

103RD GENERAL ASSEMBLY State of Illinois 2023 and 2024 SB3926

Introduced 4/10/2024, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

New Act
5 ILCS 100/5-45.55 new
410 ILCS 705/1-10
410 ILCS 705/5-11 new
410 ILCS 705/15-35.5 new
410 ILCS 705/15-35.11 new
410 ILCS 705/15-155
410 ILCS 705/20-60 new
410 ILCS 705/35-22 new
410 ILCS 705/55-35
505 ILCS 89/5
505 ILCS 89/20
815 ILCS 505/2Z

from Ch. 121 1/2, par. 262Z

Creates the Hemp Consumer Products Act. Creates a hemp consumer product retailer license and a hemp consumer products processor license. Sets forth provisions concerning definitions; applications; licensure; marketing and sale of hemp consumer products; labeling; transportation of hemp; testing requirements; penalties; the administration and enforcement of the Act and rulemaking, including emergency rulemaking, by the Department of Agriculture; and other matters. Amends the Cannabis Regulation and Tax Act. Creates the Intoxicating Hemp-Derived THC Consumer Products Safety Committee. Requires the Committee to produce a report with recommendations on appropriate consumer safety standards and requires certain Departments to provide legislative recommendations to establish a regulatory and enforcement framework for hemp-derived THC products. Authorizes the issuance of an additional 50 Conditional Adult Use Dispensing Organization Licenses and an additional 50 Conditional Infuser Organization Licenses. Provides that a violation of provisions concerning unlicensed practice is an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Sets forth penalties for unlicensed practice as a cultivation center, infuser, or craft grower. Makes other changes. Amends the Illinois Administrative Procedure Act, the Industrial Hemp Act, and the Consumer Fraud and Deceptive Business Practices Act to make conforming changes. Effective immediately.

LRB103 40218 CES 72109 b

1 AN ACT concerning regulation.

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

- Section 1. Short title. This Act may be cited as the Hemp
- 5 Consumer Products Act.
- 6 Section 5. Definitions. In this Act:
- 7 "Accreditation body" means an impartial non-profit
- 8 organization that operates in conformance with the
- 9 International Organization for Standardization
- 10 (ISO)/International Electrotechnical Commission (IEC)
- 11 standard 17011 and is a signatory to the International
- 12 Laboratory Accreditation Cooperation (ILAC) Mutual Recognition
- 13 Arrangement (MRA) for Testing.
- "Artificially derived cannabinoid" means a cannabinoid
- 15 that is created by a chemical reaction that changes the
- 16 molecular structure of any chemical substance derived from
- 17 Cannabis sativa.
- "Department" means the Department of Agriculture.
- "Director" means the Director of Agriculture.
- "Hemp consumer product" means a product offered for sale
- 21 or distribution that:
- 22 (1) contains naturally occurring hemp
- 23 phytocannabinoids;

1	(2)	is	intended	for	consumpt	cion	bу	any	means,
2	including	g, bu	t not limi	ted to	o, oral i	ngest	ion,	inha	lation,
3	smoking,	or t	opical abs	orptio	on;				

- (3) contains a total tetrahydrocannabinol concentration of no greater than:
 - (a) 0.3% for any intermediate or finished plant product or material, or any hemp consumer product intended for consumption by inhalation or smoking; or
 - (b) 0.5 milligrams per serving or individual product unit, and 2 milligrams per package for products sold in multiple servings or units, for any beverage, food, oil, ointment, tincture, topical formation, or any other product that is intended for human consumption by means other than inhalation or smoking; and
- (4) contains an amount of total hemp cannabinoid concentration that is at least 25 times greater than the amount of total tetrahydrocannabinol concentration per serving and per package.

"Hemp cannabinoid" means a naturally occurring phytocannabinoid derived from the hemp plant that does not have an intoxicating effect on the mind and body, as determined by the Department by rule, including:

- (1) cannabidiol (CBD);
- (2) cannabichromene (CBC);
- 26 (3) cannabicitran (CBT);

- 1 (4) cannabicyclol (CBL);
- 2 (5) cannabielsoin (CBE);
- 3 (6) cannabigerol (CBG);
- (7) cannabidivarin (CBDV); or
- 5 (8) cannabinol (CBN).

"Hemp consumer products processor" means a person or entity licensed to source industrial hemp plant material from a licensed hemp cultivator, and process, manufacture, and distribute finished hemp consumer products to hemp consumer products retailers under the product forms, product standards, limits, packaging, labeling, minimum testing, and other requirements under this Act and the rules and guidance established by the Department.

"Hemp consumer products retailer" means a person or entity licensed to sell finished hemp consumer products to consumers under the product forms, product standards, limits, packaging, labeling, minimum testing, and other requirements set forth under this Act and under rules and guidance established by the Department.

"Scope of accreditation" means a document issued by an accreditation body that attests to the laboratory's competence to carry out specific testing and analysis.

"Synthetic cannabinoid" means a cannabinoid-like compound that was produced using chemical synthesis, chemical modification, or chemical conversion, including in vitro biosynthesis or other bioconversion of such a method.

- 1 Synthetic cannabinoids include the conversion of cannabinoids
- 2 from one chemical structure to another, such as
- 3 tetrahydrocannabinol that was produced by the conversion of
- 4 cannabidiol.
- 5 "Testing laboratory" means an independent, third-party
- 6 laboratory, contracted by a licensee to test hemp consumer
- 7 products.
- 8 "Tetrahydrocannabinol" or "THC" means any naturally
- 9 occurring or synthetic tetrahydrocannabinol, including its
- 10 salts, isomers, and salts of isomers whenever the existence of
- 11 such salts, isomers, and salts of isomers is possible within
- 12 the specific chemical designation and any preparation,
- mixture, or substance containing, or mixed or infused with,
- 14 any detectable amount of tetrahydrocannabinol or
- 15 tetrahydrocannabolic acid, including, but not limited to,
- delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol,
- delta-10-tetrahydrocannabinol, tetrahydrocannabolic acid,
- 18 tetrahydrocannabipherol, or hexahydrocannabinol, however
- 19 derived, or any other substance determined to have similar
- 20 intoxicating effects on the mind or body by the Department.
- 21 For the purposes of this definition, "isomer" means the
- 22 optical, position, and geometric isomers.
- 23 Section 10. Prohibitions.
- 24 (a) No person shall process, manufacture, label,
- 25 distribute for sale, sell, offer for sale, market, or

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- advertise any hemp consumer product within this State without obtaining a license under this Act.
- 3 (b) No licensee may convert or concentrate cannabinoids to 4 create isomers of THC, however derived.
- 5 (c) No licensee may sell hemp consumer products that were 6 created using the conversion or concentration of cannabinoids 7 to create isomers of THC, however derived.
 - (d) No licensee shall process, manufacture, distribute for sale, sell, offer for sale, market, or advertise any hemp consumer product unless the product complies with the labeling, packaging, minimum testing, and other requirements of this Act and any administrative rules adopted by the Department.
 - (e) A product that has a THC concentration greater than the limits set forth for hemp consumer products as defined in this Act shall be regulated as cannabis as defined in the Cannabis Regulation and Tax Act, whether or not the product is made with or derived from hemp, industrial hemp, or derived from natural or synthetic sources.
- 20 (f) No product intended for consumption by any means that
 21 is derived from hemp or marketed as hemp shall be distributed
 22 for sale, offered for sale, or sold to a consumer within this
 23 State unless it meets the minimum requirements of this Act.
- 24 Section 15. Applications and licensing.
- 25 (a) The Department shall create applicable rules,

1	guidance,	and	forms	for	licensing	of	hemp	consumer	products
2	retailers	and l	hemp c	onsume	er products	s pr	ocess	ors.	

- (b) An application for licensure shall be submitted to the Department on a form prescribed by the Department, which shall include:
- 6 (1) the name, address, and telephone number of the applicant;
 - (2) identification of all real property, buildings, and facilities that will be used for the processing, manufacturing, distribution, or retail sale of hemp, as applicable;
 - (3) the days and hours of operation;
 - (4) the federal employer identification number of the applicant;
 - (5) for applicants that intend to extract hemp into hemp consumer products:
 - (A) identification of all extraction methods that will be used to carry out the extraction; and
 - (B) evidence of Good Manufacturing Practices used in the extraction of hemp and manufacturing of hemp consumer products, including proof of a qualified third-party Good Manufacturing Practices audit;
 - (6) a copy and description of any other license or licenses issued by state or federal authorities related to hemp or cannabis operations or ancillary services;
 - (7) a summary of the sources of industrial, hemp

materials, hemp consumer products, and hemp extract to be used, as applicable;

- (8) types of hemp consumer products to be manufactured or sold, and an attestation that all hemp consumer products will be manufactured or sold in conformance with this Act and rules and guidelines adopted by the Department;
- (9) an attestation that the applicant's standard operating procedures will incorporate any language or requirements provided by the Department to adequately address quality assurance, security, and a plan to ensure all hemp and hemp extract obtained meets the requirements of this Act and rules adopted by the Department;
- (10) a description of any other businesses or business activities conducted on the premises to be licensed;
- (11) copies of the organizational documents of the applicant;
- (12) identification of the person or persons with the ability to direct the activity of the applicant or licensee, including principals, officers, or others with such control; and
 - (13) any other information required by the Department.
- (c) Prior to submission, applicants shall verify the truth and veracity of the information contained in the application.
- (d) The Department may reject or deny an application if it determines that the information contained therein is

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- 1 incomplete, false, inaccurate, or omits a material fact.
- 2 (e) Applications require a non-refundable application fee 3 of \$1,000 for hemp consumer product processors and \$100 for 4 hemp consumer products retailers.
- 5 (f) Licenses shall not be transferable or assignable 6 without prior written approval of the Department including, 7 without limitation, to another licensee.
 - (g) Applications are valid for a period of one year and must be renewed annually.
 - (i) An application to renew any license issued under this Act shall be filed with the Department not more than 90 days nor less than 30 days prior to the expiration thereof. If a renewal application is not filed at least 30 days prior to the expiration thereof, the Department may determine that the license shall expire and become void on such expiration date.
 - (h) The Department may revoke any license issued under this Act for failure to adhere to the requirements of this Act and the rules adopted by the Department.
 - (i) Hemp consumer products retailer applicants who submit a completed application to the Department on or before October 1, 2024 may sell hemp consumer products at retail to consumers before having a license approved or denied by the Department so long as the hemp consumer products retail applicant adheres to all requirements of this Act while the application is under review.
 - (1) Upon approval, the hemp consumer products retailer

