



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2281

Introduced 2/10/2023, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

410 ILCS 130/130
410 ILCS 705/15-70
410 ILCS 705/15-85

Amends the Compassionate Use of Medical Cannabis Program Act and the Cannabis Regulation and Tax Act. Allows dispensing organizations to establish a protocol to dispense cannabis on any real property or parking area under the dispensary's ownership or control, such as transactions at drive-through windows. Requires the protocol to adhere to the requirements for point-of-sale dispensing transactions under the Acts. In the Cannabis Regulation and Tax Act, removes language prohibiting dispensing organizations from operating drive-through windows. Prohibits dispensing organizations from transporting cannabis to residences or other locations beyond the real property or parking area under the ownership or control of the dispensary where purchasers may be for delivery (rather than from transporting cannabis to residences or other locations where purchasers may be for delivery).

LRB103 28120 CPF 54499 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 Section 130 as follows:

6 (410 ILCS 130/130)

7 Sec. 130. Requirements; prohibitions; penalties;
8 dispensing organizations.

9 (a) The Department of Financial and Professional
10 Regulation shall implement the provisions of this Section by
11 rule.

12 (b) A dispensing organization shall maintain operating
13 documents which shall include procedures for the oversight of
14 the registered dispensing organization and procedures to
15 ensure accurate recordkeeping.

16 (c) A dispensing organization shall implement appropriate
17 security measures, as provided by rule, to deter and prevent
18 the theft of cannabis and unauthorized entrance into areas
19 containing cannabis.

20 (d) A dispensing organization may not be located within
21 1,000 feet of the property line of a pre-existing public or
22 private preschool or elementary or secondary school or day
23 care center, day care home, group day care home, or part day

1 child care facility. A registered dispensing organization may
2 not be located in a house, apartment, condominium, or an area
3 zoned for residential use. This subsection shall not apply to
4 any dispensing organizations registered on or after July 1,
5 2019.

6 (e) A dispensing organization is prohibited from acquiring
7 cannabis from anyone other than a cultivation center, craft
8 grower, processing organization, another dispensing
9 organization, or transporting organization licensed or
10 registered under this Act or the Cannabis Regulation and Tax
11 Act. A dispensing organization is prohibited from obtaining
12 cannabis from outside the State of Illinois.

13 (f) A registered dispensing organization is prohibited
14 from dispensing cannabis for any purpose except to assist
15 registered qualifying patients with the medical use of
16 cannabis directly or through the qualifying patients'
17 designated caregivers.

18 (g) The area in a dispensing organization where medical
19 cannabis is stored can only be accessed by dispensing
20 organization agents working for the dispensing organization,
21 Department of Financial and Professional Regulation staff
22 performing inspections, law enforcement or other emergency
23 personnel, and contractors working on jobs unrelated to
24 medical cannabis, such as installing or maintaining security
25 devices or performing electrical wiring.

26 (h) A dispensing organization may not dispense more than

1 2.5 ounces of cannabis to a registered qualifying patient,
2 directly or via a designated caregiver, in any 14-day period
3 unless the qualifying patient has a Department of Public
4 Health-approved quantity waiver. Any Department of Public
5 Health-approved quantity waiver process must be made available
6 to qualified veterans.

7 (i) Except as provided in subsection (i-5), before medical
8 cannabis may be dispensed to a designated caregiver or a
9 registered qualifying patient, a dispensing organization agent
10 must determine that the individual is a current cardholder in
11 the verification system and must verify each of the following:

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

14 (2) that the person presenting the card is the person
15 identified on the registry identification card presented
16 to the dispensing organization agent;

17 (3) (blank); and

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

20 (i-5) A dispensing organization may dispense medical
21 cannabis to an Opioid Alternative Pilot Program participant
22 under Section 62 and to a person presenting proof of
23 provisional registration under Section 55. Before dispensing
24 medical cannabis, the dispensing organization shall comply
25 with the requirements of Section 62 or Section 55, whichever
26 is applicable, and verify the following:

1 (1) that the written certification presented to the
2 registered dispensing organization is valid and an
3 original document;

4 (2) that the person presenting the written
5 certification is the person identified on the written
6 certification; and

7 (3) that the participant has not exceeded his or her
8 adequate supply.

