing Organization
6 License holder is unable to find a location or become
7 operational within 540 ~~360~~ days of being awarded a conditional
8 license, the Department shall rescind the conditional license
9 and award it to the next highest scoring applicant in the BLS
10 Region for which the license was assigned, provided the
11 applicant receiving the license: (i) confirms a continued
12 interest in operating a dispensing organization; (ii) can
13 provide evidence that the applicant continues to meet all
14 requirements for holding a Conditional Adult Use Dispensing
15 Organization License set forth in this Act; and (iii) has not
16 otherwise become ineligible to be awarded a dispensing
17 organization license. If the new awardee is unable to accept
18 the Conditional Adult Use Dispensing Organization License, the
19 Department shall award the Conditional Adult Use Dispensing
20 Organization License to the next highest scoring applicant in
21 the same manner. The new awardee shall be subject to the same
22 required deadlines as provided in this subsection.

23 (e-5) If, within 180 days of being awarded a Conditional
24 Adult Use Dispensing Organization License, a dispensing
25 organization is unable to find a location within the BLS
26 Region in which it was awarded a Conditional Adult Use

1 Dispensing Organization License because no jurisdiction within
2 the BLS Region allows for the operation of an Adult Use
3 Dispensing Organization, the Department of Financial and
4 Professional Regulation may authorize the Conditional Adult
5 Use Dispensing Organization License holder to transfer its
6 license to a BLS Region specified by the Department.

7 (f) A dispensing organization that is awarded a
8 Conditional Adult Use Dispensing Organization License pursuant
9 to the criteria in Section 15-30 shall not purchase, possess,
10 sell, or dispense cannabis or cannabis-infused products until
11 the person has received an Adult Use Dispensing Organization
12 License issued by the Department pursuant to Section 15-36 of
13 this Act.

14 (g) The Department shall conduct a background check of the
15 prospective organization agents in order to carry out this
16 Article. The Illinois State Police shall charge the applicant
17 a fee for conducting the criminal history record check, which
18 shall be deposited into the State Police Services Fund and
19 shall not exceed the actual cost of the record check. Each
20 person applying as a dispensing organization agent shall
21 submit a full set of fingerprints to the Illinois State Police
22 for the purpose of obtaining a State and federal criminal
23 records check. These fingerprints shall be checked against the
24 fingerprint records now and hereafter, to the extent allowed
25 by law, filed in the Illinois State Police and Federal Bureau
26 of Identification criminal history records databases. The

1 Illinois State Police shall furnish, following positive
2 identification, all Illinois conviction information to the
3 Department.

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

7 (410 ILCS 705/15-35)

8 Sec. 15-35. Qualifying Applicant Lottery for Conditional
9 Adult Use Dispensing Organization Licenses.

10 (a) In addition to any of the licenses issued under
11 Section 15-15, Section 15-20, Section 15-25, Section 15-30.20,
12 or Section 15-35.10 of this Act, within 10 business days after
13 the resulting final scores for all scored applications
14 pursuant to Sections 15-25 and 15-30 are released, the
15 Department shall issue up to 55 Conditional Adult Use
16 Dispensing Organization Licenses by lot, pursuant to the
17 application process adopted under this Section. In order to be
18 eligible to be awarded a Conditional Adult Use Dispensing
19 Organization License by lot under this Section, a Dispensary
20 Applicant must be a Qualifying Applicant.

21 The licenses issued under this Section shall be awarded in
22 each BLS Region in the following amounts:

- 23 (1) Bloomington: 1.
24 (2) Cape Girardeau: 1.
25 (3) Carbondale-Marion: 1.

- 1 (4) Champaign-Urbana: 1.
- 2 (5) Chicago-Naperville-Elgin: 36.
- 3 (6) Danville: 1.
- 4 (7) Davenport-Moline-Rock Island: 1.
- 5 (8) Decatur: 1.
- 6 (9) Kankakee: 1.
- 7 (10) Peoria: 2.
- 8 (11) Rockford: 1.
- 9 (12) St. Louis: 3.
- 10 (13) Springfield: 1.
- 11 (14) Northwest Illinois nonmetropolitan: 1.
- 12 (15) West Central Illinois nonmetropolitan: 1.
- 13 (16) East Central Illinois nonmetropolitan: 1.
- 14 (17) South Illinois nonmetropolitan: 1.

15 (a-5) Prior to issuing licenses under subsection (a), the
16 Department may adopt rules through emergency rulemaking in
17 accordance with subsection (kk) of Section 5-45 of the
18 Illinois Administrative Procedure Act. The General Assembly
19 finds that the adoption of rules to regulate cannabis use is
20 deemed an emergency and necessary for the public interest,
21 safety, and welfare.

22 (b) The Department shall distribute the available licenses
23 established under this Section subject to the following:

24 (1) The drawing by lot for all available licenses
25 issued under this Section shall occur on the same day when
26 practicable.

1 (2) Within each BLS Region, the first Qualifying
2 Applicant drawn will have the first right to an available
3 license. The second Qualifying Applicant drawn will have
4 the second right to an available license. The same pattern
5 will continue for each subsequent Qualifying Applicant
6 drawn.

7 (3) The process for distributing available licenses
8 under this Section shall be recorded by the Department in
9 a format selected by the Department.

10 (4) A Dispensary Applicant is prohibited from becoming
11 a Qualifying Applicant if a principal officer resigns
12 after the resulting final scores for all scored
13 applications pursuant to Sections 15-25 and 15-30 are
14 released.

15 (5) No Qualifying Applicant may be awarded more than 2
16 Conditional Adult Use Dispensing Organization Licenses at
17 the conclusion of a lottery conducted under this Section.

18 (6) No individual may be listed as a principal officer
19 of more than 2 Conditional Adult Use Dispensing
20 Organization Licenses awarded under this Section.

21 (7) If, upon being selected for an available license
22 established under this Section, a Qualifying Applicant
23 exceeds the limits under paragraph (5) or (6), the
24 Qualifying Applicant must choose which license to abandon
25 and notify the Department in writing within 5 business
26 days. If the Qualifying Applicant does not notify the

1 Department as required, the Department shall refuse to
2 issue the Qualifying Applicant all available licenses
3 established under this Section obtained by lot in all BLS
4 Regions.

5 (8) If, upon being selected for an available license
6 established under this Section, a Qualifying Applicant has
7 a principal officer who is a principal officer in more
8 than 10 Early Approval Adult Use Dispensing Organization
9 Licenses, Conditional Adult Use Dispensing Organization
10 Licenses, Adult Use Dispensing Organization Licenses, or
11 any combination thereof, the licensees and the Qualifying
12 Applicant listing that principal officer must choose which
13 license to abandon pursuant to subsection (d) of Section
14 15-36 and notify the Department in writing within 5
15 business days. If the Qualifying Applicant or licensees do
16 not notify the Department as required, the Department
17 shall refuse to issue the Qualifying Applicant all
18 available licenses established under this Section obtained
19 by lot in all BLS Regions.

20 (9) All available licenses that have been abandoned
21 under paragraph (7) or (8) shall be distributed to the
22 next Qualifying Applicant drawn by lot.

23 Any and all rights conferred or obtained under this
24 Section shall be limited to the provisions of this Section.

25 (c) An applicant who receives a Conditional Adult Use
26 Dispensing Organization License under this Section has 180

1 days from the date it is awarded to identify a physical
2 location for the dispensing organization's retail storefront.
3 The applicant shall provide evidence that the location is not
4 within 1,500 feet of an existing dispensing organization,
5 unless the applicant is a Social Equity Applicant or Social
6 Equity Justice Involved Applicant located or seeking to locate
7 within 1,500 feet of a dispensing organization licensed under
8 Section 15-15 or Section 15-20. If an applicant is unable to
9 find a suitable physical address in the opinion of the
10 Department within 180 days from the issuance of the
11 Conditional Adult Use Dispensing Organization License, the
12 Department may extend the period for finding a physical
13 address a total of 540 ~~another 180~~ days if the Conditional
14 Adult Use Dispensing Organization License holder demonstrates
15 a concrete attempt to secure a location and a hardship. If the
16 Department denies the extension or the Conditional Adult Use
17 Dispensing Organization License holder is unable to find a
18 location or become operational within 540 ~~360~~ days of being
19 awarded a Conditional Adult Use Dispensing Organization
20 License under this Section, the Department shall rescind the
21 Conditional Adult Use Dispensing Organization License and
22 award it pursuant to subsection (b), provided the applicant
23 receiving the Conditional Adult Use Dispensing Organization
24 License: (i) confirms a continued interest in operating a
25 dispensing organization; (ii) can provide evidence that the
26 applicant continues to meet all requirements for holding a

1 Conditional Adult Use Dispensing Organization License set
2 forth in this Act; and (iii) has not otherwise become
3 ineligible to be awarded a Conditional Adult Use Dispensing
4 Organization License. If the new awardee is unable to accept
5 the Conditional Adult Use Dispensing Organization License, the
6 Department shall award the Conditional Adult Use Dispensing
7 Organization License pursuant to subsection (b). The new
8 awardee shall be subject to the same required deadlines as
9 provided in this subsection.