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- 1 may continue to operate in accordance with this Act.
- 2 (2) If denied, applicants shall cease to operate as a
 3 hemp consumer products retailer and processor, unless and
 4 until the applicant is later awarded and issued a license
 5 by the Department.
- Section 20. Requirements for hemp consumer products licensees.
 - (a) The Department shall license and regulate hemp consumer products processors for the purpose of allowing processors to obtain and source lawful industrial hemp and hemp plant materials for manufacturing and processing finished hemp consumer products in accordance with this Act.
 - (b) All hemp consumer products processors shall:
 - (1) extract hemp extract or manufacture hemp consumer products to Good Manufacturing Practices standards, and maintain a qualified third-party certification to the satisfaction of the Department, for the applicable Good Manufacturing Practices standard or standards for the duration of the license;
 - (2) maintain standard operating procedures and quality control standards to ensure consistency of hemp extract or hemp consumer products, including, but not limited to, product purity, strength, and composition;
 - (3) maintain sufficient records to demonstrate that any hemp or hemp extract used by the licensee was grown,

derived, extracted, and transported in accordance with applicable laws and licensing requirements of the jurisdiction or jurisdictions from which such hemp or hemp extract was sourced;

- (A) such records shall include any pesticides used in the growing of such hemp, the dates each shipment was received, adequate chain of custody to demonstrate from whom the licensee purchased such hemp or hemp extract, and certificates of analysis;
- (B) for hemp received from an out-of-state grower, processors shall also maintain records of the out-of-state grower registration or license number in the respective jurisdiction;
- (4) keep all designated extracting and manufacturing areas safe and sanitary, including, but not limited to, ensuring that those areas are adequately lit, cleaned, and smoke-free and that no food is consumed in those areas;
- (5) provide all employees performing extraction or manufacturing with adequate training and proper safety equipment;
- (6) manufacture hemp consumer products in accordance with the product forms, limits, and other requirements of this Act;
- (7) test a statistically significant number of hemp consumer products per lot or batch at a third-party testing laboratory meeting all the requirements in this

L	Act and m	maintain a	certificate	of	analysis	for	all	samples
2	tested;							

- (8) maintain sufficient records pertaining to the calibration and inspection of instruments used in extraction and manufacturing of hemp consumer products;
- (9) report, in a frequency and manner prescribed by the Department, the total production and sales of the licensee during the reporting period;
- (10) ensure the security of the licensed premises to prevent unauthorized individuals from entering the facility and to prevent hemp extract or hemp consumer products from being diverted from the facility;
- (11) not use, in the extraction or manufacturing of any hemp consumer products, synthetic cannabinoids, artificially derived cannabinoids, or tetrahydrocannabinol created through isomerization;
- (12) assign a lot or batch number to each lot of hemp extract or hemp consumer product that is extracted or manufactured by a licensee;
- (13) maintain records to document and track any tetrahydrocannabinol extracted from hemp or found within hemp extract throughout the extraction and manufacturing process, including records pertaining to the amount used in hemp consumer products and the disposal of all hemp extract, tetrahydrocannabinol, or by-product; and
 - (14) maintain any and all records required by this Act

- for at least 3 years and immediately produce such records upon request of the Department.
 - (c) The Department shall license and regulate hemp consumer products retailers for the purpose of allowing consumers to obtain and source lawful finished hemp consumer products, subject to minimum consumer protection safeguards for sale to consumers in accordance with this Act.
 - (d) All hemp consumer products retailers shall:
 - (1) only sell hemp consumer products manufactured, packaged, labeled and tested in accordance with this Act;
 - (2) not sell, offer for sale, market, or advertise cannabis, medical cannabis, or any product that exceeds the THC limits set forth in this Act;
 - (3) market, advertise, or hold oneself out as authorized to sell or dispense cannabis, medical cannabis, or any product that exceeds the THC limits set forth in this Act;
 - (4) post in a manner visible to consumers any and all signs or posted placards required by the Department, including posting of the hemp consumer products retailers license issued by the Department, in a conspicuous location on the premises of each retail location;
 - (5) maintain sufficient records of where hemp consumer products were purchased from for the license period, including the name of the hemp consumer processor and the wholesaler or permitted distributor, as applicable; and

- (6) permit announced or unannounced inspections of any retail location offering hemp consumer products. This inspection may include taking samples of hemp consumer products to ensure compliance with all the requirements of this Act.
 - (e) All licensees under this Act shall:
- (1) monitor complaints from hemp consumer retailers and consumers and have a mechanism in place to notify the licensee's supply chain to recall products when directed by the Department;
- (2) notify the Department within 24 hours after learning of a serious adverse event; and
- (3) ensure the proper disposal, beyond reclamation, of any hemp extract or by-product from the extraction and manufacture process with a total tetrahydrocannabinol concentration greater than the THC limits established under this Act for hemp consumer products. The disposal shall render the hemp extract or by-product unusable for any intoxicating purpose.
- (f) The Department may conduct announced or unannounced premises or product inspections, including, but not limited to, inspection, sampling, and testing of hemp, hemp extract, hemp consumer products, or any solvents, chemicals, or materials used by the licensee.
 - Section 25. Hemp consumer products requirements.

1	(a) All hemp consumer products manufactured, processed,
2	distributed, sold, or offered for sale in this State shall:
3	(1) be manufactured in accordance with this Act;
4	(2) be subject to the following minimum requirements:
5	(a) contain naturally occurring hemp
6	phytocannabinoids;
7	(B) be intended for consumption by any means,
8	including, but not limited to, oral ingestion,
9	inhalation, smoking, or topical absorption;
10	(C) contain a total tetrahydrocannabinol
11	concentration of no greater than:
12	(i) 0.3% for any intermediate or finished
13	plant product or material, or any hemp consumer
14	product intended for consumption by inhalation or
15	smoking; or
16	(ii) 0.5 milligrams per serving or individual
17	product unit, and 2 milligrams per package for
18	products sold in multiple servings or units, for
19	any beverage, food, oil, ointment, tincture,
20	topical formation, or any other product that is
21	intended for human consumption by means other than
22	inhalation or smoking;
23	(4) contain an amount of total hemp cannabinoid
24	concentration that is at least 25 times greater than
25	the amount of total tetrahydrocannabinol concentration
26	per serving and per package;

1		(3)	not	cont	ain	liquor,	wine,	beer,	or	cider	or	meet
2	the	def	finit	ion	of	alcohol	ic li	.quor	unde	r the	L	iquor
3	Cont	rol	Act	of 19	934;							

- (4) not contain tobacco or nicotine in the product;
- (5) accurately reflect testing results and not contain less than 90% or more than 110% of the concentration of total cannabinoid content as listed on the product label;
- (6) be prepackaged and not added to food or any other consumable products at the point of sale;
- (7) comply with product testing standards set forth in this Act; and
- (8) not contain synthetic cannabinoids, artificially derived cannabinoids, or cannabinoids created through isomerization, including tetrahydrocannabinol created through isomerization.
- (b) All concentrated hemp consumer products intended for inhalation or vaporization shall meet the following additional requirements:
 - (1) be a closed system with a prefilled disposable cartridge that attaches to a rechargeable battery, or a single-use product that cannot be recharged;
 - (2) electronic vaporization devices shall have internal or external temperature controls to prevent combustion and have a heating element made of inert material, such as glass, ceramic, or stainless steel, and not plastic or rubber;

Τ	(3) except for nemp-derived terpenes, exciplents and
2	ingredients must be pharmaceutical grade, unless otherwise
3	approved by the Department, and shall not include:
4	(A) synthetic terpenes;
5	(B) polyethylene glycol (PEG);
6	(C) vitamin E acetate;
7	(D) medium chain triglycerides (MCT oil);
8	(E) medicinal compounds;
9	(F) illegal or controlled substances;
10	(G) artificial food coloring;
11	(H) benzoic acid;
12	(I) diketones; or
13	(J) any other compound or ingredient as determined
14	by the Department in rules;
15	(4) not contain any flavors or flavoring agents,
16	except for hemp-derived terpenes; and
17	(5) include a Department-approved symbol, as set out
18	by rule, in a manner that is clear and conspicuous.
19	Section 30. Packaging and labeling of hemp consumer
20	products.
21	(a) All hemp consumer products distributed or offered for
22	retail sale in this State shall include the following
23	information on the product label or packaging:
24	(1) information that complies with the requirements in

21 CFR 101 and include a nutritional or supplement fact

1	panel that is based on the number of servings within the
2	container;
3	(2) a list of all ingredients in descending order of
4	predominance by weight in the product;
5	(3) The serving size and number of servings per
6	package or container, including the milligrams per serving
7	of:
8	(A) individual hemp cannabinoids;
9	(B) total hemp cannabinoids;
10	(C) individual THC cannabinoids;
11	(D) total THC;
12	(E) any other cannabinoids;
13	(F) an expiration date;
14	(G) a lot or batch number;
15	(H) the name of the hemp processor, whether
16	<pre>in-state or out-of-state;</pre>
17	(I) a scannable QR code linked to download the
18	certificate of analysis and testing results for the
19	product;
20	(J) the state or country of origin from which the
21	hemp used in the product was sourced;
22	(K) a means for reporting serious adverse events;
23	and
24	(L) any other marking, statement, or symbol
25	required by the Department.
26	(b) No hemp consumer products offered for retail sale

