

THE CANNABIS REGULATION AND TAX ACT

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House Bill 1438
Public Act 101-27

600 + Pages

Two distinct portions of the bill

1. The new CRTA, and
2. The Amendatory provisions

The new CRTA

410 ILCS 705

The new CRTA

410 ILCS 705

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The Amendatory provisions

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Definintions

"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; 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 concentrate and cannabis-infused products.

"Cannabis concentrate" means a product derived from cannabis that is produced by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter, olive oil or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO₂, ethanol, or isopropanol. The use of any other solvent is expressly prohibited unless and until it is approved by the Department of Agriculture.

"Cannabis flower" 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; including raw kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

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

The Amendatory provisions

720 ILCS 550/4
720 ILCS 550/5
720 ILCS 550/5.1
720 ILCS 550/5.3
720 ILCS 550/8

The Amendatory provisions

720 ILCS 550/4 Possession of Cannabis

720 ILCS 550/4 - Possession

It is unlawful for any person knowingly to possess cannabis. Any person who violates this Section with respect to:

(a) not more than 10 grams of any substance containing cannabis is guilty of a civil law violation punishable by a minimum fine of \$100 and a maximum fine of \$200. The proceeds of the fine shall be payable to the clerk of the circuit court. Within 30 days after the deposit of the fine, the clerk shall distribute the proceeds of the fine as follows:

(1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;

(2) \$15 to the county to fund drug addiction services;

(3) \$10 to the Office of the State's Attorneys Appellate Prosecutor for use in training programs;

(4) \$10 to the State's Attorney; and

(5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.

With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund. With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund;

(b) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class B misdemeanor;

(c) more than 30 grams but not more than 100 grams of any substance containing cannabis is guilty of a Class A misdemeanor; provided, that if any offense under this subsection (c) is a subsequent offense, the offender shall be guilty of a Class 4 felony;

(d) more than 100 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 4 felony; provided that if any offense under this subsection (d) is a subsequent offense, the offender shall be guilty of a Class 3 felony;

(e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 3 felony;

(f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 2 felony;

(g) more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony.

720 ILCS 550/4 - Possession

Except as otherwise provided in the Cannabis Regulation and Tax Act, it is unlawful for any person knowingly to possess cannabis. Any person who violates this Section with respect to:

- (a) not more than 10 grams of any substance containing cannabis is guilty of a civil law violation punishable by a minimum fine of \$100 and a maximum fine of \$200. The proceeds of the fine shall be payable to the clerk of the circuit court. Within 30 days after the deposit of the fine, the clerk shall distribute the proceeds of the fine as follows:
 - (1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;
 - (2) \$15 to the county to fund drug addiction services;
 - (3) \$10 to the Office of the State's Attorneys Appellate Prosecutor for use in training programs;
 - (4) \$10 to the State's Attorney; and
 - (5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.
 With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund. With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund;
- (b) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class B misdemeanor;
- (c) more than 30 grams but not more than 100 grams of any substance containing cannabis is guilty of a Class A misdemeanor; provided, that if any offense under this subsection (c) is a subsequent offense, the offender shall be guilty of a Class 4 felony;
- (d) more than 100 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 4 felony; provided that if any offense under this subsection (d) is a subsequent offense, the offender shall be guilty of a Class 3 felony;
- (e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 3 felony;
- (f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 2 felony;
- (g) more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony.

The Amendatory provisions

720 ILCS 550/5 Delivery, Possession with Intent

720 ILCS 550/5 - Delivery, Possession with Intent

It is unlawful for any person knowingly to manufacture, deliver, or possess with intent to deliver, or manufacture, cannabis. Any person who violates this Section with respect to:

- (a) not more than 2.5 grams of any substance containing cannabis is guilty of a Class B misdemeanor;
- (b) more than 2.5 grams but not more than 10 grams of any substance containing cannabis is guilty of a Class A misdemeanor;
- (c) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class 4 felony;
- (d) more than 30 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 3 felony for which a fine not to exceed \$50,000 may be imposed;
- (e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 2 felony for which a fine not to exceed \$100,000 may be imposed;
- (f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony for which a fine not to exceed \$150,000 may be imposed;
- (g) more than 5,000 grams of any substance containing cannabis is guilty of a Class X felony for which a fine not to exceed \$200,000 may be imposed.

720 ILCS 550/5 - Delivery, Possession with Intent

Except as otherwise provided in the Cannabis Regulation and Tax Act, it is unlawful for any person knowingly to manufacture, deliver, or possess with intent to deliver, or manufacture, cannabis. Any person who violates this Section with respect to:

- (a) not more than 2.5 grams of any substance containing cannabis is guilty of a Class B misdemeanor;
- (b) more than 2.5 grams but not more than 10 grams of any substance containing cannabis is guilty of a Class A misdemeanor;
- (c) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class 4 felony;
- (d) more than 30 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 3 felony for which a fine not to exceed \$50,000 may be imposed;
- (e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 2 felony for which a fine not to exceed \$100,000 may be imposed;
- (f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony for which a fine not to exceed \$150,000 may be imposed;
- (g) more than 5,000 grams of any substance containing cannabis is guilty of a Class X felony for which a fine not to exceed \$200,000 may be imposed.

The Amendatory provisions

720 ILCS 550/5.1 Cannabis Trafficking

720 ILCS 550/5.1- Cannabis Trafficking

Cannabis Trafficking.

(a) Except for purposes authorized by this Act or the Cannabis Regulation and Tax Act, any person who knowingly brings or causes to be brought into this State for the purpose of manufacture or delivery or with the intent to manufacture or deliver 2,500 grams or more of cannabis in this State or any other state or country is guilty of cannabis trafficking.

(b) A person convicted of cannabis trafficking shall be sentenced to a term of imprisonment not less than twice the minimum term and fined an amount as authorized by subsection (f) or (g) of Section 5 of this Act, based upon the amount of cannabis brought or caused to be brought into this State, and not more than twice the maximum term of imprisonment and fined twice the amount as authorized by subsection (f) or (g) of Section 5 of this Act, based upon the amount of cannabis brought or caused to be brought into this State.

The Amendatory provisions

720 ILCS 550/5.3

Unlawful use of cannabis-based product manufacturing equipment

720 ILCS 550/5.3

Unlawful use of cannabis-based product manufacturing equipment

(a) A person commits unlawful use of cannabis-based product manufacturing equipment when he or she knowingly engages in the possession, procurement, transportation, storage, or delivery of any equipment used in the manufacturing of any cannabis-based product using volatile or explosive gas, including, but not limited to, canisters of butane gas, with the intent to manufacture, compound, covert, produce, derive, process, or prepare either directly or indirectly any cannabis-based product.

(b) This Section does not apply to a cultivation center or cultivation center agent that prepares medical cannabis or cannabis-infused products in compliance with the Compassionate Use of Medical Cannabis Pilot Program Act and Department of Public Health and Department of Agriculture rules.

(c) Sentence. A person who violates this Section is guilty of a Class 2 felony.

(d) This Section does not apply to craft growers, cultivation centers, and infuser organizations licensed under the Cannabis Regulation and Tax Act.

(e) This Section does not apply to manufacturers of cannabis-based product manufacturing equipment or transporting organizations with documentation identifying the seller and purchaser of the equipment if the seller or purchaser is a craft grower, cultivation center, or infuser organization licensed under the Cannabis Regulation and Tax Act.

The Amendatory provisions

720 ILCS 550/8 Possession of Cannabis Plants

720 ILCS 550/8 - Possession of Cannabis Plants

Except as otherwise provided in the Cannabis Regulation and Tax Act, it is unlawful for any person knowingly to produce the Cannabis sativa plant or to possess such plants unless production or possession has been authorized pursuant to the provisions of Section 11 or 15.2 of the Act. Any person who violates this

Section with respect to production or possession of:

(a) Not more than 5 plants is guilty of a civil violation punishable by a minimum fine of \$100 and a maximum fine of \$200. The proceeds of the fine are payable to the clerk of the circuit court. Within 30 days after the deposit of the fine, the clerk shall distribute the proceeds of the fine as follows:

(1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;

(2) \$15 to the county to fund drug addiction services;

(3) \$10 to the Office of the State's Attorneys Appellate Prosecutor for use in training programs;

(4) \$10 to the State's Attorney; and

(5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.