9 (i-10) A dispensing organization may establish a protocol
10 to dispense cannabis on any real property or parking area
11 under the dispensary's ownership or control, such as
12 transactions at drive-through windows. The protocol shall
13 adhere to the requirements for point-of-sale dispensing
14 transactions under this Act, including, but not limited to,
15 camera recordings capturing each sale, the individuals
16 involved, and the computer monitors used for the sale.

17 (j) Dispensing organizations shall ensure compliance with
18 this limitation by maintaining internal, confidential records
19 that include records specifying how much medical cannabis is
20 dispensed to the registered qualifying patient and whether it
21 was dispensed directly to the registered qualifying patient or
22 to the designated caregiver. Each entry must include the date
23 and time the cannabis was dispensed. Additional recordkeeping
24 requirements may be set by rule.

25 (k) The health care professional-patient privilege as set
26 forth by Section 8-802 of the Code of Civil Procedure shall

1 apply between a qualifying patient and a registered dispensing
2 organization and its agents with respect to communications and
3 records concerning qualifying patients' debilitating
4 conditions.

5 (l) A dispensing organization may not permit any person to
6 consume cannabis on the property of a medical cannabis
7 organization.

8 (m) A dispensing organization may not share office space
9 with or refer patients to a certifying health care
10 professional.

11 (n) Notwithstanding any other criminal penalties related
12 to the unlawful possession of cannabis, the Department of
13 Financial and Professional Regulation may revoke, suspend,
14 place on probation, reprimand, refuse to issue or renew, or
15 take any other disciplinary or non-disciplinary action as the
16 Department of Financial and Professional Regulation may deem
17 proper with regard to the registration of any person issued
18 under this Act to operate a dispensing organization or act as a
19 dispensing organization agent, including imposing fines not to
20 exceed \$10,000 for each violation, for any violations of this
21 Act and rules adopted in accordance with this Act. The
22 procedures for disciplining a registered dispensing
23 organization shall be determined by rule. All final
24 administrative decisions of the Department of Financial and
25 Professional Regulation are subject to judicial review under
26 the Administrative Review Law and its rules. The term

1 "administrative decision" is defined as in Section 3-101 of
2 the Code of Civil Procedure.

3 (o) Dispensing organizations are subject to random
4 inspection and cannabis testing by the Department of Financial
5 and Professional Regulation, the Illinois State Police, the
6 Department of Revenue, the Department of Public Health, the
7 Department of Agriculture, or as provided by rule.

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

11 (q) The Department of Financial and Professional
12 Regulation may issue nondisciplinary citations for minor
13 violations which may be accompanied by a civil penalty not to
14 exceed \$10,000 per violation. The penalty shall be a civil
15 penalty or other condition as established by rule. The
16 citation shall be issued to the licensee and shall contain the
17 licensee's name, address, and license number, a brief factual
18 statement, the Sections of the law or rule allegedly violated,
19 and the civil penalty, if any, imposed. The citation must
20 clearly state that the licensee may choose, in lieu of
21 accepting the citation, to request a hearing. If the licensee
22 does not dispute the matter in the citation with the
23 Department of Financial and Professional Regulation within 30
24 days after the citation is served, then the citation shall
25 become final and shall not be subject to appeal.

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

1 Section 10. The Cannabis Regulation and Tax Act is amended
2 by changing Sections 15-70 and 15-85 as follows:

3 (410 ILCS 705/15-70)

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

5 (a) A dispensing organization shall operate in accordance
6 with the representations made in its application and license
7 materials. It shall be in compliance with this Act and rules.

8 (b) A dispensing organization must include the legal name
9 of the dispensary on the packaging of any cannabis product it
10 sells.

11 (c) All cannabis, cannabis-infused products, and cannabis
12 seeds must be obtained from an Illinois registered adult use
13 cultivation center, craft grower, infuser, or another
14 dispensary.