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- shall be made attractive to individuals under 21 years of age,
- 2 imitate a candy label, or use cartoons or other images
- 3 popularly used to advertise to children or otherwise be
- 4 marketed to individuals under 21 years of age.
- 5 (c) No hemp consumer product shall be marketed, 6 advertised, or offered for sale in a manner that would cause a 7 reasonable consumer:
 - (1) to be confused as to whether the hemp consumer product is trademarked, marked or labeled in a manner that violates any federal trademark law or regulation; or
 - (2) to believe that a hemp consumer product is cannabis, or medical cannabis, or that a licensee is authorized to sell or dispense cannabis or medical cannabis, as those terms are defined in the Cannabis Regulation and Tax Act or the Compassionate Use of Medical Cannabis Program Act.
 - (d) All hemp consumer products offered for retail sale shall include the following warnings on the product label or packaging, in a manner that is clear and conspicuous:
 - (1) this product must be kept out of the reach of children and pets;
 - (2) this product is derived from hemp and may contain THC which could result in a failed drug test; except that this warning may be omitted for hemp consumer products that have a certificate of testing analysis demonstrating 0% THC concentration in the finished product;

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1	(3) this product has not been evaluated or approved by
2	the Food and Drug Administration for safety or efficacy;
3	(4) if you are pregnant or nursing you should consult
4	your health care provider before use;
5	(5) for hemp consumer products intended to be inhaled
6	or vaporized, a warning stating that smoking or vaping is
7	hazardous to your health; and
8	(6) any other warning required by the Department.
9	Section 35. Laboratory testing requirements for hemp
10	consumer products.
11	(a) The Department shall approve testing laboratories to
12	be contracted by licensees under this Act for testing of hemp
13	consumer products.
14	(b) All approved testing laboratories shall meet the
15	following minimum requirements:
16	(1) maintain ISO/IEC 17025 accreditation for the
17	premises and for the testing of one or more of the analytes
18	determined by the department;
19	(2) maintain a valid scope of accreditation, issued by
20	an accreditation body, that attests to the laboratory's
21	competence to perform testing of hemp consumer products;
22	(3) maintain method validation reports for all testing
23	performed;

(4) maintain standard operating procedures for the

sampling of hemp consumer products; and

- 1 (5) maintain testing methodologies to ascertain the 2 presence of synthetic cannabinoids, artificially derived 3 cannabinoids, or cannabinoids created through 4 isomerization, including tetrahydrocannabinol created 5 through isomerization.
 - (c) Cannabinoid hemp products shall not be sold within this State if hemp cannabinoid, THC, or other contaminants are detected at levels greater than provided for by this Act or rules or guidance adopted by the Department.
 - (d) Cannabinoid hemp products shall be considered adulterated and shall not be sold within this State if there is the presence of synthetic cannabinoids, artificially derived cannabinoids, or cannabinoids created through isomerization, including tetrahydrocannabinol created through isomerization.
 - (e) The Department may impose additional testing requirements, including, but not limited to, testing for additional analytes, setting stricter contaminant limits, and mandating the use of specific sampling methodologies per lot or batch manufactured.
 - (f) The Department shall make available a list of required analytes, their acceptable limits, and approved testing methods on the Department's website and in any other manner as determined by the Department.
 - (g) The total tetrahydrocannabinol concentration for hemp consumer products shall not exceed the limits established in this Act.

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- (h) If a hemp consumer product fails testing, the processor may elect to reformulate the failing batch to reduce the total tetrahydrocannabinol of the batch to comply with the THC limits established by this Act. If the reformulated batch still exceeds the THC limits, the processor shall destroy the batch.
- 7 (i) If a hemp consumer product is found to contain levels
 8 of any pathogen, toxicant, residual solvent, metal, or
 9 pesticide not enumerated in this Section or by other State
 10 law, then the product shall not be sold in this State.
- Section 40. Advertising requirements. An advertisement for a hemp consumer product, hemp consumer processor, or hemp consumer retailer shall not:
 - (1) include any false or misleading statements, images, or other content, including, but not limited to, any health claims;
 - (2) contain claims that hemp consumption or a hemp consumer product can, or is intended to, diagnose, cure, mitigate, treat, or prevent disease;
 - (3) lead a reasonable consumer to believe that a hemp consumer product is cannabis or medical cannabis, including any product that exceeds the THC limits established under this Act for lawful hemp consumer products, or that a licensee is authorized to sell or dispense cannabis or medical cannabis; or

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L	(4) have the purpose or effect of targeting or being
2	attractive to individuals under 21 years of age. The use
3	of images of children or minors consuming hemp consumer
1	products and the use of words, designs, or brands that
5	resemble products commonly associated with children,
5	minors, or marketed to children or minors, is prohibited.

- Section 45. Lawful transport of industrial hemp, hemp, and hemp materials.
 - (a) Nothing in this Act shall prohibit or interfere with the lawful transport of industrial hemp, hemp materials, or hemp products as authorized by the U.S. Department of Agriculture and the U.S. Food and Drug Administration, and in compliance with other federal law, regulation, or rule, through the State of Illinois for delivery to an out-of-state destination.
 - (b) No person shall transport industrial hemp, hemp, or hemp materials within the State, unless the person is duly authorized under federal law and regulation to transport hemp and possesses a hemp manifest that includes the following information:
 - (1) the name and address of the owner of the hemp;
- 22 (2) the point of origin;
 - (3) the point of delivery, including name and address;
- 24 (4) the kind and quantity of packages or, if in bulk, 25 the total quantity of hemp in the shipment; and

- 1 (5) the date of shipment.
- 2 Section 50. Penalties.
- 3 (a) Licensees under this Act shall comply with all 4 applicable laws, rules, and regulations as it relates to such
- 5 licensure.

- 6 (b) Failure to comply with a requirement of this Act or
 7 rules adopted by the Department may be punishable by a civil
 8 penalty, as follows:
 - (1) a fine of up to \$1,000 for a first violation;
- 10 (2) a fine up to \$5,000 for a second violation within 3
 11 years; or
- 12 (3) a fine of up to \$10,000 for a third violation and 13 each subsequent violation thereafter within a 3-year 14 period.
- 15 If a licensee willfully violates or refuses or 16 neglects to comply with one or more provisions of this Act, the Department may limit, suspend, revoke, or annul a license 17 18 after providing notice and an opportunity for a hearing to the licensee. However, a license may be temporarily limited, 19 20 suspended, revoked, or annulled without a hearing for a period 21 not to exceed 30 days, upon notice to the licensee, following a 22 finding by the Department that the public health, safety, or 23 welfare is in imminent danger.
- 24 (d) A licensee who negligently violates this Act 3 times 25 in a 5-year period shall be ineligible to process or sell

- 1 cannabinoid hemp for a period of 5 years beginning on the date
- 2 of the third violation. The Department may reduce the
- 3 suspension for good cause shown.
- 4 Section 55. Administration and enforcement; rules;
- 5 emergency rules; inspections.
- 6 (a) The Department shall administer and enforce this Act
- 7 and may adopt rules under the Illinois Administrative
- 8 Procedure Act for the purpose of administering and enforcing
- 9 this Act.
- 10 (b) The Department shall develop rules setting forth
- 11 labeling, packaging, and minimum testing requirements of
- 12 cannabinoid products.
- 13 (c) In order to provide for the expeditious and timely
- implementation of the provisions of this Act, the Department
- may adopt emergency rules in accordance with Section 5-45 of
- 16 the Illinois Administrative Procedure Act to the extent
- 17 necessary to administer the Department's responsibilities
- 18 under this Act. The adoption of emergency rules authorized by
- 19 this subsection (c) is deemed to be necessary for the public
- interest, safety, and welfare to regulate consumer safety over
- 21 hemp consumer products.
- 22 (d) The Department of Public Health, local health
- 23 departments, the Illinois State Police, local sheriff's
- 24 departments, municipal police departments, and the Department
- of Revenue may inspect any business that manufactures,

processes, or offers for sale cannabinoid products in the State if a formal complaint is registered with the appropriate agency in order to ensure compliance with this Act. The Department may inspect any business that manufactures, processes, or offers for sale cannabinoid products in the State to ensure compliance with this Act. The Department may enter into interagency agreements to regulate and enforce this Act and any rules or guidance adopted or promulgated.

Section 60. Publishing information. The Department shall make available to the public complaints about hemp consumer products or other cannabinoid products in violation of this Act, information regarding a pending administrative hearing or court case under this Act, or any disciplinary action taken against a cannabinoid product manufacturer, processor, or seller.

Section 65. Temporary restraining order or injunction. The Director, through the Attorney General or any unit of local government, may file a complaint and apply to the circuit court for, and the court upon hearing and for cause shown may grant, a temporary restraining order or a preliminary or permanent injunction restraining any person from violating this Act.

Section 905. The Illinois Administrative Procedure Act is

- 1 amended by adding Section 5-45.55 as follows:
- 2 (5 ILCS 100/5-45.55 new)
- 3 Sec. 5-45.55. Emergency rulemaking; Hemp Consumer Products
- 4 Act. To provide for the expeditious and timely implementation
- 5 of the Hemp Consumer Products Act, emergency rules
- 6 implementing the Hemp Consumer Products Act may be adopted in
- 7 accordance with Section 5-45 by the Department of Agriculture.
- 8 The adoption of emergency rules authorized by Section 5-45 and
- 9 this Section is deemed to be necessary for the public
- interest, safety, and welfare.
- 11 This Section is repealed one year after the effective date
- of this amendatory Act of the 103rd General Assembly.
- 13 Section 907. The Cannabis Regulation and Tax Act is
- 14 amended by changing Sections 1-10, 5-11, 15-155, and 55-35 and
- 15 by adding Sections 15-35.5, 15-35.11, 20-60, and 35-22 as
- 16 follows:
- 17 (410 ILCS 705/1-10)
- 18 Sec. 1-10. Definitions. In this Act:
- 19 "Adult Use Cultivation Center License" means a license
- issued by the Department of Agriculture that permits a person
- 21 to act as a cultivation center under this Act and any
- 22 administrative rule made in furtherance of this Act.
- 23 "Adult Use Dispensing Organization License" means a

- 1 license issued by the Department of Financial and Professional
- 2 Regulation that permits a person to act as a dispensing
- 3 organization under this Act and any administrative rule made
- 4 in furtherance of this Act.
- 5 "Advertise" means to engage in promotional activities
- 6 including, but not limited to: newspaper, radio, Internet and
- 7 electronic media, and television advertising; the distribution
- 8 of fliers and circulars; billboard advertising; and the
- 9 display of window and interior signs. "Advertise" does not
- 10 mean exterior signage displaying only the name of the licensed
- 11 cannabis business establishment.
- 12 "Application points" means the number of points a
- 13 Dispensary Applicant receives on an application for a
- 14 Conditional Adult Use Dispensing Organization License.
- "BLS Region" means a region in Illinois used by the United
- 16 States Bureau of Labor Statistics to gather and categorize
- 17 certain employment and wage data. The 17 such regions in
- 18 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
- 19 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
- 20 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
- 21 Rockford, St. Louis, Springfield, Northwest Illinois
- 22 nonmetropolitan area, West Central Illinois nonmetropolitan
- 23 area, East Central Illinois nonmetropolitan area, and South
- 24 Illinois nonmetropolitan area.
- "By lot" means a randomized method of choosing between 2
- or more Eligible Tied Applicants or 2 or more Qualifying

1 Applicants.

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"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction, including, but not limited to, any structural, optical, or geometric isomers of THC, or any chemical compound that mimics THC; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act. "Cannabis" also means cannabis flower, concentrate, and cannabis-infused products and any product whether derived from natural or synthetic sources with a THC concentration greater than the THC limit set forth in the Hemp Consumer Products Act.