With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund. With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund.

(b) More than 5, but not more than 20 plants, is guilty of a Class 4 felony.

(c) More than 20, but not more than 50 plants, is guilty of a Class 3 felony.

(d) More than 50, but not more than 200 plants, is guilty of a Class 2 felony for which a fine not to exceed \$100,000 may be imposed and for which liability for the cost of conducting the investigation and eradicating such plants may be assessed. Compensation for expenses incurred in the enforcement of this provision shall be transmitted to and deposited in the treasurer's office at the level of government represented by the Illinois law enforcement agency whose officers or employees conducted the investigation or caused the arrest or arrests leading to the prosecution, to be subsequently made available to that law enforcement agency as expendable receipts for use in the enforcement of laws regulating controlled substances and cannabis. If such seizure was made by a combination of law enforcement personnel representing different levels of government, the court levying the assessment shall determine the allocation of such assessment. The proceeds of assessment awarded to the State treasury shall be deposited in a special fund known as the Drug Traffic Prevention Fund.

(e) More than 200 plants is guilty of a Class 1 felony for which a fine not to exceed \$100,000 may be imposed and for which liability for the cost of conducting the investigation and eradicating such plants may be assessed. Compensation for expenses incurred in the enforcement of this provision shall be transmitted to and deposited in the treasurer's office at the level of government represented by the Illinois law enforcement agency whose officers or employees conducted the investigation or caused the arrest or arrests leading to the prosecution, to be subsequently made available to that law enforcement agency as expendable receipts for use in the enforcement of laws regulating controlled substances and cannabis. If such seizure was made by a combination of law enforcement personnel representing different levels of government, the court levying the assessment shall determine the allocation of such assessment. The proceeds of assessment awarded to the State treasury shall be deposited in a special fund known as the Drug Traffic Prevention Fund.

Possession before	Possession after
(a)not more than 10g civil law	(a)not more than 10g civil law
(b) more than 10g but not more than 30g Class B	(b) more than 10g but not more than 30g Class B
(c) more than 30g but not more than 100g Class A; subsequent offense Class 4	(c) more than 30g but not more than 100g Class A; subsequent offense Class 4
(d) more than 100g but not more than 500g Class 4; subsequent offense Class 3	(d) more than 100g but not more than 500g Class 4; subsequent offense Class 3
(e) more than 500g but not more than 2,000g Class 3	(e) more than 500g but not more than 2,000g Class 3
(f) more than 2,000g but not more than 5,000g Class 2	(f) more than 2,000g but not more than 5,000g Class 2
(g) more than 5,000grams Class 1	(g) more than 5,000grams Class 1

C.R.T.A

410 ILCS 705

Article 10

Personal Use of Cannabis

ARTICLE 1.	ARTICLE 20. ADULT USE CULTIVATION CENTERS	ARTICLE 45. ENFORCEMENT AND IMMUNITIES
ARTICLE 5. AUTHORITY	ARTICLE 25. COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM	ARTICLE 50. LABORATORY TESTING
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ARTICLE 10. PERSONAL USE OF CANNABIS	ARTICLE 35. INFUSER ORGANIZATIONS	ARTICLE 60. CANNABIS CULTIVATION PRIVILEGE TAX
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ARTICLE 10

PERSONAL USE OF CANNABIS

ARTICLE 10 PERSONAL USE OF CANNABIS

705/10–5	Personal use of cannabis; restrictions on cultivation; penalties.
705/10–10	Possession limit.
705/10–15	Persons under 21 years of age.
705/10–20	Identification; false identification; penalty.
705/10–25	Immunities and presumptions related to the use of cannabis by purchasers.
705/10–30	Discrimination prohibited.
705/10–35	Limitations and penalties.
705/10–40	Restore, Reinvest, and Renew Program.
705/10–50	Employment; employer liability.

705/10–5 Personal use of cannabis; restrictions on cultivation; penalties.

(a) Beginning January 1, 2020,

notwithstanding any other provision of law, and except as otherwise provided in this Act, the following acts are **not a violation** of this Act and shall **not be a criminal or civil offense** under State law or the ordinances of any unit of local government of this State **or be a basis for seizure or forfeiture of assets** under State law

for persons **other than natural individuals under 21 years of age**:

- (1) possession, consumption, use, purchase, obtaining, or transporting an amount of cannabis for personal use that does not exceed the possession limit under Section 10–10 or otherwise in accordance with the requirements of this Act;
- (2) cultivation of cannabis for personal use in accordance with the requirements of this Act; and
- (3) controlling property if actions that are authorized by this Act occur on the property in accordance with this Act.

705/10–5 Personal use of cannabis; restrictions on cultivation; penalties.

(a–1) Beginning January 1, 2020,

notwithstanding any other provision of law, and except as otherwise provided in this Act,

possessing, consuming, using, purchasing, obtaining, or transporting

an amount of cannabis purchased or produced in accordance with this Act that does not exceed the possession limit under subsection (a) of Section 10–10

shall not be a basis for seizure or forfeiture of assets under State law.

705/10–5 Personal use of cannabis; restrictions on cultivation; penalties.

(b) Cultivating cannabis for personal use is subject to the following limitations:

- (1) An Illinois **resident** 21 years of age or older who is a registered qualifying patient under the **Compassionate Use of Medical Cannabis Pilot Program Act** may **cultivate** cannabis plants, with a **limit of 5** plants that are more than 5 inches tall, per household **without** a cultivation center or craft grower **license**. In this Section, "**resident**" means a person who has been domiciled in the State of Illinois for a period of 30 days before cultivation.
- (2) Cannabis cultivation must take place in an **enclosed, locked space**.
- (3) Adult registered qualifying patients may **purchase cannabis** seeds from a dispensary for the purpose of home cultivation. Seeds may not be given or sold to any other person.
- (4) Cannabis plants **shall not be stored or placed in a location where they are subject to ordinary public view**, as defined in this Act. A registered qualifying patient who cultivates cannabis under this Section shall take reasonable precautions to ensure the plants are secure from unauthorized access, including unauthorized access by a person under 21 years of age.
- (5) Cannabis cultivation may occur only on **residential property** lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property. An owner or lessor of residential property may prohibit the cultivation of cannabis by a lessee.
- (6) (Blank).
- (7) A dwelling, residence, apartment, condominium unit, enclosed, locked space, or piece of property not divided into **multiple dwelling units** shall not contain more than 5 plants at any one time.
- (8) Cannabis plants may only be **tended by registered qualifying patients** who reside at the residence, or their authorized agent attending to the residence for brief periods, such as when the qualifying patient is temporarily away from the residence.
- (9) A registered qualifying patient who cultivates more than the allowable number of cannabis plants, or who sells or gives away cannabis plants, cannabis, or cannabis-infused products produced under this Section, **is liable for penalties as provided by law, including the Cannabis Control Act, in addition to loss of home cultivation privileges as established by rule**.

705/10–10 Possession limit.

(a) Except if otherwise authorized by this Act, for a person who is 21 years of age or older and a resident of this State, the possession limit is as follows:

- (1) 30 grams of cannabis flower;
- (2) no more than 500 milligrams of THC contained in cannabis-infused product;
- (3) 5 grams of cannabis concentrate; and
- (4) for registered qualifying patients, any cannabis produced by cannabis plants grown under subsection (b) of Section 10–5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

- (1) 15 grams of cannabis flower;
- (2) 2.5 grams of cannabis concentrate; and
- (3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Pilot Program Act.