10 (d) If, within 180 days of being awarded a Conditional
11 Adult Use Dispensing Organization License, a dispensing
12 organization is unable to find a location within the BLS
13 Region in which it was awarded a Conditional Adult Use
14 Dispensing Organization License because no jurisdiction within
15 the BLS Region allows for the operation of an Adult Use
16 Dispensing Organization, the Department may authorize the
17 Conditional Adult Use Dispensing Organization License holder
18 to transfer its Conditional Adult Use Dispensing Organization
19 License to a BLS Region specified by the Department.

20 (e) A dispensing organization that is awarded a
21 Conditional Adult Use Dispensing Organization License under
22 this Section shall not purchase, possess, sell, or dispense
23 cannabis or cannabis-infused products until the dispensing
24 organization has received an Adult Use Dispensing Organization
25 License issued by the Department pursuant to Section 15-36.

26 (f) The Department shall conduct a background check of the

1 prospective dispensing organization agents in order to carry
2 out this Article. The Illinois State Police shall charge the
3 applicant a fee for conducting the criminal history record
4 check, which shall be deposited into the State Police Services
5 Fund and shall not exceed the actual cost of the record check.
6 Each person applying as a dispensing organization agent shall
7 submit a full set of fingerprints to the Illinois State Police
8 for the purpose of obtaining a State and federal criminal
9 records check. These fingerprints shall be checked against the
10 fingerprint records now and hereafter, to the extent allowed
11 by law, filed with the Illinois State Police and the Federal
12 Bureau of Investigation criminal history records databases.
13 The Illinois State Police shall furnish, following positive
14 identification, all Illinois conviction information to the
15 Department.

16 (g) The Department may verify information contained in
17 each application and accompanying documentation to assess the
18 applicant's veracity and fitness to operate a dispensing
19 organization.

20 (h) The Department may, in its discretion, refuse to issue
21 authorization to an applicant who meets any of the following
22 criteria:

23 (1) An applicant who is unqualified to perform the
24 duties required of the applicant.

25 (2) An applicant who fails to disclose or states
26 falsely any information called for in the application.

1 (3) An applicant who has been found guilty of a
2 violation of this Act, who has had any disciplinary order
3 entered against the applicant by the Department, who has
4 entered into a disciplinary or nondisciplinary agreement
5 with the Department, whose medical cannabis dispensing
6 organization, medical cannabis cultivation organization,
7 Early Approval Adult Use Dispensing Organization License,
8 Early Approval Adult Use Dispensing Organization License
9 at a secondary site, Early Approval Cultivation Center
10 License, Conditional Adult Use Dispensing Organization
11 License, or Adult Use Dispensing Organization License was
12 suspended, restricted, revoked, or denied for just cause,
13 or whose cannabis business establishment license was
14 suspended, restricted, revoked, or denied in any other
15 state.

16 (4) An applicant who has engaged in a pattern or
17 practice of unfair or illegal practices, methods, or
18 activities in the conduct of owning a cannabis business
19 establishment or other business.

20 (i) The Department shall deny issuance of a license under
21 this Section if any principal officer, board member, or person
22 having a financial or voting interest of 5% or greater in the
23 licensee is delinquent in filing any required tax return or
24 paying any amount owed to the State of Illinois.

25 (j) The Department shall verify an applicant's compliance
26 with the requirements of this Article and rules adopted under

1 this Article before issuing a Conditional Adult Use Dispensing
2 Organization License under this Section.

3 (k) If an applicant is awarded a Conditional Adult Use
4 Dispensing Organization License under this Section, the
5 information and plans provided in the application, including
6 any plans submitted for bonus points, shall become a condition
7 of the Conditional Adult Use Dispensing Organization License
8 and any Adult Use Dispensing Organization License issued to
9 the holder of the Conditional Adult Use Dispensing
10 Organization License, except as otherwise provided by this Act
11 or by rule. A dispensing organization has a duty to disclose
12 any material changes to the application. The Department shall
13 review all material changes disclosed by the dispensing
14 organization and may reevaluate its prior decision regarding
15 the awarding of a Conditional Adult Use Dispensing
16 Organization License, including, but not limited to,
17 suspending or permanently revoking a Conditional Adult Use
18 Dispensing Organization License. Failure to comply with the
19 conditions or requirements in the application may subject the
20 dispensing organization to discipline up to and including
21 suspension or permanent revocation of its authorization or
22 Conditional Adult Use Dispensing Organization License by the
23 Department.

24 (l) If an applicant has not begun operating as a
25 dispensing organization within one year after the issuance of
26 the Conditional Adult Use Dispensing Organization License

1 under this Section, the Department may permanently revoke the
2 Conditional Adult Use Dispensing Organization License and
3 award it to the next highest scoring applicant in the BLS
4 Region if a suitable applicant indicates a continued interest
5 in the Conditional Adult Use Dispensing Organization License
6 or may begin a new selection process to award a Conditional
7 Adult Use Dispensing Organization License.

8 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
9 102-98, eff. 7-15-21.)

10 (410 ILCS 705/15-35.10)

11 Sec. 15-35.10. Social Equity Justice Involved Lottery for
12 Conditional Adult Use Dispensing Organization Licenses.

13 (a) In addition to any of the licenses issued under
14 Section 15-15, Section 15-20, Section 15-25, Section 15-30.20,
15 or Section 15-35, within 10 business days after the resulting
16 final scores for all scored applications pursuant to Sections
17 15-25 and 15-30 are released, the Department shall issue up to
18 55 Conditional Adult Use Dispensing Organization Licenses by
19 lot, pursuant to the application process adopted under this
20 Section. In order to be eligible to be awarded a Conditional
21 Adult Use Dispensing Organization License by lot, a Dispensary
22 Applicant must be a Qualifying Social Equity Justice Involved
23 Applicant.

24 The licenses issued under this Section shall be awarded in
25 each BLS Region in the following amounts:

- 1 (1) Bloomington: 1.
- 2 (2) Cape Girardeau: 1.
- 3 (3) Carbondale-Marion: 1.
- 4 (4) Champaign-Urbana: 1.
- 5 (5) Chicago-Naperville-Elgin: 36.
- 6 (6) Danville: 1.
- 7 (7) Davenport-Moline-Rock Island: 1.
- 8 (8) Decatur: 1.
- 9 (9) Kankakee: 1.
- 10 (10) Peoria: 2.
- 11 (11) Rockford: 1.
- 12 (12) St. Louis: 3.
- 13 (13) Springfield: 1.
- 14 (14) Northwest Illinois nonmetropolitan: 1.
- 15 (15) West Central Illinois nonmetropolitan: 1.
- 16 (16) East Central Illinois nonmetropolitan: 1.
- 17 (17) South Illinois nonmetropolitan: 1.

18 (a-5) Prior to issuing licenses under subsection (a), the
19 Department may adopt rules through emergency rulemaking in
20 accordance with subsection (kk) of Section 5-45 of the
21 Illinois Administrative Procedure Act. The General Assembly
22 finds that the adoption of rules to regulate cannabis use is
23 deemed an emergency and necessary for the public interest,
24 safety, and welfare.

25 (b) The Department shall distribute the available licenses
26 established under this Section subject to the following:

1 (1) The drawing by lot for all available licenses
2 established under this Section shall occur on the same day
3 when practicable.

4 (2) Within each BLS Region, the first Qualifying
5 Social Equity Justice Involved Applicant drawn will have
6 the first right to an available license. The second
7 Qualifying Social Equity Justice Involved Applicant drawn
8 will have the second right to an available license. The
9 same pattern will continue for each subsequent applicant
10 drawn.

11 (3) The process for distributing available licenses
12 under this Section shall be recorded by the Department in
13 a format selected by the Department.

14 (4) A Dispensary Applicant is prohibited from becoming
15 a Qualifying Social Equity Justice Involved Applicant if a
16 principal officer resigns after the resulting final scores
17 for all scored applications pursuant to Sections 15-25 and
18 15-30 are released.