"Cannabis business establishment" means a cultivation

- 1 center, craft grower, processing organization, infuser
- 2 organization, dispensing organization, or transporting
- 3 organization.
- 4 "Cannabis concentrate" means a product derived from
- 5 cannabis that is produced by extracting cannabinoids,
- 6 including tetrahydrocannabinol (THC), from the plant through
- 7 the use of propylene glycol, glycerin, butter, olive oil, or
- 8 other typical cooking fats; water, ice, or dry ice; or butane,
- 9 propane, CO₂, ethanol, or isopropanol and with the intended
- 10 use of smoking or making a cannabis-infused product. The use
- of any other solvent is expressly prohibited unless and until
- it is approved by the Department of Agriculture.
- "Cannabis container" means a sealed or resealable,
- 14 traceable, container, or package used for the purpose of
- 15 containment of cannabis or cannabis-infused product during
- 16 transportation.
- "Cannabis flower" means marijuana, hashish, and other
- 18 substances that are identified as including any parts of the
- 19 plant Cannabis sativa and including derivatives or subspecies,
- 20 such as indica, of all strains of cannabis; including raw
- 21 kief, leaves, and buds, but not resin that has been extracted
- from any part of such plant; nor any compound, manufacture,
- 23 salt, derivative, mixture, or preparation of such plant, its
- seeds, or resin.
- "Cannabis-infused product" means a beverage, food, oil,
- 26 ointment, tincture, topical formulation, or another product

1 containing cannabis or cannabis concentrate that is not 2 intended to be smoked.

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

"Cannabis plant monitoring system" or "plant monitoring system" means a system that includes, but is not limited to, testing and data collection established and maintained by the cultivation center, craft grower, or processing organization and that is available to the Department of Revenue, the Department of Agriculture, the Department of Financial and Professional Regulation, and the Illinois State Police for the purposes of documenting each cannabis plant and monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a customer from seed planting to final packaging.

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

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

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

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

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

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

"Conditional Infuser Organization License" means a

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contingent license awarded to applicants for an Infuser Organization License that reserves the right to an Infuser Organization License if the applicant meets certain conditions described in this Act, but does not entitle the recipient to begin directly incorporating cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.

"Craft grower" facility operated means а by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees

- sharing a vault share more than 50% of the same ownership.
- 2 "Craft grower agent" means a principal officer, board
- 3 member, employee, or other agent of a craft grower who is 21
- 4 years of age or older.
- 5 "Craft Grower Agent Identification Card" means a document
- 6 issued by the Department of Agriculture that identifies a
- 7 person as a craft grower agent.
- 8 "Cultivation center" means a facility operated by an
- 9 organization or business that is licensed by the Department of
- 10 Agriculture to cultivate, process, transport (unless otherwise
- 11 limited by this Act), and perform other necessary activities
- 12 to provide cannabis and cannabis-infused products to cannabis
- 13 business establishments.
- "Cultivation center agent" means a principal officer,
- 15 board member, employee, or other agent of a cultivation center
- who is 21 years of age or older.
- "Cultivation Center Agent Identification Card" means a
- 18 document issued by the Department of Agriculture that
- 19 identifies a person as a cultivation center agent.
- "Currency" means currency and coin of the United States.
- "Dispensary" means a facility operated by a dispensing
- 22 organization at which activities licensed by this Act may
- 23 occur.
- "Dispensary Applicant" means the Proposed Dispensing
- 25 Organization Name as stated on an application for a
- 26 Conditional Adult Use Dispensing Organization License.

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

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

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

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

- (1) meets at least one of the following criteria:
- 26 (A) the area has a poverty rate of at least 20%

according to the latest federal decennial census; or

- (B) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or
- (C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
- (D) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and
- (2) has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

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

1 Act as of January 1, 2020.

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

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

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

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

"Enclosed, locked space" means a closet, room, greenhouse,

- building, or other enclosed area equipped with locks or other security devices that permit access only by authorized individuals under this Act. "Enclosed, locked space" may include:
 - (1) a space within a residential building that (i) is the primary residence of the individual cultivating 5 or fewer cannabis plants that are more than 5 inches tall and (ii) includes sleeping quarters and indoor plumbing. The space must only be accessible by a key or code that is different from any key or code that can be used to access the residential building from the exterior; or
 - (2) a structure, such as a shed or greenhouse, that lies on the same plot of land as a residential building that (i) includes sleeping quarters and indoor plumbing and (ii) is used as a primary residence by the person cultivating 5 or fewer cannabis plants that are more than 5 inches tall, such as a shed or greenhouse. The structure must remain locked when it is unoccupied by people.

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

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

(1) if greater than 2 stigmas are visible at each

internode of the plant; or

- (2) if the cannabis plant is in an area that has been intentionally deprived of light for a period of time intended to produce flower buds and induce maturation, from the moment the light deprivation began through the remainder of the marijuana plant growth cycle.
- "Individual" means a natural person.

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

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

"Labor peace agreement" means an agreement between a cannabis business establishment and any labor organization recognized under the National Labor Relations Act, referred to in this Act as a bona fide labor organization, that prohibits labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the cannabis business establishment. This agreement means that the cannabis business establishment has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the

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cannabis business establishment's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis business establishment's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

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

"Member of an impacted family" means an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this Act, was arrested for, convicted of, or adjudicated

under this Act.

- delinquent for any offense that is eligible for expungement
- 3 "Mother plant" means a cannabis plant that is cultivated
- 4 or maintained for the purpose of generating clones, and that
- 5 will not be used to produce plant material for sale to an
- 6 infuser or dispensing organization.
- 7 "Ordinary public view" means within the sight line with
- 8 normal visual range of a person, unassisted by visual aids,
- 9 from a public street or sidewalk adjacent to real property, or
- 10 from within an adjacent property.
- "Ownership and control" means ownership of at least 51% of
- 12 the business, including corporate stock if a corporation, and
- 13 control over the management and day-to-day operations of the
- 14 business and an interest in the capital, assets, and profits
- and losses of the business proportionate to percentage of
- ownership.
- "Person" means a natural individual, firm, partnership,
- 18 association, joint stock company, joint venture, public or
- 19 private corporation, limited liability company, or a receiver,
- 20 executor, trustee, guardian, or other representative appointed
- 21 by order of any court.
- "Possession limit" means the amount of cannabis under
- 23 Section 10-10 that may be possessed at any one time by a person
- 24 21 years of age or older or who is a registered qualifying
- 25 medical cannabis patient or caregiver under the Compassionate
- Use of Medical Cannabis Program Act.

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

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

"Processing organization" or "processor" means a facility operated by an organization or business that is licensed by the Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product.

"Processing organization agent" means a principal officer,

1 board member, employee, or agent of a processing organization.

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

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

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

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

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

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

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1	(1) a signed lease agreement that includes the
2	applicant's name;
3	(2) a property deed that includes the applicant's
4	name;
5	(3) school records;
6	(4) a voter registration card;
7	(5) an Illinois driver's license, an Illinois
8	Identification Card, or an Illinois Person with a
9	Disability Identification Card;
10	(6) a paycheck stub;
11	(7) a utility bill;
12	(8) tax records; or
13	(9) any other proof of residency or other information
14	necessary to establish residence as provided by rule.
15	"Smoking" means the inhalation of smoke caused by the
16	combustion of cannabis.
17	"Social Equity Applicant" means an applicant that is an
18	Illinois resident that meets one of the following criteria:
19	(1) an applicant with at least 51% ownership and
20	control by one or more individuals who have resided for at
21	least 5 of the preceding 10 years in a Disproportionately
22	Impacted Area;
23	(2) an applicant with at least 51% ownership and

control by one or more individuals who:

(i) have been arrested for, convicted of, or

adjudicated delinquent for any offense that is

eligible for expungement under this Act; or
(ii) is a member of an impacted family;
(3) for applicants with a minimum of 10 full-time
employees, an applicant with at least 51% of current
employees who:
(i) currently reside in a Disproportionately
Impacted Area; or
(ii) have been arrested for, convicted of, or
adjudicated delinquent for any offense that is
eligible for expungement under this Act or member of
an impacted family.
Nothing in this Act shall be construed to preempt or limit
the duties of any employer under the Job Opportunities for
Qualified Applicants Act. Nothing in this Act shall permit an
employer to require an employee to disclose sealed or expunged
offenses, unless otherwise required by law.
"Tetrahydrocannabinol" or "THC" means any naturally
occurring or synthetic tetrahydrocannabinol, including its
salts, isomers, and salts of isomers whenever the existence of
such salts, isomers, and salts of isomers is possible within
the specific chemical designation and any preparation,
mixture, or substance containing, or mixed or infused with,
any detectable amount of tetrahydrocannabinol or
any detectable amount of tetrahydrocannabinol or tetrahydrocannabolic acid, including, but not limited to,

delta-10-tetrahydrocannabinol, tetrahydrocannabolic acid,

- tetrahydrocannabipherol, or hexahydrocannabinol, however

 derived, or any other substance determined to have similar

 intoxicating effects on the mind or body by the Department.