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

18 (e) A dispensing organization shall inspect and count
19 product received from a transporting organization, adult use
20 cultivation center, craft grower, infuser organization, or
21 other dispensing organization before dispensing it.

22 (f) A dispensing organization may only accept cannabis
23 deliveries into a restricted access area. Deliveries may not
24 be accepted through the public or limited access areas unless

1 otherwise approved by the Department.

2 (g) A dispensing organization shall maintain compliance
3 with State and local building, fire, and zoning requirements
4 or regulations.

5 (h) A dispensing organization shall submit a list to the
6 Department of the names of all service professionals that will
7 work at the dispensary. The list shall include a description
8 of the type of business or service provided. Changes to the
9 service professional list shall be promptly provided. No
10 service professional shall work in the dispensary until the
11 name is provided to the Department on the service professional
12 list.

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

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

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

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

23 (m) A dispensing organization must contract with a private
24 security contractor that is licensed under Section 10-5 of the
25 Private Detective, Private Alarm, Private Security,
26 Fingerprint Vendor, and Locksmith Act of 2004 to provide

1 on-site security at all hours of the dispensary's operation.

2 (n) A dispensing organization shall ensure that any
3 building or equipment used by a dispensing organization for
4 the storage or sale of cannabis is maintained in a clean and
5 sanitary condition.

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

8 (p) A dispensing organization shall not:

9 (1) Produce or manufacture cannabis;

10 (2) Accept a cannabis product from an adult use
11 cultivation center, craft grower, infuser, dispensing
12 organization, or transporting organization unless it is
13 pre-packaged and labeled in accordance with this Act and
14 any rules that may be adopted pursuant to this Act;

15 (3) Obtain cannabis or cannabis-infused products from
16 outside the State of Illinois;

17 (4) Sell cannabis or cannabis-infused products to a
18 purchaser unless the dispensing organization is licensed
19 under the Compassionate Use of Medical Cannabis Program
20 Act, and the individual is registered under the
21 Compassionate Use of Medical Cannabis Program or the
22 purchaser has been verified to be 21 years of age or older;

23 (5) Enter into an exclusive agreement with any adult
24 use cultivation center, craft grower, or infuser.
25 Dispensaries shall provide consumers an assortment of
26 products from various cannabis business establishment

1 licenses such that the inventory available for sale at
2 any dispensary from any single cultivation center, craft
3 grower, processor, transporter, or infuser entity shall
4 not be more than 40% of the total inventory available for
5 sale. For the purpose of this subsection, a cultivation
6 center, craft grower, processor, or infuser shall be
7 considered part of the same entity if the licensees share
8 at least one principal officer. The Department may request
9 that a dispensary diversify its products as needed or
10 otherwise discipline a dispensing organization for
11 violating this requirement;

12 (6) Refuse to conduct business with an adult use
13 cultivation center, craft grower, transporting
14 organization, or infuser that has the ability to properly
15 deliver the product and is permitted by the Department of
16 Agriculture, on the same terms as other adult use
17 cultivation centers, craft growers, infusers, or
18 transporters with whom it is dealing;

19 (7) (Blank) ~~Operate drive through windows;~~

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

22 (9) Transport cannabis to residences or other
23 locations beyond the real property or parking area under
24 the ownership or control of the dispensary where
25 purchasers may be for delivery;

26 (10) Enter into agreements to allow persons who are

1 not dispensing organization agents to deliver cannabis or
2 to transport cannabis to purchasers;

3 (11) Operate a dispensary if its video surveillance
4 equipment is inoperative;

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

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

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

11 (15) Be located within 1,500 feet of the property line
12 of a pre-existing dispensing organization, unless the
13 applicant is a Social Equity Applicant or Social Equity
14 Justice Involved Applicant located or seeking to locate
15 within 1,500 feet of a dispensing organization licensed
16 under Section 15-15 or Section 15-20;

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

18 (17) Sell cannabis, cannabis concentrate, or
19 cannabis-infused products in combination or bundled with
20 each other or any other items for one price, and each item
21 of cannabis, concentrate, or cannabis-infused product must
22 be separately identified by quantity and price on the
23 receipt;

24 (18) Violate any other requirements or prohibitions
25 set by Department rules.