Definitions

“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; 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 concentrate and cannabis-infused products.

“Cannabis concentrate” means a product derived from cannabis that is produced by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter, olive oil or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO₂, ethanol, or isopropanol. The use of any other solvent is expressly prohibited unless and until it is approved by the Department of Agriculture.

“Cannabis flower” 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; including raw kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

“Cannabis-infused product” means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

705/10–10 Possession limit.

(a) Except if otherwise authorized by this Act, for a person who is 21 years of age or older and a resident of this State, the possession limit is as follows:

- (1) 30 grams of cannabis flower;
- (2) no more than 500 milligrams of THC contained in cannabis-infused product;
- (3) 5 grams of cannabis concentrate; and
- (4) for registered qualifying patients, any cannabis produced by cannabis plants grown under subsection (b) of Section 10–5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

- (1) 15 grams of cannabis flower;
- (2) 2.5 grams of cannabis concentrate; and
- (3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Pilot Program Act.

705/10–10 Possession limit.

(a) Except if otherwise authorized by this Act, for a person who is 21 years of age or older and a resident of this State, the possession limit is as follows:

- (1) 30 grams of cannabis flower;
- (2) no more than 500 milligrams of THC contained in cannabis-infused product;
- (3) 5 grams of cannabis concentrate; and
- (4) for registered qualifying patients, any cannabis produced by cannabis plants grown under subsection (b) of Section 10–5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

- (1) 15 grams of cannabis flower;
- (2) 2.5 grams of cannabis concentrate; and
- (3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Pilot Program Act.

705/10–10 Possession limit.

(a) Except if otherwise authorized by this Act, for a person who is 21 years of age or older and a resident of this State, the possession limit is as follows:

- (1) 30 grams of cannabis flower;
- (2) no more than 500 milligrams of THC contained in cannabis-infused product;
- (3) 5 grams of cannabis concentrate; and
- (4) for registered qualifying patients, any cannabis produced by cannabis plants grown under subsection (b) of Section 10–5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

- (1) 15 grams of cannabis flower;
- (2) 2.5 grams of cannabis concentrate; and
- (3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Pilot Program Act.

705/10–15 Persons under 21 years of age.

(a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 21 years of age, or to allow a person under 21 years of age to purchase, possess, use, process, transport, grow, or consume cannabis except where authorized by the Compassionate Use of Medical Cannabis Pilot Program Act or by the Community College Cannabis Vocational Pilot Program.

(b) Notwithstanding any other provisions of law authorizing the possession of medical cannabis, nothing in this Act authorizes a person who is under 21 years of age to possess cannabis.

A person under 21 years of age with cannabis in his or her possession is guilty of a civil law violation as outlined in paragraph (a) of Section 4 of the Cannabis Control Act.

(c) If the person under the age of 21 was in a motor vehicle at the time of the offense, the Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6–206 of the Illinois Vehicle Code and the rules adopted under it.

(d) It is unlawful for any parent or guardian to knowingly permit his or her

residence,
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under his or her control to be used by an invitee of the parent's child or the guardian's ward, if the invitee is under the age of 21, in a manner that constitutes a violation of this Section.

A parent or guardian is deemed to have knowingly permitted his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control to be used in violation of this Section if he or she knowingly authorizes or permits consumption of cannabis by underage invitees.

Any person who violates this subsection (d) is guilty of a Class A misdemeanor and the person's sentence shall include, but shall not be limited to, a fine of not less than \$500.

If a violation of this subsection (d) directly or indirectly results in great bodily harm or death to any person, the person violating this subsection is guilty of a Class 4 felony.

In this subsection (d), where the residence or other property has an owner and a tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or lessee.

705/10–15 Persons under 21 years of age.

- (a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 21 years of age, or to allow a person under 21 years of age to purchase, possess, use, process, transport, grow, or consume cannabis except where authorized by the Compassionate Use of Medical Cannabis Pilot Program Act or by the Community College Cannabis Vocational Pilot Program.
- (b) Notwithstanding any other provision of law, a person under 21 years of age shall not be held liable for a violation of the Cannabis Control Act.
- (c) If the person under 21 years of age is a minor, the parent or guardian of the minor shall not be held liable for a violation of the Cannabis Control Act.
- (d) It is unlawful for any person to transfer, convey, or allow the use of any residence, any other real property, or any vehicle, conveyance, or watercraft to a person under 21 years of age who is in violation of this section. A parent or guardian is not liable for a violation of this section if the person under 21 years of age is in violation of this section.
- Any person who violates this subsection (d) is guilty of a **Class A misdemeanor** and the person's sentence shall include, but shall not be limited to, a fine of not less than \$500.
- If a violation of this subsection (d) directly or indirectly results in great bodily harm or death to any person, the person violating this subsection is guilty of a **Class 4 felony**.
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- (d) It is unlawful for any person to transfer, convey, or allow the use of any residence, any other real property, or any vehicle, conveyance, or watercraft to a person under 21 years of age who is in violation of this section. A parent or guardian is not liable for a violation of this section if the person under 21 years of age is in violation of this section.
- Any person who violates this subsection (d) is guilty of a **Class A misdemeanor** and the person's sentence shall include, but shall not be limited to, a fine of not less than \$500.
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- (b) Notwithstanding any other provisions of law authorizing the possession of medical cannabis, nothing in this Act authorizes a person who is under 21 years of age to possess cannabis.
- A person under 21 years of age with cannabis in his or her possession is guilty of a civil law violation as outlined in paragraph (a) of Section 4 of the Cannabis Control Act.
- (c) If the person under the age of 21 was in a motor vehicle at the time of the offense, the Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6–206 of the Illinois Vehicle Code and the rules adopted under it.
- (d) It is unlawful for any person to possess cannabis in his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control that constitutes a violation of this Section.
- A parent or guardian is deemed to have knowingly permitted his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control to be used in violation of this Section if he or she knowingly authorizes or permits consumption of cannabis by underage invitees.
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the person violating this subsection is guilty of a Class 4 felony.

In this subsection (d), where the residence or other property has an owner and a tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or lessee.

705/10-20 Identification; false identification; penalty.

- (a) To protect personal privacy, the Department of Financial and Professional Regulation shall not require a purchaser to provide a dispensing organization with personal information other than government-issued identification to determine the purchaser's age, and a dispensing organization shall not obtain and record personal information about a purchaser without the purchaser's consent. A dispensing organization shall use an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification. Any identifying or personal information of a purchaser obtained or received in accordance with this Section shall not be retained, used, shared or disclosed for any purpose except as authorized by this Act.
- (b) A person who is under 21 years of age may not present or offer to a cannabis business establishment or the cannabis business establishment's principal or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of:
 - (1) purchasing, attempting to purchase, or otherwise obtaining or attempting to obtain cannabis or any cannabis product; or
 - (2) gaining access to a cannabis business establishment.
- (c) A violation of this Section is a **Class A misdemeanor** consistent with Section 6-20 of the Liquor Control Act of 1934.
- (d) The Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6-206 of the Illinois Vehicle Code and the rules adopted under it.
- (e) No agent or employee of the licensee shall be disciplined or discharged for selling or furnishing cannabis or cannabis products to a person under 21 years of age if the agent or employee demanded and was shown, before furnishing cannabis or cannabis products to a person under 21 years of age, adequate written evidence of age and identity of the person. This subsection (e) does not apply if the agent or employee accepted the written evidence knowing it to be false or fraudulent. Adequate written evidence of age and identity of the person is a document issued by a federal, State, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Military Selective Service Act, or an identification card issued to a member of the Armed Forces. Proof that the licensee or his or her employee or agent was shown and reasonably relied upon such written evidence in any transaction forbidden by this Section is an affirmative defense in any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

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705/10–25 Immunities and presumptions related to the use of cannabis by purchasers.