 For the purposes of this definition, "isomer" means the
- optical, position, and geometric isomers.

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

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

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

- of accurately measuring servings.
- 2 "Transporting organization" or "transporter" means an
- 3 organization or business that is licensed by the Department of
- 4 Agriculture to transport cannabis or cannabis-infused product
- 5 on behalf of a cannabis business establishment or a community
- 6 college licensed under the Community College Cannabis
- 7 Vocational Training Pilot Program.
- 8 "Transporting organization agent" means a principal
- 9 officer, board member, employee, or agent of a transporting
- 10 organization.
- "Transporting organization agent identification card"
- means a document issued by the Department of Agriculture that
- identifies a person as a transporting organization agent.
- "Unit of local government" means any county, city,
- village, or incorporated town.
- "Vegetative stage" means the stage of cultivation in which
- 17 a cannabis plant is propagated to produce additional cannabis
- 18 plants or reach a sufficient size for production. This
- 19 includes seedlings, clones, mothers, and other immature
- 20 cannabis plants as follows:
- 21 (1) if the cannabis plant is in an area that has not
- 22 been intentionally deprived of light for a period of time
- intended to produce flower buds and induce maturation, it
- has no more than 2 stigmas visible at each internode of the
- cannabis plant; or
- 26 (2) any cannabis plant that is cultivated solely for

- 1 the purpose of propagating clones and is never used to
- produce cannabis.
- 3 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 4 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 5 5-13-22.)
- 6 (410 ILCS 705/5-11 new)
- 7 Sec. 5-11. Illinois Department of Agriculture policy
- 8 regarding hemp and hemp derivatives in medical and adult use
- 9 cannabis products.
- 10 (a) For purposes of this Section, "industrial hemp" has
- 11 the meaning given to it under the Industrial Hemp Act.
- 12 (b) Cannabis business establishments licensed by the
- 13 Department of Agriculture for cultivation, growing,
- 14 processing, manufacturing, or infusing of medical or adult use
- 15 cannabis products pursuant to this Act or the Compassionate
- 16 Use of Medicinal Cannabis Program Act may use industrial hemp
- 17 as an ingredient in cannabis-infused products offered for sale
- 18 <u>at licensed dispensaries in Illinois. Hemp flower shall not be</u>
- 19 sold to dispensaries.
- 20 (c) All hemp obtained through this policy must be used in
- 21 extracted form and in infused cannabis products only.
- 22 (d) Industrial hemp may be procured from third party
- 23 licensed growers or processors from within the State or any
- other state with a regulated industrial hemp program.
- 25 (e) All hemp and hemp derivatives shall be obtained from a

- 1 <u>licensed or registered hemp grower or processor, regardless of</u>
- 2 the home state of the grower or processor. Cannabis producers
- 3 shall provide a copy of the hemp grower's or processor's
- 4 <u>state-issued license upon demand of the Department of</u>
- 5 Agriculture or the Illinois State Police.
- 6 (f) Any licensed cannabis cultivation center or licensed
- 7 craft grower that intends to use hemp or hemp derivatives must
- 8 apply for, and be issued, a hemp processor's registration
- 9 through the Department of Agriculture. Any licensed infuser
- 10 that intends to use hemp derivatives must apply for, and be
- issued, a hemp processor's registration through the Department
- of Agriculture. The Department of Agriculture shall make
- available an application form on its website.
- 14 (g) Industrial hemp flower and biomass may be purchased
- 15 and extracted by licensed cannabis cultivation centers or
- 16 licensed craft growers.
- 17 (h) Licensed cannabis cultivation centers and licensed
- 18 craft growers may procure or process industrial hemp in the
- 19 form of distillate or isolate. Licensed infusers may procure
- 20 industrial hemp in the form of distillate or isolate. All
- 21 processed hemp derivatives must be accompanied by a
- 22 certificate of analysis showing potency levels for THC, THCa,
- 23 CBD, and CBDa, and any other cannabinoids required by the
- Department by rule or guidance.
- 25 (i) The delta-9 tetrahydrocannabinol contained in the hemp
- 26 and hemp derivatives may not be concentrated above the

- 1 <u>allowable 0.3% threshold.</u>
- 2 (j) Hemp and hemp derivatives may not be used to
- 3 concentrate or to synthesize intoxicating compounds including,
- 4 but not limited to, delta-9 tetrahydrocannabinol or delta-8
- 5 tetrahydrocannabinol, unless permitted by the Department by
- 6 rule, and shall be subject to the recommendations of the
- 7 <u>Intoxicating Hemp-Derived THC Consumer Products Safety</u>
- 8 Committee.
- 9 (k) A representative sample of all final products
- 10 containing <u>industrial hemp or hemp derivatives must undergo</u>
- 11 testing pursuant to the Compassionate Use of Medical Cannabis
- 12 Act and the Cannabis Regulation and Tax Act and any applicable
- 13 administrative rules.
- 14 (1) Final products containing hemp or hemp derivatives are
- 15 subject to the requirements of the Compassionate Use of
- 16 Medical Cannabis Act and the Cannabis Regulation and Tax Act
- and any applicable administrative rules.
- 18 (410 ILCS 705/15-35.5 new)
- 19 Sec. 15-35.5. Intoxicating Hemp-Derived THC Consumer
- 20 Products Safety Committee.
- 21 (a) The General Assembly finds that an Intoxicating
- 22 Hemp-Derived THC Consumer Products Safety Committee is
- 23 necessary to evaluate the public health impacts, product
- 24 formulations, manufacturing standards, and consumer safety
- 25 standards for intoxicating THC products derived or produced

1	from the industrial hemp, and make recommendations to the
2	General Assembly, the Governor, the Attorney General, and
3	State regulatory agencies on a regulatory framework for the
4	manufacture, distribution, and sale of hemp-derived THC
5	consumer products within Illinois.
6	(b) The Committee shall consist of the following members:
7	(1) a member of the Senate, designated by the
8	President of the Senate;
9	(2) a member of the House of Representatives,
10	designated by the Speaker of the House of Representatives;
11	(3) a member of the Senate, designated by the Minority
12	Leader of the Senate;
13	(4) a member of the House of Representative,
14	designated by the Minority Leader of the House of
15	Representatives;
16	(5) the Illinois Cannabis Regulation and Oversight
17	Officer, or a designee;
18	(6) the Director of Agriculture, or a designee;
19	(7) the Secretary of Financial and Professional
20	Regulation, or a designee;
21	(8) the Director of Public Health, or a designee;
22	(9) the Director of Revenue, or a designee;
23	(10) the Attorney General, or a designee;
24	(11) the Director of the Illinois State Police, or a
25	designee;
26	(12) one member who is an attorney with expertise in

1	the regulation of cannabis, appointed by the Director of
2	Agriculture;
3	(13) one member who is an individual with expertise in
4	the processing of cannabis, appointed by the Director of
5	Agriculture;
6	(14) one member who is an individual with expertise in
7	consumer safety over hemp and cannabis product
8	formulations, appointed by the Director of Public Health;
9	(15) one member who is a physician with expertise in
10	the consumer safety impacts of hemp and cannabis product
11	consumption and its effects on the mind and body,
12	appointed by the Director of Public Health;
13	(16) one member who is a laboratory technician or
14	scientist with expertise in the testing and evaluation of
15	cannabis product safety, appointed by the Director of
16	Agriculture;
17	(17) one member who is an individual with expertise in
18	consumer product approvals and requirements under the
19	Food, Drug, and Cosmetic Act (21 U.S.C. 9), appointed by
20	the Director of Public Health;
21	(18) one member who is a school superintendent or
22	principal, appointed by the State Superintendent of
23	Education; and
24	(19) one member who is a college or university
25	representative with expertise in research and development
26	of consumer safety standards and products, appointed by

1 <u>the State Superintendent of Education.</u>

- (c) The Committee shall produce a report on or before January 1, 2025 with recommendations on appropriate consumer safety standards, including product formulations, manufacturing standards, advertising standards, and a comprehensive regulatory framework for the safe manufacture, distribution, and sale of hemp-derived THC products within this State.
- (d) The Department of Agriculture, the Department of Financial and Professional Regulation, the Cannabis Oversight Officer, the Department of Public Health, the Department of State Police, and the Attorney General shall issue a report with any legislative recommendations, if deemed necessary, to the General Assembly on or before March 1, 2025 to establish a regulatory and enforcement framework for hemp-derived THC products to be manufactured, distributed, and sold to consumers within this State.

18 (410 ILCS 705/15-35.11 new)

Sec. 15-35.11. Social Equity Justice Involved Lottery for an Additional 50 New Conditional Adult Use Dispensing Organization Licenses.(a) In addition to any of the licenses issued under this Article, within 10 business days after the resulting final scores for all scored applications pursuant to Section 35-15 are released, the Department shall issue up to 50 Conditional Adult Use Dispensing Organization Licenses by

1	lot, pursuant to the application process adopted under this
2	Section. In order to be eligible to be awarded a Conditional
3	Adult Use Dispensing Organization License by lot, a Dispensary
4	Applicant must be a Qualifying Social Equity Justice Involved
5	Applicant.
6	The licenses issued under this Section shall be awarded on
7	or before July 1, 2025 in each BLS Region in the following
8	amounts:
9	(1) Bloomington: 1.
10	(2) Cape Girardeau: 1.
11	(3) Carbondale-Marion: 1.
12	(4) Champaign-Urbana: 1.
13	(5) Chicago-Naperville-Elgin: 31.
14	(6) Danville: 1.
15	(7) Davenport-Moline-Rock Island: 1.
16	(8) Decatur: 1.
17	(9) Kankakee: 1.
18	(10) Peoria: 2.
19	(11) Rockford: 1.
20	(12) St. Louis: 3.
21	(13) Springfield: 1.
22	(14) Northwest Illinois nonmetropolitan: 1.
23	(15) West Central Illinois nonmetropolitan: 1.
24	(16) East Central Illinois nonmetropolitan: 1.
25	(17) South Illinois nonmetropolitan: 1.
26	(b) The Department shall distribute the available licenses

	established	under	this	Section	sub	ject	to	the	followin	g:
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	(1)	The	draw	ing :	by	lot	for	all	avai	ilal	ole	licer	ises
esta	blis	shed	under	this	Se	ctior	n sha	11 (occur	on	the	same	day
when	pra	actic	able.										

