

SB2550



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2550

Introduced 3/21/2023, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10

Amends the Cannabis Regulation and Tax Act. Provides that a craft grower may contain canopy space on its premises for plants in the flowering state of up to 14,000 square feet (rather than a craft grower may contain canopy space on its premises for plants in the flowering state of up to 5,000 square feet unless the Department of Agriculture authorizes an increase in flowering stage cultivation space in increments of 3,000 up to 14,000 square feet).

LRB103 29357 AWJ 55745 b

A BILL FOR

1 AN ACT concerning health.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Section 1-10 as follows:

6 (410 ILCS 705/1-10)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 "Conditional Adult Use Dispensing Organization License"
23 means a contingent license awarded to applicants for an Adult
24 Use Dispensing Organization License that reserves the right to
25 an Adult Use Dispensing Organization License if the applicant
26 meets certain conditions described in this Act, but does not

1 entitle the recipient to begin purchasing or selling cannabis
2 or cannabis-infused products.

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

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

1 each licensee stores currency and cannabis or cannabis-infused
2 products in a separate secured vault to which the other
3 licensee does not have access or all licensees sharing a vault
4 share more than 50% of the same ownership.

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

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

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

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

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

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

24 "Dispensary" means a facility operated by a dispensing
25 organization at which activities licensed by this Act may
26 occur.

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

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

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

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

24 "Disproportionately Impacted Area" means a census tract or
25 comparable geographic area that satisfies the following
26 criteria as determined by the Department of Commerce and

1 Economic Opportunity, that:

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

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

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

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

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

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

22 "Early Approval Adult Use Cultivation Center License"
23 means a license that permits a medical cannabis cultivation
24 center licensed under the Compassionate Use of Medical
25 Cannabis Program Act as of the effective date of this Act to
26 begin cultivating, infusing, packaging, transporting (unless

1 otherwise provided in this Act), processing, and selling
2 cannabis or cannabis-infused product to cannabis business
3 establishments for resale to purchasers as permitted by this
4 Act as of January 1, 2020.

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

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

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

23 "Enclosed, locked facility" means a room, greenhouse,
24 building, or other enclosed area equipped with locks or other
25 security devices that permit access only by cannabis business
26 establishment agents working for the licensed cannabis

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

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

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

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

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

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

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

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

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

10 "Individual" means a natural person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (3) school records;

9 (4) a voter registration card;

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

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

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

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

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

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

1 control by one or more individuals who:

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

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

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

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

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

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

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

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

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

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

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

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

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

1 identifies a person as a transporting organization agent.

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

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

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

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

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