19 (5) No Qualifying Social Equity Justice Involved
20 Applicant may be awarded more than 2 Conditional Adult Use
21 Dispensing Organization Licenses at the conclusion of a
22 lottery conducted under this Section.

23 (6) No individual may be listed as a principal officer
24 of more than 2 Conditional Adult Use Dispensing
25 Organization Licenses awarded under this Section.

26 (7) If, upon being selected for an available license

1 established under this Section, a Qualifying Social Equity
2 Justice Involved Applicant exceeds the limits under
3 paragraph (5) or (6), the Qualifying Social Equity Justice
4 Involved Applicant must choose which license to abandon
5 and notify the Department in writing within 5 business
6 days on forms prescribed by the Department. If the
7 Qualifying Social Equity Justice Involved Applicant does
8 not notify the Department as required, the Department
9 shall refuse to issue the Qualifying Social Equity Justice
10 Involved Applicant all available licenses established
11 under this Section obtained by lot in all BLS Regions.

12 (8) If, upon being selected for an available license
13 established under this Section, a Qualifying Social Equity
14 Justice Involved Applicant has a principal officer who is
15 a principal officer in more than 10 Early Approval Adult
16 Use Dispensing Organization Licenses, Conditional Adult
17 Use Dispensing Organization Licenses, Adult Use Dispensing
18 Organization Licenses, or any combination thereof, the
19 licensees and the Qualifying Social Equity Justice
20 Involved Applicant listing that principal officer must
21 choose which license to abandon pursuant to subsection (d)
22 of Section 15-36 and notify the Department in writing
23 within 5 business days on forms prescribed by the
24 Department. If the Dispensary Applicant or licensees do
25 not notify the Department as required, the Department
26 shall refuse to issue the Qualifying Social Equity Justice

1 Involved Applicant all available licenses established
2 under this Section obtained by lot in all BLS Regions.

3 (9) All available licenses that have been abandoned
4 under paragraph (7) or (8) shall be distributed to the
5 next Qualifying Social Equity Justice Involved Applicant
6 drawn by lot.

7 Any and all rights conferred or obtained under this
8 subsection shall be limited to the provisions of this
9 subsection.

10 (c) An applicant who receives a Conditional Adult Use
11 Dispensing Organization License under this Section has 180
12 days from the date of the award to identify a physical location
13 for the dispensing organization's retail storefront. The
14 applicant shall provide evidence that the location is not
15 within 1,500 feet of an existing dispensing organization,
16 unless the applicant is a Social Equity Applicant or Social
17 Equity Justice Involved Applicant located or seeking to locate
18 within 1,500 feet of a dispensing organization licensed under
19 Section 15-15 or Section 15-20. If an applicant is unable to
20 find a suitable physical address in the opinion of the
21 Department within 180 days from the issuance of the
22 Conditional Adult Use Dispensing Organization License, the
23 Department may extend the period for finding a physical
24 address a total of 540 ~~another 180~~ days if the Conditional
25 Adult Use Dispensing Organization License holder demonstrates
26 a concrete attempt to secure a location and a hardship. If the

1 Department denies the extension or the Conditional Adult Use
2 Dispensing Organization License holder is unable to find a
3 location or become operational within 540 ~~360~~ days of being
4 awarded a Conditional Adult Use Dispensing Organization
5 License under this Section, the Department shall rescind the
6 Conditional Adult Use Dispensing Organization License and
7 award it pursuant to subsection (b) and notify the new awardee
8 at the email address provided in the awardee's application,
9 provided the applicant receiving the Conditional Adult Use
10 Dispensing Organization License: (i) confirms a continued
11 interest in operating a dispensing organization; (ii) can
12 provide evidence that the applicant continues to meet all
13 requirements for holding a Conditional Adult Use Dispensing
14 Organization License set forth in this Act; and (iii) has not
15 otherwise become ineligible to be awarded a Conditional Adult
16 Use Dispensing Organization License. If the new awardee is
17 unable to accept the Conditional Adult Use Dispensing
18 Organization License, the Department shall award the
19 Conditional Adult Use Dispensing Organization License pursuant
20 to subsection (b). The new awardee shall be subject to the same
21 required deadlines as provided in this subsection.

22 (d) If, within 180 days of being awarded a Conditional
23 Adult Use Dispensing Organization License, a dispensing
24 organization is unable to find a location within the BLS
25 Region in which it was awarded a Conditional Adult Use
26 Dispensing Organization License under this Section because no

1 jurisdiction within the BLS Region allows for the operation of
2 an Adult Use Dispensing Organization, the Department may
3 authorize the Conditional Adult Use Dispensing Organization
4 License holder to transfer its Conditional Adult Use
5 Dispensing Organization License to a BLS Region specified by
6 the Department.

7 (e) A dispensing organization that is awarded a
8 Conditional Adult Use Dispensing Organization License under
9 this Section shall not purchase, possess, sell, or dispense
10 cannabis or cannabis-infused products until the dispensing
11 organization has received an Adult Use Dispensing Organization
12 License issued by the Department pursuant to Section 15-36.

13 (f) The Department shall conduct a background check of the
14 prospective dispensing organization agents in order to carry
15 out this Article. The Illinois State Police shall charge the
16 applicant a fee for conducting the criminal history record
17 check, which shall be deposited into the State Police Services
18 Fund and shall not exceed the actual cost of the record check.
19 Each person applying as a dispensing organization agent shall
20 submit a full set of fingerprints to the Illinois State Police
21 for the purpose of obtaining a State and federal criminal
22 records check. These fingerprints shall be checked against the
23 fingerprint records now and hereafter, to the extent allowed
24 by law, filed with the Illinois State Police and the Federal
25 Bureau of Investigation criminal history records databases.
26 The Illinois State Police shall furnish, following positive

1 identification, all Illinois conviction information to the
2 Department.

3 (g) The Department may verify information contained in
4 each application and accompanying documentation to assess the
5 applicant's veracity and fitness to operate a dispensing
6 organization.

7 (h) The Department may, in its discretion, refuse to issue
8 an authorization to an applicant who meets any of the
9 following criteria:

10 (1) An applicant who is unqualified to perform the
11 duties required of the applicant.

12 (2) An applicant who fails to disclose or states
13 falsely any information called for in the application.

14 (3) An applicant who has been found guilty of a
15 violation of this Act, who has had any disciplinary order
16 entered against the applicant by the Department, who has
17 entered into a disciplinary or nondisciplinary agreement
18 with the Department, whose medical cannabis dispensing
19 organization, medical cannabis cultivation organization,
20 Early Approval Adult Use Dispensing Organization License,
21 Early Approval Adult Use Dispensing Organization License
22 at a secondary site, Early Approval Cultivation Center
23 License, Conditional Adult Use Dispensing Organization
24 License, or Adult Use Dispensing Organization License was
25 suspended, restricted, revoked, or denied for just cause,
26 or whose cannabis business establishment license was

1 suspended, restricted, revoked, or denied in any other
2 state.

3 (4) An applicant who has engaged in a pattern or
4 practice of unfair or illegal practices, methods, or
5 activities in the conduct of owning a cannabis business
6 establishment or other business.

7 (i) The Department shall deny the license if any principal
8 officer, board member, or person having a financial or voting
9 interest of 5% or greater in the licensee is delinquent in
10 filing any required tax return or paying any amount owed to the
11 State of Illinois.

12 (j) The Department shall verify an applicant's compliance
13 with the requirements of this Article and rules adopted under
14 this Article before issuing a Conditional Adult Use Dispensing
15 Organization License.

16 (k) If an applicant is awarded a Conditional Adult Use
17 Dispensing Organization License under this Section, the
18 information and plans provided in the application, including
19 any plans submitted for bonus points, shall become a condition
20 of the Conditional Adult Use Dispensing Organization License
21 and any Adult Use Dispensing Organization License issued to
22 the holder of the Conditional Adult Use Dispensing
23 Organization License, except as otherwise provided by this Act
24 or by rule. Dispensing organizations have a duty to disclose
25 any material changes to the application. The Department shall
26 review all material changes disclosed by the dispensing

1 organization and may reevaluate its prior decision regarding
2 the awarding of a Conditional Adult Use Dispensing
3 Organization License, including, but not limited to,
4 suspending or permanently revoking a Conditional Adult Use
5 Dispensing Organization License. Failure to comply with the
6 conditions or requirements in the application may subject the
7 dispensing organization to discipline up to and including
8 suspension or permanent revocation of its authorization or
9 Conditional Adult Use Dispensing Organization License by the
10 Department.