26 (q) It is unlawful for any person having an Early Approval

1 Adult Use Cannabis Dispensing Organization License, a
2 Conditional Adult Use Cannabis Dispensing Organization, an
3 Adult Use Dispensing Organization License, or a medical
4 cannabis dispensing organization license issued under the
5 Compassionate Use of Medical Cannabis Program Act or any
6 officer, associate, member, representative, or agent of such
7 licensee to accept, receive, or borrow money or anything else
8 of value or accept or receive credit (other than merchandising
9 credit in the ordinary course of business for a period not to
10 exceed 30 days) directly or indirectly from any adult use
11 cultivation center, craft grower, infuser, or transporting
12 organization in exchange for preferential placement on the
13 dispensing organization's shelves, display cases, or website.
14 This includes anything received or borrowed or from any
15 stockholders, officers, agents, or persons connected with an
16 adult use cultivation center, craft grower, infuser, or
17 transporting organization.

18 (r) It is unlawful for any person having an Early Approval
19 Adult Use Cannabis Dispensing Organization License, a
20 Conditional Adult Use Cannabis Dispensing Organization, an
21 Adult Use Dispensing Organization License, or a medical
22 cannabis dispensing organization license issued under the
23 Compassionate Use of Medical Cannabis Program to enter into
24 any contract with any person licensed to cultivate, process,
25 or transport cannabis whereby such dispensing organization
26 agrees not to sell any cannabis cultivated, processed,

1 transported, manufactured, or distributed by any other
2 cultivator, transporter, or infuser, and any provision in any
3 contract violative of this Section shall render the whole of
4 such contract void and no action shall be brought thereon in
5 any court.

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

8 (410 ILCS 705/15-85)

9 Sec. 15-85. Dispensing cannabis.

10 (a) Before a dispensing organization agent dispenses
11 cannabis to a purchaser, the agent shall:

12 (1) Verify the age of the purchaser by checking a
13 government-issued identification card by use of an
14 electronic reader or electronic scanning device to scan a
15 purchaser's government-issued identification, if
16 applicable, to determine the purchaser's age and the
17 validity of the identification;

18 (2) Verify the validity of the government-issued
19 identification card by use of an electronic reader or
20 electronic scanning device to scan a purchaser's
21 government-issued identification, if applicable, to
22 determine the purchaser's age and the validity of the
23 identification;

24 (3) Offer any appropriate purchaser education or
25 support materials;

1 (4) Enter the following information into the State's
2 cannabis electronic verification system:

3 (i) The dispensing organization agent's
4 identification number, or if the agent's card
5 application is pending the Department's approval, a
6 temporary and unique identifier until the agent's card
7 application is approved or denied by the Department;

8 (ii) The dispensing organization's identification
9 number;

10 (iii) The amount, type (including strain, if
11 applicable) of cannabis or cannabis-infused product
12 dispensed;

13 (iv) The date and time the cannabis was dispensed.

14 (b) A dispensing organization shall refuse to sell
15 cannabis or cannabis-infused products to any person unless the
16 person produces a valid identification showing that the person
17 is 21 years of age or older. A medical cannabis dispensing
18 organization may sell cannabis or cannabis-infused products to
19 a person who is under 21 years of age if the sale complies with
20 the provisions of the Compassionate Use of Medical Cannabis
21 Program Act and rules.

22 (c) For the purposes of this Section, valid identification
23 must:

24 (1) Be valid and unexpired;

25 (2) Contain a photograph and the date of birth of the
26 person.

1 (d) A dispensing organization may establish a protocol to
2 dispense cannabis on any real property or parking area under
3 the dispensary's ownership or control, such as transactions at
4 drive-through windows. The protocol shall adhere to the
5 requirements for point-of-sale dispensing transactions under
6 this Act, including, but not limited to, camera recordings
7 capturing each sale, the individuals involved, and the
8 computer monitors used for the sale.

9 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
10 102-98, eff. 7-15-21.)