- (2) Within each BLS Region, the first Qualifying Social Equity Justice Involved Applicant drawn will have the first right to an available license. The second Qualifying Social Equity Justice Involved Applicant drawn will have the second right to an available license. The same pattern will continue for each subsequent applicant drawn.
- (3) The process for distributing available licenses under this Section shall be recorded by the Department in a format selected by the Department.
- (4) A Dispensary Applicant is prohibited from becoming a Qualifying Social Equity Justice Involved Applicant if a principal officer resigns after the resulting final scores for all scored applications pursuant to Sections 15-25 and 15-30 are released.
- (5) No Qualifying Social Equity Justice Involved Applicant may be awarded more than 2 Conditional Adult Use Dispensing Organization Licenses at the conclusion of a lottery conducted under this Section.
- (6) No individual may be listed as a principal officer of more than 2 Conditional Adult Use Dispensing Organization Licenses awarded under this Section.

established under this Section, a Qualifying Social Equity

Justice Involved Applicant exceeds the limits under

paragraph (5) or (6), the Qualifying Social Equity Justice

Involved Applicant must choose which license to abandon

and notify the Department in writing within 5 business

days on forms prescribed by the Department. If the

Qualifying Social Equity Justice Involved Applicant does

not notify the Department as required, the Department

shall refuse to issue the Qualifying Social Equity Justice

Involved Applicant all available licenses established

under this Section obtained by lot in all BLS Regions.

established under this Section, a Qualifying Social Equity
Justice Involved Applicant has a principal officer who is
a principal officer in more than 10 Early Approval Adult
Use Dispensing Organization Licenses, Conditional Adult
Use Dispensing Organization Licenses, Adult Use Dispensing
Organization Licenses, or any combination thereof, the
licensees and the Qualifying Social Equity Justice
Involved Applicant listing that principal officer must
choose which license to abandon pursuant to subsection (d)
of Section 15-36 and notify the Department in writing
within 5 business days on forms prescribed by the
Department. If the Dispensary Applicant or licensees do
not notify the Department as required, the Department

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shall refuse to issue the Qualifying Social Equity Justice

2 <u>Involved Applicant all available licenses established</u>

under this Section obtained by lot in all BLS Regions.

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

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

(c) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of the award to identify a physical location for the dispensing organization's retail storefront. The applicant shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization, unless the applicant is a Social Equity Applicant or Social Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20. If an applicant is unable to find a suitable physical address in the opinion of the Department within 180 days from the issuance of the Conditional Adult Use Dispensing Organization License, the Department may extend the period for finding a physical address an additional 540 days if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete

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attempt to secure a location and a hardship. If the Department denies the extension or the Conditional Adult Use Dispensing Organization License holder is unable to find a location or become operational within 720 days of being awarded a Conditional Adult Use Dispensing Organization License under this Section, the Department shall rescind the Conditional Adult Use Dispensing Organization License and award it pursuant to subsection (b) and notify the new awardee at the email address provided in the awardee's application, provided the applicant receiving the Conditional Adult Use Dispensing Organization License: (i) confirms a continued interest in operating a dispensing organization; (ii) can provide evidence that the applicant continues to meet all requirements for holding a Conditional Adult Use Dispensing Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Adult Use Dispensing Organization License. If the new awardee is unable to accept the Conditional Adult Use Dispensing Organization License, the Department shall award the Conditional Adult Use Dispensing Organization License pursuant to subsection (b). The new awardee shall be subject to the same required deadlines as provided in this subsection. (d) If, within 180 days of being awarded a Conditional Adult Use Dispensing Organization License, a dispensing organization is unable to find a location within the BLS

Region in which it was awarded a Conditional Adult Use

Dispensing Organization License under this Section because no jurisdiction within the BLS Region allows for the operation of an Adult Use Dispensing Organization, the Department may authorize the Conditional Adult Use Dispensing Organization License holder to transfer its Conditional Adult Use Dispensing Organization License to a BLS Region specified by the Department.

- (e) A dispensing organization that is awarded a Conditional Adult Use Dispensing Organization License under this Section shall not purchase, possess, sell, or dispense cannabis or cannabis-infused products until the dispensing organization has received an Adult Use Dispensing Organization License issued by the Department pursuant to Section 15-36.
- (f) The Department shall conduct a background check of the prospective dispensing organization agents in order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal history record check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the record check.

 Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Illinois State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed with the Illinois State Police and the Federal Bureau of Investigation criminal history records databases.

1	<u>The Illinoi</u>	s State	Police	shall	furnish,	following	posi [·]	tive
2	identificat	ion, all	Illino	ois co	nviction	information	ı to	the
3	Department.							

- (g) The Department may verify information contained in each application and accompanying documentation to assess the applicant's veracity and fitness to operate a dispensing organization.
- 8 (h) The Department may, in its discretion, refuse to issue
 9 an authorization to an applicant who meets any of the
 10 following criteria:
 - (1) An applicant who is unqualified to perform the duties required of the applicant.
 - (2) An applicant who fails to disclose or states falsely any information called for in the application.
 - (3) An applicant who has been found quilty of a violation of this Act, who has had any disciplinary order entered against the applicant by the Department, who has entered into a disciplinary or nondisciplinary agreement with the Department, whose medical cannabis dispensing organization, medical cannabis cultivation organization, Early Approval Adult Use Dispensing Organization License, Early Approval Adult Use Dispensing Organization License at a secondary site, Early Approval Cultivation Center License, Conditional Adult Use Dispensing Organization License was suspended, restricted, revoked, or denied for just cause,

1	or	whose	cannabis	bus	siness	est	abl	ishment	li	cense	e was
2	sus	pended,	restricte	ed,	revoke	d,	or	denied	in	any	other
3	sta	te.									

- (4) An applicant who has engaged in a pattern or practice of unfair or illegal practices, methods, or activities in the conduct of owning a cannabis business establishment or other business.
- 9 officer, board member, or person having a financial or voting
 10 interest of 5% or greater in the licensee is delinquent in
 11 filing any required tax return or paying any amount owed to the
 12 State of Illinois.
 - (j) The Department shall verify an applicant's compliance with the requirements of this Article and rules adopted under this Article before issuing a Conditional Adult Use Dispensing Organization License.
 - (k) If an applicant is awarded a Conditional Adult Use Dispensing Organization License under this Section, the information and plans provided in the application, including any plans submitted for bonus points, shall become a condition of the Conditional Adult Use Dispensing Organization License and any Adult Use Dispensing Organization License issued to the holder of the Conditional Adult Use Dispensing Organization License, except as otherwise provided by this Act or by rule. Dispensing organizations have a duty to disclose any material changes to the application. The Department shall

- review all material changes disclosed by the dispensing 1 2 organization and may reevaluate its prior decision regarding 3 the awarding of a Conditional Adult Use Dispensing Organization License, including, but not limited to, 4 5 suspending or permanently revoking a Conditional Adult Use Dispensing Organization License. Failure to comply with the 6 7 conditions or requirements in the application may subject the dispensing organization to discipline up to and including 8 9 suspension or permanent revocation of its authorization or 10 Conditional Adult Use Dispensing Organization License by the 11 Department.
- 12 (1) If an applicant has not begun operating as a 13 dispensing organization within one year after the issuance of 14 the Conditional Adult Use Dispensing Organization License under this Section, the Department may permanently revoke the 15 16 Conditional Adult Use Dispensing Organization License and 17 award it to the next highest scoring applicant in the BLS Region if a suitable applicant indicates a continued interest 18 19 in the Conditional Adult Use Dispensing Organization License 20 or may begin a new selection process to award a Conditional 21 Adult Use Dispensing Organization License.
- 22 (410 ILCS 705/15-155)
- 23 Sec. 15-155. Unlicensed practice; violation; civil penalty.
- 25 (a) In addition to any other penalty provided by law, any

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person who practices, offers to practice, attempts to 1 2 practice, or holds oneself out to practice as a licensed 3 dispensing organization owner, principal officer, 4 agent-in-charge, or agent, cultivates, processes, distributes, sells, or offers for sale cannabis, cannabis-infused products, 5 6 cannabis concentrates, or cannabis flower without being 7 licensed under this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Department 8 9 of Financial and Professional Regulation in an amount not to 10 exceed \$10,000 for each offense as determined by the 11 Department. Each day a person engages in unlicensed practice 12 in violation of the provisions of this Section constitutes a 13 separate offense. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the 14 15 provisions set forth in this Act regarding the provision of a 16 hearing for the discipline of a licensee.

- (b) The Department, the Attorney General, any State or local law enforcement agency, or any State's Attorney has the authority and power to investigate any and all unlicensed activity.
- 21 (b-5) Whenever a person is convicted of unlicensed 22 activity under this Act or the Compassionate Use of Medical 23 Cannabis Act, it shall be the duty of the clerk of the court in 24 which the conviction is had, within 5 days after the 25 conviction, to forward to the Secretary of Financial and 26 Professional Regulation a report of the conviction, and the

court may recommend the suspension of any licenses awarded to
the convicted person under this Act, the Compassionate Use of
Medical Cannabis Act, or the Hemp Consumers Products Act.

(b-10) Whenever a person is convicted, for a third or subsequent violation in a 3-year period, of unlicensed activity under this Act or the Compassionate Use of Medical Cannabis Act, the judge of the court in which the conviction is had shall require the immediate surrender to the clerk of the court of all licenses or conditional licenses awarded to the convicted person under this Act, the Compassionate Use of Medical Cannabis Act, or the Hemp Consumers Products Act, and the clerk of the court shall, within 5 days after the conviction, forward the surrendered licenses, together with a report of the conviction, to the Secretary of Financial and Professional Regulation.