11 (1) If an applicant has not begun operating as a
12 dispensing organization within one year after the issuance of
13 the Conditional Adult Use Dispensing Organization License
14 under this Section, the Department may permanently revoke the
15 Conditional Adult Use Dispensing Organization License and
16 award it to the next highest scoring applicant in the BLS
17 Region if a suitable applicant indicates a continued interest
18 in the Conditional Adult Use Dispensing Organization License
19 or may begin a new selection process to award a Conditional
20 Adult Use Dispensing Organization License.

21 (Source: P.A. 102-98, eff. 7-15-21.)

22 (410 ILCS 705/15-70)

23 Sec. 15-70. Operational requirements; prohibitions.

24 (a) A dispensing organization shall operate in accordance
25 with the representations made in its application and license

1 materials. It shall be in compliance with this Act and rules.

2 (b) A dispensing organization must include the legal name
3 of the dispensary on the packaging of any cannabis product it
4 sells.

5 (c) All cannabis, cannabis-infused products, and cannabis
6 seeds must be obtained from an Illinois registered adult use
7 cultivation center, craft grower, infuser, or another
8 dispensary.

9 (d) Dispensing organizations are prohibited from selling
10 any product containing alcohol except tinctures, which must be
11 limited to containers that are no larger than 100 milliliters.

12 (e) A dispensing organization shall inspect and count
13 product received from a transporting organization, adult use
14 cultivation center, craft grower, infuser organization, or
15 other dispensing organization before dispensing it.

16 (f) A dispensing organization may only accept cannabis
17 deliveries into a restricted access area. Deliveries may not
18 be accepted through the public or limited access areas unless
19 otherwise approved by the Department.

20 (g) A dispensing organization shall maintain compliance
21 with State and local building, fire, and zoning requirements
22 or regulations.

23 (h) A dispensing organization shall submit a list to the
24 Department of the names of all service professionals that will
25 work at the dispensary. The list shall include a description
26 of the type of business or service provided. Changes to the

1 service professional list shall be promptly provided. No
2 service professional shall work in the dispensary until the
3 name is provided to the Department on the service professional
4 list.

5 (i) A dispensing organization's license allows for a
6 dispensary to be operated only at a single location.

7 (j) A dispensary may operate between 6 a.m. and 10 p.m.
8 local time.

9 (k) A dispensing organization must keep all lighting
10 outside and inside the dispensary in good working order and
11 wattage sufficient for security cameras.

12 (l) A dispensing organization must keep all air treatment
13 systems that will be installed to reduce odors in good working
14 order.

15 (m) A dispensing organization must contract with a private
16 security contractor that is licensed under Section 10-5 of the
17 Private Detective, Private Alarm, Private Security,
18 Fingerprint Vendor, and Locksmith Act of 2004 to provide
19 on-site security at all hours of the dispensary's operation.

20 (n) A dispensing organization shall ensure that any
21 building or equipment used by a dispensing organization for
22 the storage or sale of cannabis is maintained in a clean and
23 sanitary condition.

24 (o) The dispensary shall be free from infestation by
25 insects, rodents, or pests.

26 (p) A dispensing organization shall not:

- 1 (1) Produce or manufacture cannabis;
- 2 (2) Accept a cannabis product from an adult use
3 cultivation center, craft grower, infuser, dispensing
4 organization, or transporting organization unless it is
5 pre-packaged and labeled in accordance with this Act and
6 any rules that may be adopted pursuant to this Act;
- 7 (3) Obtain cannabis or cannabis-infused products from
8 outside the State of Illinois;
- 9 (4) Sell cannabis or cannabis-infused products to a
10 purchaser unless the dispensing organization is licensed
11 under the Compassionate Use of Medical Cannabis Program
12 Act, and the individual is registered under the
13 Compassionate Use of Medical Cannabis Program or the
14 purchaser has been verified to be 21 years of age or older;
- 15 (5) Enter into an exclusive agreement with any adult
16 use cultivation center, craft grower, or infuser.
17 Dispensaries shall provide consumers an assortment of
18 products from various cannabis business establishment
19 licensees such that the inventory available for sale at
20 any dispensary from any single cultivation center, craft
21 grower, processor, transporter, or infuser entity shall
22 not be more than 40% of the total inventory available for
23 sale. For the purpose of this subsection, a cultivation
24 center, craft grower, processor, or infuser shall be
25 considered part of the same entity if the licensees share
26 at least one principal officer. The Department may request

1 that a dispensary diversify its products as needed or
2 otherwise discipline a dispensing organization for
3 violating this requirement;

4 (6) Refuse to conduct business with an adult use
5 cultivation center, craft grower, transporting
6 organization, or infuser that has the ability to properly
7 deliver the product and is permitted by the Department of
8 Agriculture, on the same terms as other adult use
9 cultivation centers, craft growers, infusers, or
10 transporters with whom it is dealing;

11 (7) (Blank); ~~Operate drive-through windows;~~

12 (8) Allow for the dispensing of cannabis or
13 cannabis-infused products in vending machines;

14 (9) Transport cannabis to residences or other
15 locations where purchasers may be for delivery;

16 (10) Enter into agreements to allow persons who are
17 not dispensing organization agents to deliver cannabis or
18 to transport cannabis to purchasers;

19 (11) Operate a dispensary if its video surveillance
20 equipment is inoperative;

21 (12) Operate a dispensary if the point-of-sale
22 equipment is inoperative;

23 (13) Operate a dispensary if the State's cannabis
24 electronic verification system is inoperative;

25 (14) Have fewer than 2 people working at the
26 dispensary at any time while the dispensary is open;

1 (15) Be located within 1,500 feet of the property line
2 of a pre-existing dispensing organization, unless the
3 applicant is a Social Equity Applicant or Social Equity
4 Justice Involved Applicant located or seeking to locate
5 within 1,500 feet of a dispensing organization licensed
6 under Section 15-15 or Section 15-20;

7 (16) Sell clones or any other live plant material;

8 (17) Sell cannabis, cannabis concentrate, or
9 cannabis-infused products in combination or bundled with
10 each other or any other items for one price, and each item
11 of cannabis, concentrate, or cannabis-infused product must
12 be separately identified by quantity and price on the
13 receipt;

14 (18) Violate any other requirements or prohibitions
15 set by Department rules.

16 (q) It is unlawful for any person having an Early Approval
17 Adult Use Cannabis Dispensing Organization License, a
18 Conditional Adult Use Cannabis Dispensing Organization, an
19 Adult Use Dispensing Organization License, or a medical
20 cannabis dispensing organization license issued under the
21 Compassionate Use of Medical Cannabis Program Act or any
22 officer, associate, member, representative, or agent of such
23 licensee to accept, receive, or borrow money or anything else
24 of value or accept or receive credit (other than merchandising
25 credit in the ordinary course of business for a period not to
26 exceed 30 days) directly or indirectly from any adult use

1 cultivation center, craft grower, infuser, or transporting
2 organization in exchange for preferential placement on the
3 dispensing organization's shelves, display cases, or website.
4 This includes anything received or borrowed or from any
5 stockholders, officers, agents, or persons connected with an
6 adult use cultivation center, craft grower, infuser, or
7 transporting organization.

8 (r) It is unlawful for any person having an Early Approval
9 Adult Use Cannabis Dispensing Organization License, a
10 Conditional Adult Use Cannabis Dispensing Organization, an
11 Adult Use Dispensing Organization License, or a medical
12 cannabis dispensing organization license issued under the
13 Compassionate Use of Medical Cannabis Program to enter into
14 any contract with any person licensed to cultivate, process,
15 or transport cannabis whereby such dispensing organization
16 agrees not to sell any cannabis cultivated, processed,
17 transported, manufactured, or distributed by any other
18 cultivator, transporter, or infuser, and any provision in any
19 contract violative of this Section shall render the whole of
20 such contract void and no action shall be brought thereon in
21 any court.

22 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
23 102-98, eff. 7-15-21.)

24 (410 ILCS 705/15-100)

25 Sec. 15-100. Security.

1 (a) A dispensing organization shall implement security
2 measures to deter and prevent entry into and theft of cannabis
3 or currency.