(a) A purchaser who is 21 years of age or older is not subject to arrest, prosecution, denial of any right or privilege, or other punishment including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board, based solely on the use of cannabis if

- (1) the purchaser possesses an amount of cannabis that does not exceed the possession limit under Section 10–10 and, if the purchaser is licensed, certified, or registered to practice any trade or profession under any Act and
- (2) the use of cannabis does not impair that person when he or she is engaged in the practice of the profession for which he or she is licensed, certified, or registered.

(b) A purchaser 21 years of age or older is not subject to arrest, prosecution, denial of any right or privilege, or other punishment, including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board, based solely for

- (i) selling cannabis paraphernalia if employed and licensed as a dispensing agent by a dispensing organization or
- (ii) being in the presence or vicinity of the use of cannabis as allowed under this Act.

(c) Mere possession of, or application for, an agent identification card or license does not constitute probable cause or reasonable suspicion to believe that a crime has been committed, nor shall it be used as the sole basis to support the search of the person, property, or home of the person possessing or applying for the agent identification card. The possession of, or application for, an agent identification card does not preclude the existence of probable cause if probable cause exists based on other grounds.

(d) No person employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in good faith in reliance on this Act when acting within the scope of his or her employment. Representation and indemnification shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.

(e) No law enforcement or correctional agency, nor any person employed by a law enforcement or correctional agency, shall be subject to criminal or civil liability, except for willful and wanton misconduct, as a result of taking any action within the scope of the official duties of the agency or person to prohibit or prevent the possession or use of cannabis by a person incarcerated at a correctional facility, jail, or municipal lockup facility, on parole or mandatory supervised release, or otherwise under the lawful jurisdiction of the agency or person.

(f) For purposes of receiving medical care, including organ transplants, a person's use of cannabis under this Act does not constitute the use of an illicit substance or otherwise disqualify a person from medical care.

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705/10–30 Discrimination prohibited.

(a) Neither the presence of cannabinoid components or metabolites in a person's bodily fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of cannabis or the participation in cannabis-related activities lawful under this Act by a custodial or noncustodial parent, grandparent, legal guardian, foster parent, or other person charged with the well-being of a child, shall form the sole or primary basis or supporting basis for any action or proceeding by a child welfare agency or in a family or juvenile court, any adverse finding, adverse evidence, or restriction of any right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a child, or a person's fitness to adopt a child or act as a foster parent of a child, or serve as the basis of any adverse finding, adverse evidence, or restriction of any right of privilege in a proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the management of an estate,

unless the person's actions in relation to cannabis created an unreasonable danger to the safety of the minor

or otherwise show the person to not be competent as established by clear and convincing evidence.

This subsection applies only to conduct protected under this Act.

(b) No landlord may be penalized or denied any benefit under State law for leasing to a person who uses cannabis under this Act.

(c) Nothing in this Act may be construed to require any person or establishment in lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis on or in that property.

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(c) Nothing in this Act may be construed to require any person or establishment in lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis on or in that property.

705/10–35 Limitations and penalties.

(a) This Act does not permit any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, any of the following conduct:

- (1) undertaking any task under the influence of cannabis when doing so would constitute negligence, professional malpractice, or professional misconduct;
- (2) possessing cannabis:
 - (A) in a school bus, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Pilot Program Act;
 - (B) on the grounds of any preschool or primary or secondary school, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Pilot Program Act;
 - (C) in any correctional facility;
 - (D) in a vehicle not open to the public unless the cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving; or
 - (E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;
- (3) using cannabis:
 - (A) in a school bus, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Pilot Program Act;
 - (B) on the grounds of any preschool or primary or secondary school unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Pilot Program Act;
 - (C) in any correctional facility;
 - (D) in any motor vehicle;
 - (E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;
 - (F) in any public place; or

As used in this Section, "public place" means any place where a person could reasonably be expected to be observed by others. "Public place" includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government. "Public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises.

 - (G) knowingly in close physical proximity to anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use of Medical Cannabis Pilot Program Act;
- (4) smoking cannabis in any place where smoking is prohibited under the Smoke Free Illinois Act;
- (5) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or motorboat while using or under the influence of cannabis in violation of Section 11–501 or 11–502.1 of the Illinois Vehicle Code;
- (6) facilitating the use of cannabis by any person who is not allowed to use cannabis under this Act or the Compassionate Use of Medical Cannabis Pilot Program Act;
- (7) transferring cannabis to any person contrary to this Act or the Compassionate Use of Medical Cannabis Pilot Program Act;
- (8) the use of cannabis by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty; or
- (9) the use of cannabis by a person who has a school bus permit or a Commercial Driver's License while on duty.

(b) Nothing in this Act shall be construed to prevent the arrest or prosecution of a person for reckless driving or driving under the influence of cannabis if probable cause exists.

(c) Nothing in this Act shall prevent a private business from restricting or prohibiting the use of cannabis on its property, including areas where motor vehicles are parked.

(d) Nothing in this Act shall require an individual or business entity to violate the provisions of federal law, including colleges or universities that must abide by the Drug-Free Schools and Communities Act Amendments of 1989, that require campuses to be drug free.

705/10–40 Restore, Reinvest, and Renew Program.

(a) The General Assembly finds that in order to address the disparities described below, aggressive approaches and targeted resources to support local design and control of community-based responses to these outcomes are required. To carry out this intent, the Restore, Reinvest, and Renew (R3) Program is created for the following purposes:

- (1) to directly address the impact of economic disinvestment, violence, and the historical overuse of criminal justice responses to community and individual needs by providing resources to support local design and control of community-based responses to these impacts;
- (2) to substantially reduce both the total amount of gun violence and concentrated poverty in this State;
- (3) to protect communities from gun violence through targeted investments and intervention programs, including economic growth and improving family violence prevention, community trauma treatment rates, gun injury victim services, and public health prevention activities;
- (4) to promote employment infrastructure and capacity building related to the social determinants of health in the eligible community areas.

705/10–50 Employment; employer liability.

(a) Nothing in this Act shall prohibit an employer from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.

(b) Nothing in this Act shall require an employer to permit an employee to be under the influence of or use cannabis in the employer's workplace or while performing the employee's job duties or while on call.

(c) Nothing in this Act shall limit or prevent an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.

(d) An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech, physical dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of the employee or others, or involvement in any accident that results in serious damage to equipment or property; disruption of a production or manufacturing process; or carelessness that results in any injury to the employee or others. If an employer elects to discipline an employee on the basis that the employee is under the influence or impaired by cannabis, the employer must afford the employee a reasonable opportunity to contest the basis of the determination.

(e) Nothing in this Act shall be construed to create or imply a cause of action for any person against an employer for:

(1) actions, including but not limited to subjecting an employee or applicant to reasonable drug and alcohol testing under the employer's workplace drug policy, including an employee's refusal to be tested or to cooperate in testing procedures or disciplining or termination of employment, based on the employer's good faith belief that an employee used or possessed cannabis in the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's employment policies;

(2) actions, including discipline or termination of employment, based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or

(3) injury, loss, or liability to a third party if the employer neither knew nor had reason to know that the employee was impaired.

(f) Nothing in this Act shall be construed to enhance or diminish protections afforded by any other law, including but not limited to the Compassionate Use of Medical Cannabis Pilot Program Act or the Opioid Alternative Pilot Program.

(g) Nothing in this Act shall be construed to interfere with any federal, State, or local restrictions on employment including, but not limited to, the United States Department of Transportation regulation 49 CFR 40.151(e) or impact an employer's ability to comply with federal or State law or cause it to lose a federal or State contract or funding.

(h) As used in this Section, "workplace" means the employer's premises, including any building, real property, and parking area under the control of the employer or area used by an employee while in performance of the employee's job duties, and vehicles, whether leased, rented, or owned. "Workplace" may be further defined by the employer's written employment policy, provided that the policy is consistent with this Section.