- (c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty or in accordance with the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of this State.
- (d) A violation of subsection (a) is an unlawful practice under Section 2Z of the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General under that Act shall be available for the enforcement of this Act.

- 1 (e) Nothing in this Section shall prohibit a unit of local
- 2 government from enacting a local law or ordinance to carry out
- 3 <u>enforcement activities and assess civil penalties against</u>
- 4 unlicensed cannabis sales.
- 5 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 6 (410 ILCS 705/20-60 new)
- 7 <u>Sec. 20-60. Unlicensed practice; violation; civil penalty.</u>
- 8 (a) In addition to any other penalty provided by law, any
- 9 person who practices, offers to practice, attempts to
- 10 practice, or holds oneself out to practice as a licensed
- 11 <u>cultivation center, infuser, or craft grower owner, principal</u>
- 12 officer, agent-in-charge, or agent or who cultivates,
- processes, distributes, sells, or offers for sale cannabis,
- cannabis-infused products, cannabis concentrates, or cannabis
- 15 flower without being licensed under this Act shall, in
- addition to any other penalty provided by law, pay a civil
- 17 penalty to the Department of Agriculture in an amount not to
- 18 exceed \$10,000 for each offense. Each day any person engages
- in unlicensed practice in violation of the provisions of this
- 20 Section constitutes a separate offense. The civil penalty
- 21 shall be assessed by the Department after a hearing is held in
- 22 accordance with the provisions set forth in this Act regarding
- 23 hearings for the discipline of a licensee.
- 24 (b) The Department, the Attorney General, any State or
- local law enforcement agency, or any State's Attorney has the

1 authority and power to investigate any and all unlicensed
2 activity.

(b-5) Whenever a person is convicted of unlicensed activity under this Act, or the Compassionate Use of Medical Cannabis Act, it shall be the duty of the clerk of the court in which the conviction is had, within 5 days after the conviction, to forward to the Director of Agriculture a report of the conviction, and the court may recommend the suspension of any licenses awarded to the convicted person under this Act, the Compassionate Use of Medical Cannabis Act, or the Hemp Consumers Products Act.

(b-10) Whenever a person is convicted, for a third subsequent violation in a 3 -year period, of unlicensed activity under this Act, or the Compassionate Use of Medical Cannabis Act, the judge of the court in which the conviction is had shall require the surrender to the clerk of the court of all licenses or conditional license awarded to the convicted person under this Act, the Compassionate Use of Medical Cannabis Act, or the Hemp Consumers Products Act, and the clerk of the court shall, within 5 days after the conviction, forward the surrendered licenses, together with a report of the conviction, to the Director of Agriculture.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty or in accordance with the order imposing the civil penalty. The order shall constitute a judgment and may be filed and

- 1 execution had thereon in the same manner as any judgment from
- 2 any court of this State.
- 3 (d) In addition to any other remedies or penalties
- 4 provided by law, upon a third or subsequent revocation or
- 5 suspension of a license, a unit of local government may
- 6 suspend or revoke any locally established licenses held by the
- 7 person, and prohibit the person from further operations and
- 8 seize any cannabis or THC product.
- 9 (410 ILCS 705/35-22 new)
- 10 Sec. 35-22. Social Equity Justice Involved Lottery for 50
- 11 New Conditional Infuser Organization Licenses.
- 12 (a) In addition to any of the licenses issued under this
- 13 Article, within 10 business days after the resulting final
- scores for all scored applications pursuant to Section 35-15
- are released, the Department shall issue up to 50 Conditional
- 16 Infuser Organization Licenses by lot, pursuant to the
- application process adopted under this Section. In order to be
- 18 eligible to be awarded a Conditional Infuser Organization
- 19 License by lot, an Infuser Applicant must be a Qualifying
- 20 Social Equity Justice Involved Applicant.
- The licenses issued under this Section shall be awarded on
- or before July 1, 2025 in each BLS Region in the following
- amounts:
- 24 (1) Bloomington: 1.
- 25 (2) Cape Girardeau: 1.

1	(3) Carbondale-Marion: 1.
2	(4) Champaign-Urbana: 1.
3	(5) Chicago-Naperville-Elgin: 31.
4	(6) Danville: 1.
5	(7) Davenport-Moline-Rock Island: 1.
6	(8) Decatur: 1.
7	(9) Kankakee: 1.
8	(10) Peoria: 2.
9	(11) Rockford: 1.
10	(12) St. Louis: 3.
11	(13) Springfield: 1.
12	(14) Northwest Illinois nonmetropolitan: 1.
13	(15) West Central Illinois nonmetropolitan: 1.
14	(16) East Central Illinois nonmetropolitan: 1.
15	(17) South Illinois nonmetropolitan: 1.
16	(b) The Department shall distribute the available licenses
17	established under this Section subject to the following:
18	(1) The drawing by lot for all available licenses
19	established under this Section shall occur on the same day
20	when practicable.
21	(2) Within each BLS Region, the first Qualifying
22	Social Equity Justice Involved Applicant drawn will have
23	the first right to an available license. The second
24	Qualifying Social Equity Justice Involved Applicant drawn
25	will have the second right to an available license. The
26	same pattern will continue for each subsequent applicant

drawn.

- (3) The process for distributing available licenses under this Section shall be recorded by the Department in a format selected by the Department.
- (4) An Infuser Applicant is prohibited from becoming a Qualifying Social Equity Justice Involved Applicant if a principal officer resigns after the resulting final scores for all scored applications pursuant to Sections 35-15 are released.
- (5) No Qualifying Social Equity Justice Involved Applicant may be awarded more than 2 Conditional Infuser Organization Licenses at the conclusion of a lottery conducted under this Section.
- (6) No individual may be listed as a principal officer of more than 2 Conditional Infuser Organization Licenses awarded under this Section.
- established under this Section, a Qualifying Social Equity

 Justice Involved Applicant exceeds the limits under

 paragraph (5) or (6), the Qualifying Social Equity Justice

 Involved Applicant must choose which license to abandon

 and notify the Department in writing within 5 business

 days on forms prescribed by the Department. If the

 Qualifying Social Equity Justice Involved Applicant does

 not notify the Department as required, the Department

 shall refuse to issue the Qualifying Social Equity Justice

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

- (8) If, upon being selected for an available license established under this Section, a Qualifying Social Equity Justice Involved Applicant has a principal officer who is a principal officer in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof, the licensees and the Qualifying Social Equity Justice Involved Applicant listing that principal officer must choose which license to abandon and notify the Department in writing within 5 business days on forms prescribed by the Department. If the Infuser Applicant or licensees do not notify the Department as required, the Department shall refuse to issue the Qualifying Social Equity Justice Involved Applicant all available licenses established under this Section obtained by lot in all BLS Regions.
- (9) All available licenses that have been abandoned under paragraph (7) or (8) shall be distributed to the next Qualifying Social Equity Justice Involved Applicant drawn by lot.
- Any and all rights conferred or obtained under this subsection shall be limited to the provisions of this subsection.
 - (c) An applicant who receives a Conditional Infuser

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Organization License under this Section has 180 days from the date of the award to identify a physical location for the infuser organization's activities. The applicant shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization, unless the applicant is a Social Equity Applicant or Social Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20. If an applicant is unable to find a suitable physical address in the opinion of the Department within 180 days from the issuance of the Conditional Infuser Organization License, the Department may extend the period for finding a physical address an additional 540 days if the Conditional Infuser Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Department denies the extension or the Conditional Infuser Organization License holder is unable to find a location or become operational within 720 days of being awarded a Conditional Infuser Organization License under this Section, the Department shall rescind the Conditional Infuser Organization License and award it pursuant to subsection (b) and notify the new awardee at the email address provided in the awardee's application, provided the applicant receiving the Conditional Infuser Organization License: (i) confirms a continued interest in operating an infuser organization; (ii) can provide evidence that the applicant continues to meet all

requirements for holding a Conditional Infuser Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Infuser Organization License. If the new awardee is unable to accept the Conditional Infuser Organization License, the Department shall award the Conditional Infuser Organization License pursuant to subsection (b). The new awardee shall be subject to the same required deadlines as provided in this subsection.

- (d) If, within 180 days of being awarded a Conditional Infuser Organization License, a dispensing organization is unable to find a location within the BLS Region in which it was awarded a Conditional Infuser Organization License under this Section because no jurisdiction within the BLS Region allows for the operation of an Infuser Organization, the Department may authorize the Conditional Infuser Organization License holder to transfer its Conditional Infuser Organization License License to a BLS Region specified by the Department.
- (e) An infuser organization that is awarded a Conditional Infuser Organization License under this Section shall not directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product until the infuser organization has received an Infuser Organization License issued by the Department pursuant to Section 35-15.
- (f) The Department shall conduct a background check of the prospective dispensing organization agents in order to carry

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

- (q) The Department may verify information contained in each application and accompanying documentation to assess the applicant's veracity and fitness to operate a dispensing organization.
- (h) The Department may, in its discretion, refuse to issue an authorization to an applicant who meets any of the following criteria:
- 22 <u>(1) An applicant who is unqualified to perform the</u>
 23 <u>duties required of the applicant.</u>
- 24 (2) An applicant who fails to disclose or states 25 falsely any information called for in the application.
- 26 (3) An applicant who has been found guilty of a

violation of this Act, who has had any disciplinary order entered against the applicant by the Department, who has entered into a disciplinary or nondisciplinary agreement with the Department, whose medical cannabis dispensing organization, medical cannabis cultivation organization, Early Approval Adult Use Dispensing Organization License, Early Approval Adult Use Dispensing Organization License at a secondary site, Early Approval Cultivation Center License, Conditional Adult Use Dispensing Organization License was suspended, restricted, revoked, or denied for just cause, or whose cannabis business establishment license was suspended, restricted, revoked, or denied in any other state.