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

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

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

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

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

20 (4) Dispose of cannabis in accordance with this Act
21 and rules;

22 (5) During hours of operation, store ~~and dispense~~ all
23 cannabis in ~~from~~ the restricted access area and dispense
24 all cannabis from the restricted access area, a
25 drive-through window of the restricted access area, or a
26 curbside pickup location in close proximity to the

1 restricted access area. During operational hours, cannabis
2 shall be stored in an enclosed locked room or cabinet and
3 accessible only to specifically authorized dispensing
4 organization agents;

5 (6) When the dispensary is closed, store all cannabis
6 and currency in a reinforced vault room in the restricted
7 access area and in a manner as to prevent diversion,
8 theft, or loss;

9 (7) Keep the reinforced vault room and any other
10 equipment or cannabis storage areas securely locked and
11 protected from unauthorized entry;

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

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

17 (10) Maintain an operational security and alarm system
18 at all times;

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

22 (12) Prohibit accessibility of security measures,
23 including combination numbers, passwords, or electronic or
24 biometric security systems to persons other than
25 specifically authorized dispensing organization agents;

26 (13) Ensure that the dispensary interior and exterior

1 premises are sufficiently lit to facilitate surveillance;

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

5 (15) Develop emergency policies and procedures for
6 securing all product and currency following any instance
7 of diversion, theft, or loss of cannabis, and conduct an
8 assessment to determine whether additional safeguards are
9 necessary; and

10 (16) Develop sufficient additional safeguards in
11 response to any special security concerns, or as required
12 by the Department.

13 (d) The Department may request or approve alternative
14 security provisions that it determines are an adequate
15 substitute for a security requirement specified in this
16 Article. Any additional protections may be considered by the
17 Department in evaluating overall security measures.

18 (e) A dispensing organization may share premises with a
19 craft grower or an infuser organization, or both, provided
20 each licensee stores currency and cannabis or cannabis-infused
21 products in a separate secured vault to which the other
22 licensee does not have access or all licensees sharing a vault
23 share more than 50% of the same ownership.

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

1 (g) Restricted access areas.

2 (1) All restricted access areas must be identified by
3 the posting of a sign that is a minimum of 12 inches by 12
4 inches and that states "Do Not Enter - Restricted Access
5 Area - Authorized Personnel Only" in lettering no smaller
6 than one inch in height.

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

13 (3) All restricted access areas must be secure, with
14 locking devices that prevent access from the limited
15 access areas.

16 (h) Security and alarm.

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

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

26 (ii) Security shatterproof tinted film on exterior

1 windows;

2 (iii) A failure notification system that provides
3 an audible, text, or visual notification of any
4 failure in the surveillance system, including, but not
5 limited to, panic buttons, alarms, and video
6 monitoring system. The failure notification system
7 shall provide an alert to designated dispensing
8 organization agents within 5 minutes after the
9 failure, either by telephone or text message;

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

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

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

1 (3) Access to surveillance monitoring recording
2 equipment shall be limited to persons who are essential to
3 surveillance operations, law enforcement authorities
4 acting within their jurisdiction, security system service
5 personnel, and the Department. A current list of
6 authorized dispensing organization agents and service
7 personnel that have access to the surveillance equipment
8 must be available to the Department upon request.

9 (4) All security equipment shall be inspected and
10 tested at regular intervals, not to exceed one month from
11 the previous inspection, and tested to ensure the systems
12 remain functional.

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

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

19 (i) To monitor the dispensary, the dispensing organization
20 shall incorporate continuous electronic video monitoring
21 including the following:

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

23 (2) Unobstructed video surveillance of all enclosed
24 dispensary areas, unless prohibited by law, including all
25 points of entry and exit that shall be appropriate for the
26 normal lighting conditions of the area under surveillance.

1 The cameras shall be directed so all areas are captured,
2 including, but not limited to, safes, vaults, sales areas,
3 and areas where cannabis is stored, handled, dispensed, or
4 destroyed. Cameras shall be angled to allow for facial
5 recognition, the capture of clear and certain
6 identification of any person entering or exiting the
7 dispensary area and in lighting sufficient during all
8 times of night or day;

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

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

26 (5) The ability to immediately produce a clear, color

1 still photo from the surveillance video, either live or
2 recorded;

3 (6) A date and time stamp embedded on all video
4 surveillance recordings. The date and time shall be
5 synchronized and set correctly and shall not significantly
6 obscure the picture;

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

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

22 (9) The video surveillance system shall be operational
23 during a power outage with a 4-hour minimum battery
24 backup;

25 (10) A video camera or cameras recording at each
26 point-of-sale location allowing for the identification of

1 the dispensing organization agent distributing the
2 cannabis and any purchaser. The camera or cameras shall
3 capture the sale, the individuals and the computer
4 monitors used for the sale;

5 (11) A failure notification system that provides an
6 audible and visual notification of any failure in the
7 electronic video monitoring system; and

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

13 (j) The requirements contained in this Act are minimum
14 requirements for operating a dispensing organization. The
15 Department may establish additional requirements by rule.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
17 102-538, eff. 8-20-21.)

18 (410 ILCS 705/15-135)

19 Sec. 15-135. Investigations.

20 (a) Dispensing organizations are subject to random and
21 unannounced dispensary inspections and cannabis testing by the
22 Department, the Illinois State Police, the Department of
23 Agriculture, local law enforcement, or as provided by rule.
24 The Department of Agriculture shall also have authority to
25 conduct random inspections of transporting organizations while

1 at dispensary organizations.

2 (b) The Department and its authorized representatives may
3 enter any place, including a vehicle, in which cannabis is
4 held, stored, dispensed, sold, produced, delivered,
5 transported, manufactured, or disposed of and inspect, in a
6 reasonable manner, the place and all pertinent equipment,
7 containers and labeling, and all things including records,
8 files, financial data, sales data, shipping data, pricing
9 data, personnel data, research, papers, processes, controls,
10 and facility, and inventory any stock of cannabis and obtain
11 samples of any cannabis or cannabis-infused product, any
12 labels or containers for cannabis, or paraphernalia.

13 (c) The Department may conduct an investigation of an
14 applicant, application, dispensing organization, principal
15 officer, dispensary agent, third party vendor, or any other
16 party associated with a dispensing organization for an alleged
17 violation of this Act or rules or to determine qualifications
18 to be granted a registration by the Department.

19 (d) The Department may require an applicant or holder of
20 any license issued pursuant to this Article to produce
21 documents, records, or any other material pertinent to the
22 investigation of an application or alleged violations of this
23 Act or rules. Failure to provide the required material may be
24 grounds for denial or discipline.

25 (e) Every person charged with preparation, obtaining, or
26 keeping records, logs, reports, or other documents in

1 connection with this Act and rules and every person in charge,
2 or having custody, of those documents shall, upon request by
3 the Department, make the documents immediately available for
4 inspection and copying by the Department, the Department's
5 authorized representative, or others authorized by law to
6 review the documents.

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

9 (410 ILCS 705/20-15)

10 Sec. 20-15. Conditional Adult Use Cultivation Center
11 application.

12 (a) If the Department of Agriculture makes available
13 additional cultivation center licenses pursuant to Section
14 20-5, applicants for a Conditional Adult Use Cultivation
15 Center License shall electronically submit the following in
16 such form as the Department of Agriculture may direct:

17 (1) the nonrefundable application fee set by rule by
18 the Department of Agriculture, to be deposited into the
19 Cannabis Regulation Fund;

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

21 (3) the proposed physical address of the cultivation
22 center;

23 (4) the name, address, social security number, and
24 date of birth of each principal officer and board member
25 of the cultivation center; each principal officer and

1 board member shall be at least 21 years of age;

2 (5) the details of any administrative or judicial
3 proceeding in which any of the principal officers or board
4 members of the cultivation center (i) pled guilty, were
5 convicted, were fined, or had a registration or license
6 suspended or revoked, or (ii) managed or served on the
7 board of a business or non-profit organization that pled
8 guilty, was convicted, was fined, or had a registration or
9 license suspended or revoked;

10 (6) proposed operating bylaws that include procedures
11 for the oversight of the cultivation center, including the
12 development and implementation of a plant monitoring
13 system, accurate recordkeeping, staffing plan, and
14 security plan approved by the Illinois State Police that
15 are in accordance with the rules issued by the Department
16 of Agriculture under this Act. A physical inventory shall
17 be performed of all plants and cannabis on a weekly basis
18 by the cultivation center;

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

23 (8) a copy of the current local zoning ordinance or
24 permit and verification that the proposed cultivation
25 center is in compliance with the local zoning rules and
26 distance limitations established by the local

1 jurisdiction;

2 (9) proposed employment practices, in which the
3 applicant must demonstrate a plan of action to inform,
4 hire, and educate minorities, women, veterans, and persons
5 with disabilities, engage in fair labor practices, and
6 provide worker protections;

7 (10) whether an applicant can demonstrate experience
8 in or business practices that promote economic empowerment
9 in Disproportionately Impacted Areas;

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

13 (12) a description of the enclosed, locked facility
14 where cannabis will be grown, harvested, manufactured,
15 processed, packaged, or otherwise prepared for
16 distribution to a dispensing organization;