(i) For purposes of this Section, an employee is deemed "on call" when such employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

705/10–50 Employment; employer liability.

- (a) Nothing in this Act shall prohibit an employer from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.
- (b) Nothing in this Act shall require an employer to permit an employee to be under the influence of or use cannabis in the employer's workplace or while performing the employee's job duties or while on call.
- (c) Nothing in this Act shall limit or prevent an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.
- (d) An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech, physical dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of the employee or others, or involvement in any accident that results in serious damage to equipment or property; disruption of a production or manufacturing process; or carelessness that results in any injury to the employee or others. If an employer elects to discipline an employee on the basis that the employee is under the influence or impaired by cannabis, the employer must afford the employee a reasonable opportunity to contest the basis of the determination.
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 - (2) actions, including discipline or termination of employment, based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or
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Cannabis is legal. (Kind Of)

But Employers can have zero use policy.

705/10–50 Employment; employer liability.

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- (d) An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech, physical dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of the employee or others, or involvement in any accident that results in serious damage to equipment or property; disruption of a production or manufacturing process; or carelessness that results in any injury to the employee or others. If an employer elects to discipline an employee on the basis that the employee is under the influence or impaired by cannabis, the employer must afford the employee a reasonable opportunity to contest the basis of the determination.
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 - (2) actions, including discipline or termination of employment, based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or
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- (f) Nothing in this Act shall be construed to enhance or diminish protections afforded by any other law, including but not limited to the Compassionate Use of Medical Cannabis Pilot Program Act or the Opioid Alternative Pilot Program.
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- (i) For purposes of this Section, an employee is deemed "on call" when such employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(a) A cultivation center, craft grower, infuser organization, or transporting organization is not subject to:

(i) prosecution;

(ii) search or inspection, except by the Department of Agriculture, the Department of Public Health, or State or local law enforcement under this Act;

(iii) seizure;

(iv) penalty in any manner, including, but not limited to, civil penalty;

(v) denial of any right or privilege; or

(vi) disciplinary action by a business licensing board or entity for acting under this Act and rules adopted under this Act to acquire, possess, cultivate, manufacture, process, deliver, transfer, transport, supply, or sell cannabis or cannabis paraphernalia under this Act.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(b) A licensed cultivation center agent, licensed craft grower agent, licensed infuser organization agent, or licensed transporting organization agent is not subject to:

- (i) prosecution;
- (ii) search;
- (iii) penalty in any manner, including, but not limited to, civil penalty;
- (iv) denial of any right or privilege; or
- (v) disciplinary action by a business licensing board or entity, for engaging in cannabis-related activities authorized under this Act and rules adopted under this Act.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(c) A dispensing organization is not subject to:

- (i) prosecution;
- (ii) search or inspection, except by the Department of Financial and Professional Regulation, or State or local law enforcement under this Act;
- (iii) seizure;
- (iv) penalty in any manner, including, but not limited to, civil penalty;
- (v) denial of any right or privilege; or
- (vi) disciplinary action by a business licensing board or entity, for acting under this Act and rules adopted under this Act to acquire, possess, or dispense cannabis, cannabis-infused products, cannabis paraphernalia, or related supplies, and educational materials under this Act.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(d) A licensed dispensing organization agent is not subject to:

(i) prosecution;

(ii) search; or

(iii) penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working for a dispensing organization under this Act and rules adopted under this Act.

PUBLIC ACT 101-27
Illinois House Bill 1438

PART I: New Legislation – Cannabis Regulation and Tax Act

PART II: Amendatory Acts –

PART I:
NEW LEGISLATION
Cannabis Regulation and Tax Act
410 ILCS 705

410 ILCS 705: Cannabis Regulation and Tax Act

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<u>705/30-10</u>	Application.
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<u>705/30-25</u>	Denial of application.
<u>705/30-30</u>	Craft grower requirements; prohibitions.
<u>705/30-35</u>	Craft grower agent identification card.
<u>705/30-40</u>	Craft grower background checks.
<u>705/30-45</u>	30-45. Renewal of craft grower licenses and agent identification cards.
<u>705/30-50</u>	Craft grower taxes; returns.

ARTICLE 35. INFUSER ORGANIZATIONS

<u>705/35-3</u>	Definitions.
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<u>705/35-5</u>	Issuance of licenses.
<u>705/35-10</u>	Application.
<u>705/35-15</u>	Issuing licenses.
<u>705/35-20</u>	Denial of application.
<u>705/35-25</u>	Infuser organization requirements; prohibitions.
<u>705/35-30</u>	Infuser agent identification card.
<u>705/35-31</u>	Ensuring an adequate supply of raw materials to serve infusers.
<u>705/35-35</u>	Infuser organization background checks.
<u>705/35-40</u>	Renewal of infuser organization licenses and agent identification cards.

ARTICLE 40. TRANSPORTING ORGANIZATIONS

<u>705/40-1</u>	Definition.
<u>705/40-5</u>	Issuance of licenses.
<u>705/40-10</u>	Application.
<u>705/40-15</u>	Issuing licenses.
<u>705/40-20</u>	Denial of application.
<u>705/40-25</u>	Transporting organization requirements; prohibitions.
<u>705/40-30</u>	Transporting agent identification card.
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<u>705/50-5</u>	Laboratory testing.
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<u>705/60-1</u>	Short title.
<u>705/60-5</u>	Definitions.
<u>705/60-10</u>	Tax imposed.
<u>705/60-15</u>	Registration of cultivators.
<u>705/60-20</u>	Return and payment of cannabis cultivation privilege tax.
<u>705/60-25</u>	Infuser information returns.
<u>705/60-30</u>	Deposit of proceeds.

~~705/60-35~~ Department administration and enforcement.
~~705/60-40~~ Invoices
~~705/60-45~~ Rules.

ARTICLE 65. CANNABIS PURCHASER EXCISE TAX

~~705/65-1~~ Short title
~~705/65-5~~ Definitions. In this Article:
~~705/65-10~~ Tax imposed.
~~705/65-11~~ Bundling of taxable and nontaxable items; prohibition; taxation.
~~705/65-15~~ Collection of tax.
~~705/65-20~~ Registration of cannabis retailers.
~~705/65-25~~ Tax collected as debt owed to State.
~~705/65-30~~ Return and payment of tax by cannabis retailer.
~~705/65-35~~ Deposit of proceeds.
~~705/65-36~~ Recordkeeping; books and records.
~~705/65-38~~ Violations and penalties.
~~705/65-40~~ Department administration and enforcement.
~~705/65-41~~ Arrest; search and seizure without warrant.
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~~705/65-43~~ Search warrant; issuance and return; process; confiscation of cannabis; forfeitures.
~~705/65-45~~ Cannabis retailers; purchase and possession of cannabis.
~~705/65-50~~ Rulemaking.

**PART II:
Amendatory Acts**

5 ILCS 100/5-45
5 ILCS 140/7.5
20 ILCS 2505/2505-210
20 ILCS 2630/5.2
30 ILCS 105/5.891
30 ILCS 105/5.892
30 ILCS 105/5.893
30 ILCS 105/5.894
30 ILCS 105/6z-107
30 ILCS 500/1-10
35 ILCS 105/9
35 ILCS 110/9
35 ILCS 115/9
35 ILCS 120/3
35 ILCS 520
50 ILCS 705/9
50 ILCS 705/10.12
55 ILCS 5/5-1006.8
55 ILCS 5/5-1009
65 ILCS 5/8-11-6a
65 ILCS 5/8-11-22

205 ILCS 5/48
205 ILCS 305/8
410 ILCS 130/210
625 ILCS 5/2–118.2
625 ILCS 5/11–501.2
625 ILCS 5/11–501.9
625 ILCS 5/11–501.10
625 ILCS 5/11–502.1
625 ILCS 5/11–502.15
705 ILCS 405/5–401
720 ILCS 550/4
720 ILCS 550/5
720 ILCS 550/5.1
720 ILCS 550/5.3
720 ILCS 550/8
735 ILCS 5/2–1401
765 ILCS 605/33
820 ILCS 55/5
410 § 705/999–95

Cannabis Regulation and Tax Act.