- (4) An applicant who has engaged in a pattern or practice of unfair or illegal practices, methods, or activities in the conduct of owning a cannabis business establishment or other business.
- (i) The Department shall deny the license if any principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee is delinquent in filing any required tax return or paying any amount owed to the State of Illinois.
- (j) The Department shall verify an applicant's compliance with the requirements of this Article and rules adopted under this Article before issuing a Conditional Infuser Organization

1 <u>License.</u>

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(k) If an applicant is awarded a Conditional Infuser Organization License under this Section, the information and plans provided in the application, including any plans submitted for bonus points, shall become a condition of the Conditional Infuser Organization License and any Infuser Organization License issued to the holder of the Conditional Infuser Organization License, except as otherwise provided by this Act or by rule. Dispensing organizations have a duty to disclose any material changes to the application. The Department shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision regarding the awarding of a Conditional Infuser Organization License, including, but not limited to, suspending or permanently revoking a Conditional Infuser Organization License. Failure to comply with the conditions or requirements in the application may subject the dispensing organization to discipline up to and including suspension or permanent revocation of its authorization or Conditional Infuser Organization License by the Department. (1) If an applicant has not begun operating as a dispensing organization within one year after the issuance of the Conditional Infuser Organization License under this Section, the Department may permanently revoke the Conditional Infuser Organization License and award it to the next highest

scoring applicant in the BLS Region if a suitable applicant

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- 1 <u>indicates a continued interest in the Conditional Infuser</u>
- 2 Organization License or may begin a new selection process to
- 3 <u>award a Conditional Infuser Organization License.</u>
- 4 (410 ILCS 705/55-35)
- 5 Sec. 55-35. Administrative rulemaking.
- 6 (a) No later than 180 days after the effective date of this 7 Act, the Department of Agriculture, the Illinois State Police, the Department of Financial and Professional Regulation, the 8 9 Department of Revenue, the Department of Commerce and Economic 10 Opportunity, and the Treasurer's Office shall adopt permanent 11 rules in accordance with their responsibilities under this 12 Act. The Department of Agriculture, the Illinois State Police, the Department of Financial and Professional Regulation, the 1.3 14 Department of Revenue, and the Department of Commerce and 15 Economic Opportunity may adopt rules necessary to regulate 16 personal cannabis use through the use of emergency rulemaking in accordance with subsection (gg) of Section 5-45 of the 17 Illinois Administrative Procedure Act. The General Assembly 18 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.
 - (b) The Department of Agriculture rules may address, but are not limited to, the following matters related to cultivation centers, craft growers, infuser organizations, and transporting organizations with the goal of protecting against

- diversion and theft, without imposing an undue burden on the cultivation centers, craft growers, infuser organizations, or transporting organizations:
 - (1) oversight requirements for cultivation centers, craft growers, infuser organizations, and transporting organizations;
 - (2) recordkeeping requirements for cultivation centers, craft growers, infuser organizations, and transporting organizations;
 - (3) security requirements for cultivation centers, craft growers, infuser organizations, and transporting organizations, which shall include that each cultivation center, craft grower, infuser organization, and transporting organization location must be protected by a fully operational security alarm system;
 - (4) standards for enclosed, locked facilities under this Act;
 - (5) procedures for suspending or revoking the identification cards of agents of cultivation centers, craft growers, infuser organizations, and transporting organizations that commit violations of this Act or the rules adopted under this Section;
 - (6) rules concerning the intrastate transportation of cannabis from a cultivation center, craft grower, infuser organization, and transporting organization to a dispensing organization;

1	(7) standards concerning the testing, quality,
2	cultivation, and processing of cannabis; and
3	(7.5) standards and rules for the investigation and
4	enforcement of unregulated and unlicensed sale of cannabis
5	and cannabis products; and
6	(8) any other matters under oversight by the
7	Department of Agriculture as are necessary for the fair,
8	impartial, stringent, and comprehensive administration of
9	this Act.
10	(b-5) Notwithstanding any standards and rules developed
11	under paragraph (7.5) of subsection (b) of this Section, the
12	Department of Agriculture shall update through official
13	guidance and publish publicly on its website the cannabinoids
14	that it deems tetrahydrocannabinol or THC on or before January
15	1 and July 1 of each calendar year.
16	(c) The Department of Financial and Professional
17	Regulation rules may address, but are not limited to, the
18	following matters related to dispensing organizations, with
19	the goal of protecting against diversion and theft, without
20	imposing an undue burden on the dispensing organizations:
21	(1) oversight requirements for dispensing
22	organizations;
23	(2) recordkeeping requirements for dispensing
24	organizations;
25	(3) security requirements for dispensing

organizations, which shall include that each dispensing

1	organization	location	must	be	protected	bу	а	fully
2	operational se	ecurity ala	arm sys	stem;				

- (4) procedures for suspending or revoking the licenses of dispensing organization agents that commit violations of this Act or the rules adopted under this Act;
- (4.5) standards and rules for the investigation and enforcement of unregulated and unlicensed sale of cannabis and cannabis products; and
- (5) any other matters under oversight by the Department of Financial and Professional Regulation that are necessary for the fair, impartial, stringent, and comprehensive administration of this Act.
- (d) The Department of Revenue rules may address, but are not limited to, the following matters related to the payment of taxes by cannabis business establishments:
 - (1) recording of sales;
 - (2) documentation of taxable income and expenses;
 - (3) transfer of funds for the payment of taxes; or
- 19 (4) any other matter under the oversight of the 20 Department of Revenue.
 - (e) The Department of Commerce and Economic Opportunity rules may address, but are not limited to, a loan program or grant program to assist Social Equity Applicants access the capital needed to start a cannabis business establishment. The names of recipients and the amounts of any moneys received through a loan program or grant program shall be a public

- 1 record.
- 2 (f) The Illinois State Police rules may address
- 3 enforcement of its authority under this Act. The Illinois
- 4 State Police shall not make rules that infringe on the
- 5 exclusive authority of the Department of Financial and
- 6 Professional Regulation or the Department of Agriculture over
- 7 licensees under this Act.
- 8 (g) The Department of Human Services shall develop and
- 9 disseminate:
- 10 (1) educational information about the health risks
- 11 associated with the use of cannabis; and
- 12 (2) one or more public education campaigns in
- 13 coordination with local health departments and community
- organizations, including one or more prevention campaigns
- directed at children, adolescents, parents, and pregnant
- or breastfeeding women, to inform them of the potential
- 17 health risks associated with intentional or unintentional
- 18 cannabis use.
- 19 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 20 102-538, eff. 8-20-21.)
- 21 Section 910. The Industrial Hemp Act is amended by
- 22 changing Sections 5 and 20 as follows:
- 23 (505 ILCS 89/5)
- 24 Sec. 5. Definitions. In this Act:

- 1 "Department" means the Department of Agriculture.
- 2 "Director" means the Director of Agriculture.
- "Hemp" or "industrial hemp" means the plant Cannabis
 sativa L. and any part of that plant, whether growing or not,
 with a delta-9 tetrahydrocannabinol concentration of not more
 than 0.3 percent on a dry weight basis and includes any
 intermediate or finished product made or derived from
 industrial hemp that is not intended for human or animal
- 9 consumption by any means.
- "Hemp production plan" means a plan submitted by the
 Department to the Secretary of the United States Department of
 Agriculture pursuant to the federal Agriculture Improvement
 Act of 2018, Public Law 115-334, and consistent with the
 Domestic Hemp Production Program pursuant to 7 CFR Part 990
 wherein the Department establishes its desire to have primary
 regulatory authority over the production of hemp.
- "Land area" means a farm as defined in Section 1-60 of the Property Tax Code in this State or land or facilities under the control of an institution of higher education.
- "Person" means any individual, partnership, firm, corporation, company, society, association, the State or any department, agency, or subdivision thereof, or any other entity.
- "Process" means the conversion of raw industrial hemp plant material into a form that is presently legal to import from outside the United States under federal law.

- 1 "THC" means delta-9 tetrahydrocannabinol.
- 2 (Source: P.A. 102-690, eff. 12-17-21.)
- 3 (505 ILCS 89/20)
- 4 Sec. 20. Hemp products. Nothing in this Act shall alter
- 5 the legality of industrial hemp or hemp products not intended
- for human or animal consumption that are presently legal to
- 7 possess or own. The manufacture, sale, and advertisement of
- 8 all hemp or hemp products that are intended for human or animal
- 9 consumption by any means are regulated under the Hemp Consumer
- 10 Products Act hemp or hemp products that are presently legal to
- 11 possess or own.
- 12 (Source: P.A. 100-1091, eff. 8-26-18.)
- 13 Section 915. The Consumer Fraud and Deceptive Business
- 14 Practices Act is amended by changing Section 2Z as follows:
- 15 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)
- 16 Sec. 2Z. Violations of other Acts. Any person who
- 17 knowingly violates the Automotive Repair Act, the Automotive
- 18 Collision Repair Act, the Home Repair and Remodeling Act, the
- 19 Dance Studio Act, the Physical Fitness Services Act, the
- 20 Hearing Instrument Consumer Protection Act, the Illinois Union
- 21 Label Act, the Installment Sales Contract Act, the Job
- 22 Referral and Job Listing Services Consumer Protection Act, the
- 23 Travel Promotion Consumer Protection Act, the Credit Services

Organizations Act, the Automatic Telephone Dialers Act, the 1 2 Pay-Per-Call Services Consumer Protection Act, the Telephone 3 Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Oversight Act, the Cemetery Care Act, the Safe 5 and Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales 6 Act, the High Risk Home Loan Act, the Payday Loan Reform Act, 7 the Predatory Loan Prevention Act, the Mortgage Rescue Fraud 8 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax 9 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use 10 Tax Act, the Electronic Mail Act, the Internet Caller 11 Identification Act, paragraph (6) of subsection (k) of Section 12 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois 13 14 Vehicle Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, the 15 16 Reverse Mortgage Act, Section 25 of the Youth Mental Health 17 Protection Act, the Personal Information Protection Act, or the Student Online Personal Protection Act, or subsection (a) 18 19 of Section 15-155 of the Cannabis Regulation and Tax Act 20 commits an unlawful practice within the meaning of this Act. (Source: P.A. 100-315, eff. 8-24-17; 100-416, eff. 1-1-18; 21 22 100-863, eff. 8-14-18; 101-658, eff. 3-23-21.)

23 Section 999. Effective date. This Act takes effect upon 24 becoming law.