17 (13) a survey of the enclosed, locked facility,
18 including the space used for cultivation;

19 (14) cultivation, processing, inventory, and packaging
20 plans;

21 (15) a description of the applicant's experience with
22 agricultural cultivation techniques and industry
23 standards;

24 (16) a list of any academic degrees, certifications,
25 or relevant experience of all prospective principal
26 officers, board members, and agents of the related

1 business;

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

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

10 (i) energy needs, including estimates of monthly
11 electricity and gas usage, to what extent it will
12 procure energy from a local utility or from on-site
13 generation, and if it has or will adopt a sustainable
14 energy use and energy conservation policy;

15 (ii) water needs, including estimated water draw
16 and if it has or will adopt a sustainable water use and
17 water conservation policy; and

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

20 (19) a diversity plan that includes a narrative of not
21 more than 2,500 words that establishes a goal of diversity
22 in ownership, management, employment, and contracting to
23 ensure that diverse participants and groups are afforded
24 equality of opportunity;

25 (20) any other information required by rule;

26 (21) a recycling plan:

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

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

6 (C) Any cannabis waste, liquid waste, or hazardous
7 waste shall be disposed of in accordance with 8 Ill.
8 Adm. Code 1000.460, except, to the greatest extent
9 feasible, all cannabis plant waste will be rendered
10 unusable by grinding and incorporating the cannabis
11 plant waste with compostable mixed waste to be
12 disposed of in accordance with 8 Ill. Adm. Code
13 1000.460 (g) (1);

14 (22) commitment to comply with local waste provisions:
15 a cultivation facility must remain in compliance with
16 applicable State and federal environmental requirements,
17 including, but not limited to:

18 (A) storing, securing, and managing all
19 recyclables and waste, including organic waste
20 composed of or containing finished cannabis and
21 cannabis products, in accordance with applicable State
22 and local laws, ordinances, and rules; and

23 (B) disposing liquid waste containing cannabis or
24 byproducts of cannabis processing in compliance with
25 all applicable State and federal requirements,
26 including, but not limited to, the cannabis

1 cultivation facility's permits under Title X of the
2 Environmental Protection Act; and

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

5 (A) A cannabis cultivation facility commits to use
6 resources efficiently, including energy and water. For
7 the following, a cannabis cultivation facility commits
8 to meet or exceed the technology standard identified
9 in items (i), (ii), (iii), and (iv), which may be
10 modified by rule:

11 (i) lighting systems, including light bulbs;

12 (ii) HVAC system;

13 (iii) water application system to the crop;

14 and

15 (iv) filtration system for removing
16 contaminants from wastewater.

17 (B) Lighting. The Lighting Power Densities (LPD)
18 for cultivation space commits to not exceed an average
19 of 36 watts per gross square foot of active and growing
20 space canopy, or all installed lighting technology
21 shall meet a photosynthetic photon efficacy (PPE) of
22 no less than 2.2 micromoles per joule fixture and
23 shall be featured on the DesignLights Consortium (DLC)
24 Horticultural Specification Qualified Products List
25 (QPL). In the event that DLC requirement for minimum
26 efficacy exceeds 2.2 micromoles per joule fixture,

1 that PPE shall become the new standard.

2 (C) HVAC. ~~(i) For cannabis grow operations with~~
3 ~~less than 6,000 square feet of canopy, the licensee~~
4 ~~commits that all HVAC units will be high efficiency~~
5 ~~ductless split HVAC units, or other more energy~~
6 ~~efficient equipment. (ii) For cannabis grow operations~~
7 ~~with 6,000 square feet of canopy or more, the licensee~~
8 commits that all HVAC units will be variable
9 refrigerant flow HVAC units, or other more energy
10 efficient equipment.

11 (D) Water application.

12 (i) The cannabis cultivation facility commits
13 to use automated watering systems, including, but
14 not limited to, drip irrigation and flood tables,
15 to irrigate cannabis crop.

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

21 (E) Filtration. The cultivator commits that HVAC
22 condensate, dehumidification water, excess runoff, and
23 other wastewater produced by the cannabis cultivation
24 facility shall be captured and filtered to the best of
25 the facility's ability to achieve the quality needed
26 to be reused in subsequent watering rounds.

1 (F) Reporting energy use and efficiency as
2 required by rule.

3 (b) Applicants must submit all required information,
4 including the information required in Section 20-10, to the
5 Department of Agriculture. Failure by an applicant to submit
6 all required information may result in the application being
7 disqualified.

8 (c) If the Department of Agriculture receives an
9 application with missing information, the Department of
10 Agriculture may issue a deficiency notice to the applicant.
11 The applicant shall have 10 calendar days from the date of the
12 deficiency notice to resubmit the incomplete information.
13 Applications that are still incomplete after this opportunity
14 to cure will not be scored and will be disqualified.

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

22 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
23 102-538, eff. 8-20-21.)

24 (410 ILCS 705/20-30)

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

1 (a) The operating documents of a cultivation center shall
2 include procedures for the oversight of the cultivation
3 center, a cannabis plant monitoring system including a
4 physical inventory recorded weekly, accurate recordkeeping,
5 and a staffing plan.

6 (b) A cultivation center shall implement a security plan
7 reviewed by the Illinois State Police that includes, but is
8 not limited to: facility access controls, perimeter intrusion
9 detection systems, personnel identification systems, 24-hour
10 surveillance system to monitor the interior and exterior of
11 the cultivation center facility and accessibility to
12 authorized law enforcement, the Department of Public Health
13 where processing takes place, and the Department of
14 Agriculture in real time.

15 (c) All cultivation of cannabis by a cultivation center
16 must take place in an enclosed, locked facility at the
17 physical address provided to the Department of Agriculture
18 during the licensing process. The cultivation center location
19 shall only be accessed by the agents working for the
20 cultivation center, the Department of Agriculture staff
21 performing inspections, the Department of Public Health staff
22 performing inspections, local and State law enforcement or
23 other emergency personnel, contractors working on jobs
24 unrelated to cannabis, such as installing or maintaining
25 security devices or performing electrical wiring, transporting
26 organization agents as provided in this Act, individuals in a

1 mentoring or educational program approved by the State, or
2 other individuals as provided by rule.

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

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

16 (f) All cannabis harvested by a cultivation center and
17 intended for distribution to a dispensing organization must be
18 entered into a data collection system, packaged and labeled
19 under Section 55-21, and placed into a cannabis container for
20 transport. All cannabis harvested by a cultivation center and
21 intended for distribution to a craft grower or infuser
22 organization must be packaged in a labeled cannabis container
23 and entered into a data collection system before transport.

24 (g) Cultivation centers are subject to random inspections
25 by the Department of Agriculture, the Department of Public
26 Health, local safety or health inspectors, the Illinois State

1 Police, or as provided by rule.

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

7 (i) A cultivation center shall comply with all State and
8 any applicable federal rules and regulations regarding the use
9 of pesticides on cannabis plants. The Department has the
10 authority to issue policy prohibiting the use of pesticides
11 during flowering stage.

12 (j) No person or entity shall hold any legal, equitable,
13 ownership, or beneficial interest, directly or indirectly, of
14 more than 3 cultivation centers licensed under this Article.
15 Further, no person or entity that is employed by, an agent of,
16 has a contract to receive payment in any form from a
17 cultivation center, is a principal officer of a cultivation
18 center, or entity controlled by or affiliated with a principal
19 officer of a cultivation shall hold any legal, equitable,
20 ownership, or beneficial interest, directly or indirectly, in
21 a cultivation that would result in the person or entity owning
22 or controlling in combination with any cultivation center,
23 principal officer of a cultivation center, or entity
24 controlled or affiliated with a principal officer of a
25 cultivation center by which he, she, or it is employed, is an
26 agent of, or participates in the management of, more than 3

1 cultivation center licenses.

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

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

7 (m) Beginning July 1, 2020, a cultivation center shall not
8 transport cannabis or cannabis-infused products to a craft
9 grower, dispensing organization, infuser organization, or
10 laboratory licensed under this Act, unless it has obtained a
11 transporting organization license.

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

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

13 (o) A cultivation center must comply with any other
14 requirements or prohibitions set by administrative rule of the
15 Department of Agriculture.