705/1–1
Short title

This Act may be cited as the Cannabis Regulation and Tax Act.

705/1–5
Findings

(a) In the interest of allowing law enforcement to focus on violent and property crimes, generating revenue for education, substance abuse prevention and treatment, freeing public resources to invest in communities and other public purposes, and individual freedom, the General Assembly finds and declares that the use of cannabis should be legal for persons 21 years of age or older and should be taxed in a manner similar to alcohol.

(b) In the interest of the health and public safety of the residents of Illinois, the General Assembly further finds and declares that cannabis should be regulated in a manner similar to alcohol so that:

- (1) persons will have to show proof of age before purchasing cannabis;
- (2) selling, distributing, or transferring cannabis to minors and other persons under 21 years of age shall remain illegal;
- (3) driving under the influence of cannabis shall remain illegal;
- (4) legitimate, taxpaying business people, and not criminal actors, will conduct sales of cannabis;
- (5) cannabis sold in this State will be tested, labeled, and subject to additional regulation to ensure that purchasers are informed and protected; and
- (6) purchasers will be informed of any known health risks associated with the use of cannabis, as concluded by evidence-based, peer reviewed research.

(c) The General Assembly further finds and declares that it is necessary to ensure consistency and fairness in the application of this Act throughout the State and that, therefore, the matters addressed by this Act are, except as specified in this Act, matters of statewide concern.

(d) The General Assembly further finds and declares that this Act shall not diminish the State's duties and commitment to seriously ill patients registered under the Compassionate Use of Medical Cannabis Pilot Program Act, nor alter the protections granted to them.

(e) The General Assembly supports and encourages labor neutrality in the cannabis industry and further finds and declares that employee workplace safety shall not be diminished and employer workplace policies shall be interpreted broadly to protect employee safety.

705/1-10

Definitions. In this Act:

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

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

“Advertise” means to engage in promotional activities including, but not limited to: newspaper, radio, Internet and electronic media, and television advertising; the distribution of fliers and circulars; and the display of window and interior signs.

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

“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; 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 concentrate and cannabis-infused products.

“Cannabis business establishment” means a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.

“Cannabis concentrate” means a product derived from cannabis that is produced by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter, olive oil or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO₂, ethanol, or isopropanol. 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, traceable, container, or package used for the purpose of containment of cannabis or cannabis-infused product during transportation.

“Cannabis flower” 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; including raw kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

“Cannabis-infused product” means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

“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 Department of 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 Community College Cannabis Vocational Training Pilot Program faculty participant.

“Conditional Adult Use Dispensing Organization License” means a license awarded to top-scoring 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.

“Craft grower” means a facility operated 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.

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

“Craft Grower Agent Identification Card” means a document issued by the Department of Agriculture that identifies a person as a craft grower agent.

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

“Cultivation center agent” means a principal officer, 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 document issued by the Department of Agriculture that 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 organization at which activities licensed by this Act may occur.

“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, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under this Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in this Act, dispensary organization shall include a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Pilot 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:

- (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 Pilot Program Act as of the effective date of this Act to begin cultivating, infusing, packaging, transporting (unless otherwise provided in this Act), and selling cannabis to cannabis business establishments for resale to purchasers as permitted by this 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 Pilot Program Act as of the effective date of this Act to begin selling cannabis 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 Pilot Program Act as of the effective date of this Act to begin selling cannabis to purchasers as permitted by this Act on January 1, 2020 at a different dispensary location from its existing registered medical dispensary location.

“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 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 building, room, or other area under the control of a cannabis dispensing organization licensed under this Act and upon the licensed premises with access limited to purchasers, dispensing organization owners and other dispensing organization agents, or service professionals conducting business with the dispensing organization.

“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 delinquent for any offense that is eligible for expungement under this Act.

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

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

“Ownership and control” means ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the 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, association, joint stock company, joint venture, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

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

“Principal officer” includes a cannabis business establishment applicant or licensed 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, 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 Pilot Program Act.

“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:

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

- (2) a property deed that includes the applicant's name;
- (3) school records;
- (4) a voter registration card;
- (5) an Illinois driver's license, an Illinois Identification Card, or an Illinois Person with a Disability Identification Card;
- (6) a paycheck stub;
- (7) a utility bill; or
- (8) any other proof of residency or other information necessary to establish residence as provided by rule.

“**Smoking**” means the inhalation of smoke caused by the combustion of cannabis.

“**Social Equity Applicant**” means an applicant that is an Illinois resident that meets one of the following criteria:

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

“**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.

“**Transporting organization**” or “**transporter**” means an organization or business that is licensed by the Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program.

“**Transporting organization agent**” means a principal officer, board member, employee, or agent of a transporting 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 a cannabis plant is propagated to produce additional cannabis plants or reach a sufficient size for production. This includes seedlings, clones, mothers, and other immature cannabis plants as follows:

- (1) if the cannabis plant is in an area that has not 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
- (2) any cannabis plant that is cultivated solely for the purpose of propagating clones and is never used to produce cannabis.

ARTICLE 5.
AUTHORITY

705/5-5

Sharing of authority.

Notwithstanding any provision or law to the contrary, any authority granted to any State agency or State employees or appointees under the Compassionate Use of Medical Cannabis Pilot Program Act shall be shared by any State agency or State employees or appointees given authority to license, discipline, revoke, regulate, or make rules under this Act.

705/5-10

Department of Agriculture.

The Department of Agriculture shall administer and enforce provisions of this Act relating to the oversight and registration of cultivation centers, craft growers, infuser organizations, and transporting organizations and agents, including the issuance of identification cards and establishing limits on potency or serving size for cannabis or cannabis products. The Department of Agriculture may suspend or revoke the license of, or impose other penalties upon cultivation centers, craft growers, infuser organizations, transporting organizations, and their principal officers, Agents-in-Charge, and agents for violations of this Act and any rules adopted under this Act.

705/5-15

Department of Financial and Professional Regulation.

The Department of Financial and Professional Regulation shall enforce the provisions of this Act relating to the oversight and registration of dispensing organizations and agents, including the issuance of identification cards for dispensing organization agents. The Department of Financial and Professional Regulation may suspend or revoke the license of, or impose other penalties upon, dispensing organizations for violations of this Act and any rules adopted under this Act.

705/5-20

Background checks.

(a) Through the Department of State Police, the licensing or issuing Department shall conduct a criminal history record check of the prospective principal officers, board members, and agents of a cannabis business establishment applying for a license or identification card under this Act.

Each cannabis business establishment prospective principal officer, board member, or agent shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police.

Such fingerprints shall be transmitted through a live scan fingerprint vendor licensed by the Department of Financial and Professional Regulation. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall charge 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 State and national criminal history record check. The Department of State Police shall furnish, pursuant to positive identification, all Illinois conviction information and shall forward the national criminal history record information to:

- (i) the Department of Agriculture, with respect to a cultivation center, craft grower, infuser organization, or transporting organization; or

(ii) the Department of Financial and Professional Regulation, with respect to a dispensing organization.

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the licensing or issuing agency.

(c) All applications for licensure under this Act by applicants with criminal convictions shall be subject to Sections 2105–131, 2105–135, and 2105–205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

705/5–25

Department of Public Health to make health warning recommendations.

(a) The Department of Public Health shall make recommendations to the Department of Agriculture and the Department of Financial and Professional Regulation on appropriate health warnings for dispensaries and advertising, which may apply to all cannabis products, including item-type specific labeling or warning requirements, regulate the facility where cannabis-infused products are made, regulate cannabis-infused products as provided in subsection (e) of Section 55–5, and facilitate the Adult Use Cannabis Health Advisory Committee.

(b) An Adult Use Cannabis Health Advisory Committee is hereby created and shall meet at least twice annually. The Chairperson may schedule meetings more frequently upon his or her initiative or upon the request of a Committee member. Meetings may be held in person or by teleconference. The Committee shall discuss and monitor changes in drug use data in Illinois and the emerging science and medical information relevant to the health effects associated with cannabis use and may provide recommendations to the Department of Human Services about public health awareness campaigns and messages. The Committee shall include the following members appointed by the Governor and shall represent the geographic, ethnic, and racial diversity of the State:

- (1) The Director of Public Health, or his or her designee, who shall serve as the Chairperson.
- (2) The Secretary of Human Services, or his or her designee, who shall serve as the Co–Chairperson.
- (3) A representative of the poison control center.
- (4) A pharmacologist.
- (5) A pulmonologist.
- (6) An emergency room physician.
- (7) An emergency medical technician, paramedic, or other first responder.
- (8) A nurse practicing in a school-based setting.
- (9) A psychologist.
- (10) A neonatologist.
- (11) An obstetrician-gynecologist.
- (12) A drug epidemiologist.
- (13) A medical toxicologist.
- (14) An addiction psychiatrist.
- (15) A pediatrician.
- (16) A representative of a statewide professional public health organization.
- (17) A representative of a statewide hospital/health system association.
- (18) An individual registered as a patient in the Compassionate Use of Medical Cannabis Pilot Program.
- (19) An individual registered as a caregiver in the Compassionate Use of Medical Cannabis Pilot Program.
- (20) A representative of an organization focusing on cannabis-related policy.
- (21) A representative of an organization focusing on the civil liberties of individuals who reside in Illinois.
- (22) A representative of the criminal defense or civil aid community of attorneys serving Disproportionately Impacted Areas.
- (23) A representative of licensed cannabis business establishments.
- (24) A Social Equity Applicant.

(c) The Committee shall provide a report by September 30, 2021, and every year thereafter, to the General Assembly. The Department of Public Health shall make the report available on its website.

705/5–30

Department of Human Services.

The Department of Human Services shall identify evidence-based programs for preventive mental health, the prevention or treatment of alcohol abuse, tobacco use, illegal drug use (including prescription drugs), and cannabis use by pregnant women, and make policy recommendations, as appropriate, to the Adult Use Cannabis Health Advisory Committee. The Department of Human Services shall develop and disseminate educational materials for purchasers based on recommendations received from the Department of Public Health and the Adult Use Cannabis Health Advisory Committee.

705/5–45

Illinois Cannabis Regulation Oversight Officer.

(a) The position of Illinois Cannabis Regulation Oversight Officer is created within the Department of Financial and Professional Regulation under the Secretary of Financial and Professional Regulation. The Illinois Cannabis Regulation Oversight Officer shall be appointed by the Governor with the advice and consent of the Senate. The term of office of the Officer shall expire on the third Monday of January in odd-numbered years provided that he or she shall hold office until a successor is appointed and qualified. In case of vacancy in office during the recess of the Senate, the Governor shall make a temporary appointment until the next meeting of the Senate, when the Governor shall nominate some person to fill the office, and any person so nominated who is confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and qualified.

(b) The Illinois Cannabis Regulation Oversight Officer may:

- (1) maintain a staff;
- (2) make recommendations for policy, statute, and rule changes;
- (3) collect data both in Illinois and outside Illinois regarding the regulation of cannabis;
- (4) compile or assist in the compilation of any reports required by this Act;
- (5) ensure the coordination of efforts between various State agencies involved in regulating and taxing the sale of cannabis in Illinois; and
- (6) encourage, promote, suggest, and report best practices for ensuring diversity in the cannabis industry in Illinois.

(c) The Illinois Cannabis Regulation Oversight Officer shall not:

- (1) participate in the issuance of any business licensing or the making of awards; or
- (2) participate in any adjudicative decision-making process involving licensing or licensee discipline.

(d) Any funding required for the Illinois Cannabis Regulation Oversight Officer, its staff, or its activities shall be drawn from the Cannabis Regulation Fund.

(e) The Illinois Cannabis Regulation Oversight Officer shall commission and publish a disparity and availability study by March 1, 2021 that:

- (1) evaluates whether there exists discrimination in the State's cannabis industry; and
- (2) if so, evaluates the impact of such discrimination on the State and includes recommendations to the Department of Financial and Professional Regulation and the Department of Agriculture for reducing or eliminating any identified barriers to entry in the cannabis market. The Illinois Cannabis Regulation Oversight Officer shall forward a copy of its findings and recommendations to the Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Commerce and Economic Opportunity, the General Assembly, and the Governor.

(f) The Illinois Cannabis Regulation Oversight Officer may compile, collect, or otherwise gather data necessary for the administration of this Act and to carry out the Officer's duty relating to the recommendation of policy changes. The Illinois Cannabis Regulation Oversight Officer may direct the Department of Agriculture, Department of Financial and Professional Regulation, Department of Public Health, Department of Human Services, and Department of Commerce and Economic Opportunity to assist in the compilation, collection, and data gathering authorized pursuant to this subsection. The Illinois Cannabis Regulation Oversight Officer shall compile all of the data into a single report and submit the report to the Governor and the General Assembly and publish the report on its website.

ARTICLE 7. SOCIAL EQUITY IN THE CANNABIS INDUSTRY

705/7-1 Findings

(a) The General Assembly finds that the medical cannabis industry, established in 2014 through the Compassionate Use of Medical Cannabis Pilot Program Act, has shown that additional efforts are needed to reduce barriers to ownership. Through that program, 55 licenses for dispensing organizations and 20 licenses for cultivation centers have been issued. Those licenses are held by only a small number of businesses, the ownership of which does not sufficiently meet the General Assembly's interest in business ownership that reflects the population of the State of Illinois and that demonstrates the need to reduce barriers to entry for individuals and communities most adversely impacted by the enforcement of cannabis-related laws.

(b) In the interest of establishing a legal cannabis industry that is equitable and accessible to those most adversely impacted by the enforcement of drug-related laws in this State, including cannabis-related laws, the General Assembly finds and declares that a social equity program should be established.

(c) The General Assembly also finds and declares that individuals who have been arrested or incarcerated due to drug laws suffer long-lasting negative consequences, including impacts to employment, business ownership, housing, health, and long-term financial well-being.

(d) The General Assembly also finds and declares that family members, especially children, and communities of those who have been arrested or incarcerated due to drug laws, suffer from emotional, psychological, and financial harms as a result of such arrests or incarcerations.

(e) Furthermore, the General Assembly finds and declares that certain communities have disproportionately suffered the harms of enforcement of cannabis-related laws. Those communities face greater difficulties accessing traditional banking systems and capital for establishing businesses.

(f) The General Assembly also finds that individuals who have resided in areas of high poverty suffer negative consequences, including barriers to entry in employment, business ownership, housing, health, and long-term financial well-being.

(g) The General Assembly also finds and declares that promotion of business ownership by individuals who have resided in areas of high poverty and high enforcement of cannabis-related laws furthers an equitable cannabis industry.

(h) Therefore, in the interest of remedying the harms resulting from the disproportionate enforcement of cannabis-related laws, the General Assembly finds and declares that a social equity program should offer, among other things, financial assistance and license application benefits to individuals most directly and adversely impacted by the enforcement of cannabis-related laws who are interested in starting cannabis business establishments.