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

19 (410 ILCS 705/30-10)

20 Sec. 30-10. Application.

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

24 (1) the nonrefundable application fee of \$5,000 to be
25 deposited into the Cannabis Regulation Fund, or another

1 amount as the Department of Agriculture may set by rule
2 after January 1, 2021;

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

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

5 (4) the name, address, social security number, and
6 date of birth of each principal officer and board member
7 of the craft grower; each principal officer and board
8 member shall be at least 21 years of age;

9 (5) the details of any administrative or judicial
10 proceeding in which any of the principal officers or board
11 members of the craft grower (i) pled guilty, were
12 convicted, were fined, or had a registration or license
13 suspended or revoked or (ii) managed or served on the
14 board of a business or non-profit organization that pled
15 guilty, was convicted, was fined, or had a registration or
16 license suspended or revoked;

17 (6) proposed operating bylaws that include procedures
18 for the oversight of the craft grower, including the
19 development and implementation of a plant monitoring
20 system, accurate recordkeeping, staffing plan, and
21 security plan approved by the Illinois State Police that
22 are in accordance with the rules issued by the Department
23 of Agriculture under this Act; a physical inventory shall
24 be performed of all plants and on a weekly basis by the
25 craft grower;

26 (7) verification from the Illinois State Police that

1 all background checks of the prospective principal
2 officers, board members, and agents of the cannabis
3 business establishment have been conducted;

4 (8) a copy of the current local zoning ordinance or
5 permit and verification that the proposed craft grower is
6 in compliance with the local zoning rules and distance
7 limitations established by the local jurisdiction;

8 (9) proposed employment practices, in which the
9 applicant must demonstrate a plan of action to inform,
10 hire, and educate minorities, women, veterans, and persons
11 with disabilities, engage in fair labor practices, and
12 provide worker protections;

13 (10) whether an applicant can demonstrate experience
14 in or business practices that promote economic empowerment
15 in Disproportionately Impacted Areas;

16 (11) experience with the cultivation of agricultural
17 or horticultural products, operating an agriculturally
18 related business, or operating a horticultural business;

19 (12) a description of the enclosed, locked facility
20 where cannabis will be grown, harvested, manufactured,
21 packaged, or otherwise prepared for distribution to a
22 dispensing organization or other cannabis business
23 establishment;

24 (13) a survey of the enclosed, locked facility,
25 including the space used for cultivation;

26 (14) cultivation, processing, inventory, and packaging

1 plans;

2 (15) a description of the applicant's experience with
3 agricultural cultivation techniques and industry
4 standards;

5 (16) a list of any academic degrees, certifications,
6 or relevant experience of all prospective principal
7 officers, board members, and agents of the related
8 business;

9 (17) the identity of every person having a financial
10 or voting interest of 5% or greater in the craft grower
11 operation, whether a trust, corporation, partnership,
12 limited liability company, or sole proprietorship,
13 including the name and address of each person;

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

16 (i) energy needs, including estimates of monthly
17 electricity and gas usage, to what extent it will
18 procure energy from a local utility or from on-site
19 generation, and if it has or will adopt a sustainable
20 energy use and energy conservation policy;

21 (ii) water needs, including estimated water draw
22 and if it has or will adopt a sustainable water use and
23 water conservation policy; and

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

26 (19) a recycling plan:

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

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

6 (C) Any cannabis waste, liquid waste, or hazardous
7 waste shall be disposed of in accordance with 8 Ill.
8 Adm. Code 1000.460, except, to the greatest extent
9 feasible, all cannabis plant waste will be rendered
10 unusable by grinding and incorporating the cannabis
11 plant waste with compostable mixed waste to be
12 disposed of in accordance with 8 Ill. Adm. Code
13 1000.460(g)(1);

14 (20) a commitment to comply with local waste
15 provisions: a craft grower facility must remain in
16 compliance with applicable State and federal environmental
17 requirements, including, but not limited to:

18 (A) storing, securing, and managing all
19 recyclables and waste, including organic waste
20 composed of or containing finished cannabis and
21 cannabis products, in accordance with applicable State
22 and local laws, ordinances, and rules; and

23 (B) disposing liquid waste containing cannabis or
24 byproducts of cannabis processing in compliance with
25 all applicable State and federal requirements,
26 including, but not limited to, the cannabis

1 cultivation facility's permits under Title X of the
2 Environmental Protection Act;

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

5 (A) A craft grower facility commits to use
6 resources efficiently, including energy and water. For
7 the following, a cannabis cultivation facility commits
8 to meet or exceed the technology standard identified
9 in paragraphs (i), (ii), (iii), and (iv), which may be
10 modified by rule:

11 (i) lighting systems, including light bulbs;

12 (ii) HVAC system;

13 (iii) water application system to the crop;

14 and

15 (iv) filtration system for removing
16 contaminants from wastewater.

17 (B) Lighting. The Lighting Power Densities (LPD)
18 for cultivation space commits to not exceed an average
19 of 36 watts per gross square foot of active and growing
20 space canopy, or all installed lighting technology
21 shall meet a photosynthetic photon efficacy (PPE) of
22 no less than 2.2 micromoles per joule fixture and
23 shall be featured on the DesignLights Consortium (DLC)
24 Horticultural Specification Qualified Products List
25 (QPL). In the event that DLC requirement for minimum
26 efficacy exceeds 2.2 micromoles per joule fixture,

1 that PPE shall become the new standard.

2 (C) HVAC. ~~(i) For cannabis grow operations with~~
3 ~~less than 6,000 square feet of canopy, the licensee~~
4 ~~commits that all HVAC units will be high-efficiency~~
5 ~~ductless split HVAC units, or other more energy~~
6 ~~efficient equipment. (ii) For cannabis grow operations~~
7 ~~with 6,000 square feet of canopy or more, the licensee~~
8 commits that all HVAC units will be variable
9 refrigerant flow HVAC units, or other more energy
10 efficient equipment.

11 (D) Water application.

12 (i) The craft grower facility commits to use
13 automated watering systems, including, but not
14 limited to, drip irrigation and flood tables, to
15 irrigate cannabis crop.

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

21 (E) Filtration. The craft grower commits that HVAC
22 condensate, dehumidification water, excess runoff, and
23 other wastewater produced by the craft grower facility
24 shall be captured and filtered to the best of the
25 facility's ability to achieve the quality needed to be
26 reused in subsequent watering rounds.

1 (F) Reporting energy use and efficiency as
2 required by rule; and

3 (22) any other information required by rule.

4 (b) Applicants must submit all required information,
5 including the information required in Section 30-15, to the
6 Department of Agriculture. Failure by an applicant to submit
7 all required information may result in the application being
8 disqualified.

9 (c) If the Department of Agriculture receives an
10 application with missing information, the Department of
11 Agriculture may issue a deficiency notice to the applicant.
12 The applicant shall have 10 calendar days from the date of the
13 deficiency notice to resubmit the incomplete information.
14 Applications that are still incomplete after this opportunity
15 to cure will not be scored and will be disqualified.

16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
17 102-538, eff. 8-20-21.)

18 (410 ILCS 705/30-30)

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

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

25 (b) A craft grower shall implement a security plan

1 reviewed by the Illinois State Police that includes, but is
2 not limited to: facility access controls, perimeter intrusion
3 detection systems, personnel identification systems, and a
4 24-hour surveillance system to monitor the interior and
5 exterior of the craft grower facility and that is accessible
6 to authorized law enforcement and the Department of
7 Agriculture in real time.

8 (c) All cultivation of cannabis by a craft grower must
9 take place in an enclosed, locked facility at the physical
10 address provided to the Department of Agriculture during the
11 licensing process. The craft grower location shall only be
12 accessed by the agents working for the craft grower, the
13 Department of Agriculture staff performing inspections, the
14 Department of Public Health staff performing inspections,
15 State and local law enforcement or other emergency personnel,
16 contractors working on jobs unrelated to cannabis, such as
17 installing or maintaining security devices or performing
18 electrical wiring, transporting organization agents as
19 provided in this Act, or participants in the incubator
20 program, individuals in a mentoring or educational program
21 approved by the State, or other individuals as provided by
22 rule. However, if a craft grower shares a premises with an
23 infuser or dispensing organization, agents from those other
24 licensees may access the craft grower portion of the premises
25 if that is the location of common bathrooms, lunchrooms,
26 locker rooms, or other areas of the building where work or

1 cultivation of cannabis is not performed. At no time may an
2 infuser or dispensing organization agent perform work at a
3 craft grower without being a registered agent of the craft
4 grower.

5 (d) A craft grower may not sell or distribute any cannabis
6 to any person other than a cultivation center, a craft grower,
7 an infuser organization, a dispensing organization, or as
8 otherwise authorized by rule.

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

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

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

1 center, to an infuser organization, or to a craft grower with
2 which it does not share a premises, must be packaged in a
3 labeled cannabis container and entered into a data collection
4 system before transport.

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

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

13 (j) A craft grower shall comply with all State and any
14 applicable federal rules and regulations regarding the use of
15 pesticides. The Department has the authority to issue policy
16 prohibiting the use of pesticides during flowering stage.

17 (k) A craft grower or craft grower agent shall not
18 transport cannabis or cannabis-infused products to any other
19 cannabis business establishment without a transport
20 organization license unless:

21 (i) If the craft grower is located in a county with a
22 population of 3,000,000 or more, the cannabis business
23 establishment receiving the cannabis is within 2,000 feet
24 of the property line of the craft grower;

25 (ii) If the craft grower is located in a county with a
26 population of more than 700,000 but fewer than 3,000,000,

1 the cannabis business establishment receiving the cannabis
2 is within 2 miles of the craft grower; or

3 (iii) If the craft grower is located in a county with a
4 population of fewer than 700,000, the cannabis business
5 establishment receiving the cannabis is within 15 miles of
6 the craft grower.

7 (l) A craft grower may enter into a contract with a
8 transporting organization to transport cannabis to a
9 cultivation center, a craft grower, an infuser organization, a
10 dispensing organization, or a laboratory.

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

26 (n) It is unlawful for any person having a craft grower

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

1 (o) A craft grower shall not be located within 1,500 feet
2 of another craft grower or a cultivation center.

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 705/50-5)

12 Sec. 50-5. Laboratory testing.

13 (a) Notwithstanding any other provision of law, the
14 following acts, when performed by a licensed cannabis testing
15 facility with a current, valid license ~~registration~~, or a
16 person 21 years of age or older who is acting in his or her
17 capacity as an owner, employee, or agent of a cannabis testing
18 facility, are not unlawful and shall not be an offense under
19 Illinois law or be a basis for seizure or forfeiture of assets
20 under Illinois law:

21 (1) possessing, repackaging, transporting, storing, or
22 displaying cannabis or cannabis-infused products;

23 (2) receiving or transporting cannabis or
24 cannabis-infused products from a cannabis business
25 establishment, a community college licensed under the

1 Community College Cannabis Vocational Training Pilot
2 Program, or a person 21 years of age or older; and

3 (3) returning or transporting cannabis or
4 cannabis-infused products to a cannabis business
5 establishment, a community college licensed under the
6 Community College Cannabis Vocational Training Pilot
7 Program, or a person 21 years of age or older.

8 (b)(1) No laboratory shall handle, test, or analyze
9 cannabis unless approved by the Department of Agriculture in
10 accordance with this Section.

11 (2) No laboratory shall be approved to handle, test, or
12 analyze cannabis unless the laboratory:

13 (A) is accredited by a private laboratory accrediting
14 organization;

15 (B) is independent from all other persons involved in
16 the cannabis industry in Illinois and no person with a
17 direct or indirect interest in the laboratory has a direct
18 or indirect financial, management, or other interest in an
19 Illinois cultivation center, craft grower, dispensary,
20 infuser, transporter, certifying physician, or any other
21 entity in the State that may benefit from the production,
22 manufacture, dispensing, sale, purchase, or use of
23 cannabis; and

24 (C) has employed at least one person to oversee and be
25 responsible for the laboratory testing who has earned,
26 from a college or university accredited by a national or

1 regional certifying authority, at least:

2 (i) a master's level degree in chemical or
3 biological sciences and a minimum of 2 years'
4 post-degree laboratory experience; or

5 (ii) a bachelor's degree in chemical or biological
6 sciences and a minimum of 4 years' post-degree
7 laboratory experience.

8 (3) Each independent testing laboratory that claims to be
9 accredited must provide the Department of Agriculture with a
10 copy of the most recent annual inspection report granting
11 accreditation and every annual report thereafter.

12 (c) Immediately before manufacturing or natural processing
13 of any cannabis or cannabis-infused product or packaging
14 cannabis for sale to a dispensary, each batch shall be made
15 available by the cultivation center, craft grower, or infuser
16 for an employee of an approved laboratory to select a random
17 sample, which shall be tested by the approved laboratory for:

18 (1) microbiological contaminants;

19 (2) mycotoxins;

20 (3) pesticide active ingredients;

21 (4) residual solvent; and

22 (5) an active ingredient analysis.

23 (d) The Department of Agriculture may select a random
24 sample that shall, for the purposes of conducting an active
25 ingredient analysis, be tested by the Department of
26 Agriculture for verification of label information.

1 (e) A laboratory shall immediately return or dispose of
2 any cannabis upon the completion of any testing, use, or
3 research. If cannabis is disposed of, it shall be done in
4 compliance with Department of Agriculture rule.

5 (f) If a sample of cannabis does not pass the
6 microbiological, mycotoxin, pesticide chemical residue, or
7 solvent residue test, based on the standards established by
8 the Department of Agriculture, the following shall apply:

9 (1) If the sample failed the pesticide chemical
10 residue test, the entire batch from which the sample was
11 taken shall, if applicable, be recalled as provided by
12 rule.

13 (2) If the sample failed any other test, the batch may
14 be used to make a CO₂-based or solvent based extract. After
15 processing, the CO₂-based or solvent based extract must
16 still pass all required tests.

17 (g) The Department of Agriculture shall establish
18 standards for microbial, mycotoxin, pesticide residue, solvent
19 residue, or other standards for the presence of possible
20 contaminants, in addition to labeling requirements for
21 contents and potency.

22 (h) The laboratory shall file with the Department of
23 Agriculture an electronic copy of each laboratory test result
24 for any batch that does not pass the microbiological,
25 mycotoxin, or pesticide chemical residue test, at the same
26 time that it transmits those results to the cultivation

1 center. In addition, the laboratory shall maintain the
2 laboratory test results for at least 5 years and make them
3 available at the Department of Agriculture's request.

4 (i) A cultivation center, craft grower, and infuser shall
5 provide to a dispensing organization the laboratory test
6 results for each batch of cannabis product purchased by the
7 dispensing organization, if sampled. Each dispensing
8 organization must have those laboratory results available upon
9 request to purchasers.

10 (j) The Department of Agriculture may adopt rules related
11 to testing in furtherance of this Act.

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

13 (410 ILCS 705/55-30)

14 Sec. 55-30. Confidentiality.

15 (a) Information provided by the cannabis business
16 establishment licensees or applicants to the Department of
17 Agriculture, the Department of Public Health, the Department
18 of Financial and Professional Regulation, the Department of
19 Commerce and Economic Opportunity, or other agency shall be
20 limited to information necessary for the purposes of
21 administering this Act. The information is subject to the
22 provisions and limitations contained in the Freedom of
23 Information Act and may be disclosed in accordance with
24 Section 55-65.

25 (b) The following information received and records kept by

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

20 (1) Applications and renewals, their contents, and
21 supporting information submitted by or on behalf of
22 dispensing organizations, cannabis business
23 establishments, or Community College Cannabis Vocational
24 Program licensees, in compliance with this Article,
25 including their physical addresses, including copies of
26 licenses and other communications and documents issued to

1 cannabis business establishments by regulating agencies
2 under this Act; however, this does not preclude the
3 release of ownership information about cannabis business
4 establishment licenses, or information submitted with an
5 application required to be disclosed pursuant to
6 subsection (f);

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

9 (3) Information otherwise exempt from disclosure by
10 State or federal law.

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

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

22 (d) All information collected by the Department of
23 Financial and Professional Regulation or the Department of
24 Agriculture in the course of an examination, inspection, or
25 investigation of a licensee or applicant, including, but not
26 limited to, any complaint against a licensee or applicant

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

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

23 (f) Each Department responsible for licensure under this
24 Act shall publish on the Department's website a list of the
25 ownership information of cannabis business establishment
26 licensees under the Department's jurisdiction. The list shall

1 include, but is not limited to: the name of the person or
2 entity holding each cannabis business establishment license;
3 and the address at which the entity is operating under this
4 Act. This list shall be published and updated monthly.

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

1
2

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

INDEX

Statutes amended in order of appearance

- 410 ILCS 130/35
- 410 ILCS 130/130
- 410 ILCS 130/145
- 410 ILCS 705/1-10
- 410 ILCS 705/15-25
- 410 ILCS 705/15-35
- 410 ILCS 705/15-35.10
- 410 ILCS 705/15-70
- 410 ILCS 705/15-100
- 410 ILCS 705/15-135
- 410 ILCS 705/20-15
- 410 ILCS 705/20-30
- 410 ILCS 705/30-10
- 410 ILCS 705/30-30
- 410 ILCS 705/50-5
- 410 ILCS 705/55-30