705/7-10 **Cannabis Business Development Fund**

(a) There is created in the State treasury a special fund, which shall be held separate and apart from all other State moneys, to be known as the Cannabis Business Development Fund. The Cannabis Business Development Fund shall be exclusively used for the following purposes:

- (1) to provide low-interest rate loans to Social Equity Applicants to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act;
- (2) to provide grants to Qualified Social Equity Applicants to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act;
- (3) to compensate the Department of Commerce and Economic Opportunity for any costs related to the provision of low-interest loans and grants to Qualified Social Equity Applicants;
- (4) to pay for outreach that may be provided or targeted to attract and support Social Equity Applicants;
- (5) (blank);
- (6) to conduct any study or research concerning the participation of minorities, women, veterans, or people with disabilities in the cannabis industry, including, without limitation, barriers to such individuals entering the industry as equity owners of cannabis business establishments;
- (7) (blank); and
- (8) to assist with job training and technical assistance for residents in Disproportionately Impacted Areas.

(b) All moneys collected under Sections 15-15 and 15-20 for Early Approval Adult Use Dispensing Organization Licenses issued before January 1, 2021 and remunerations made as a result of transfers of permits awarded to Qualified Social Equity Applicants shall be deposited into the Cannabis Business Development Fund.

(c) As soon as practical after July 1, 2019, the Comptroller shall order and the Treasurer shall transfer \$12,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Business Development Fund.

(d) Notwithstanding any other law to the contrary, the Cannabis Business Development Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Cannabis Business Development Fund into any other fund of the State.

705/7-15 **Loans and grants to Social Equity Applicants**

(a) The Department of Commerce and Economic Opportunity shall establish grant and loan programs, subject to appropriations from the Cannabis Business Development Fund, for the purposes of providing financial assistance, loans, grants, and technical assistance to Social Equity Applicants.

(b) The Department of Commerce and Economic Opportunity has the power to:

- (1) provide Cannabis Social Equity loans and grants from appropriations from the Cannabis Business Development Fund to assist Social Equity Applicants in gaining entry to, and successfully operating in, the State's regulated cannabis marketplace;
- (2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with private entities and agencies of State or local government to carry out the purposes of this Section;
- (3) fix, determine, charge, and collect any premiums, fees, charges, costs and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this Section;
- (4) coordinate assistance under these loan programs with activities of the Illinois Department of Financial and Professional Regulation, the Illinois Department of Agriculture, and other agencies as needed to maximize the effectiveness and efficiency of this Act;
- (5) provide staff, administration, and related support required to administer this Section;
- (6) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance provided under this Section, including the ability to recapture funds if the recipient is found to be noncompliant with the terms and conditions of the financial assistance agreement;
- (7) establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate; and
- (8) utilize vendors or contract work to carry out the purposes of this Act.

(c) Loans made under this Section:

- (1) shall only be made if, in the Department's judgment, the project furthers the goals set forth in this Act; and
- (2) shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency charges, default remedies, and other matters as the Department shall determine appropriate to protect the public interest and to be consistent with the purposes of this Section. The terms and provisions may be less than required for similar loans not covered by this Section.

(d) Grants made under this Section shall be awarded on a competitive and annual basis under the Grant Accountability and Transparency Act. Grants made under this Section shall further and promote the goals of this Act, including promotion of Social Equity Applicants, job training and workforce development, and technical assistance to Social Equity Applicants.

(e) Beginning January 1, 2021 and each year thereafter, the Department shall annually report to the Governor and the General Assembly on the outcomes and effectiveness of this Section that shall include the following:

- (1) the number of persons or businesses receiving financial assistance under this Section;
- (2) the amount in financial assistance awarded in the aggregate, in addition to the amount of loans made that are outstanding and the amount of grants awarded;
- (3) the location of the project engaged in by the person or business; and
- (4) if applicable, the number of new jobs and other forms of economic output created as a result of the financial assistance.

(f) The Department of Commerce and Economic Opportunity shall include engagement with individuals with limited English proficiency as part of its outreach provided or targeted to attract and support Social Equity Applicants.

705/7-20 **Fee waivers**

(a) For Social Equity Applicants, the Department of Financial and Professional Regulation and the Department of Agriculture shall waive 50% of any nonrefundable license application fees, any nonrefundable fees associated with purchasing a license to operate a cannabis business establishment, and any surety bond or other financial requirements, provided a Social Equity Applicant meets the following qualifications at the time the payment is due:

- (1) the applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has less than a total of \$750,000 of income in the previous calendar year; and
- (2) the applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than 2 other licenses for cannabis business establishments in the State of Illinois.

(b) The Department of Financial and Professional Regulation and the Department of Agriculture may require Social Equity Applicants to attest that they meet the requirements for a fee waiver as provided in subsection (a) and to provide evidence of annual total income in the previous calendar year.

(c) If the Department of Financial and Professional Regulation or the Department of Agriculture determines that an applicant who applied as a Social Equity Applicant is not eligible for such status, the applicant shall be provided an additional 10 days to provide alternative evidence that he or she qualifies as a Social Equity Applicant. Alternatively, the applicant may pay the remainder of the waived fee and be considered as a non-Social Equity Applicant. If the applicant cannot do either, then the Departments may keep the initial application fee and the application shall not be graded.

705/7-25

Transfer of license awarded to Social Equity Applicant

(a) In the event a Social Equity Applicant seeks to transfer, sell, or grant a cannabis business establishment license within 5 years after it was issued to a person or entity that does not qualify as a Social Equity Applicant, the transfer agreement shall require the new license holder to pay the Cannabis Business Development Fund an amount equal to:

- (1) any fees that were waived by any State agency based on the applicant's status as a Social Equity Applicant, if applicable;
- (2) any outstanding amount owed by the Qualified Social Equity Applicant for a loan through the Cannabis Business Development Fund, if applicable; and
- (3) the full amount of any grants that the Qualified Social Equity Applicant received from the Department of Commerce and Economic Opportunity, if applicable.

(b) Transfers of cannabis business establishment licenses awarded to a Social Equity Applicant are subject to all other provisions of this Act, the Compassionate Use of Medical Cannabis Pilot Program Act, and rules regarding transfers.

705/7-30

Reporting

By January 1, 2021, and on January 1 of every year thereafter, or upon request by the Illinois Cannabis Regulation Oversight Officer, each cannabis business establishment licensed under this Act shall report to the Illinois Cannabis Regulation Oversight Officer, on a form to be provided by the Illinois Cannabis Regulation Oversight Officer, information that will allow it to assess the extent of diversity in the medical and adult use cannabis industry and methods for reducing or eliminating any identified barriers to entry, including access to capital. The information to be collected shall be designed to identify the following:

- (1) the number and percentage of licenses provided to Social Equity Applicants and to businesses owned by minorities, women, veterans, and people with disabilities;
- (2) the total number and percentage of employees in the cannabis industry who meet the criteria in (3)(i) or (3)(ii) in the definition of Social Equity Applicant or who are minorities, women, veterans, or people with disabilities;
- (3) the total number and percentage of contractors and subcontractors in the cannabis industry that meet the definition of a Social Equity Applicant or who are owned by minorities, women, veterans, or people with disabilities, if known to the cannabis business establishment; and
- (4) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the cannabis industry.

ARTICLE 10.
PERSONAL USE OF CANNABIS

705/10-5

Personal use of cannabis; restrictions on cultivation; penalties

(a) **Beginning January 1, 2020,**

notwithstanding any other provision of law, and except as otherwise provided in this Act,

the following acts are not a violation of this Act and **shall not be a criminal or civil offense** under State law or the ordinances of any unit of local government of this State or be a basis for seizure or forfeiture of assets under State law

for persons **other than natural individuals under 21 years** of age:

- (1) possession, consumption, use, purchase, obtaining, or transporting an amount of cannabis for personal use that does not exceed the possession limit under Section 10-10 or otherwise in accordance with the requirements of this Act;
- (2) cultivation of cannabis for personal use in accordance with the requirements of this Act; and
- (3) controlling property if actions that are authorized by this Act occur on the property in accordance with this Act.

(a-1) **Beginning January 1, 2020,**

notwithstanding any other provision of law, and except as otherwise provided in this Act,

possessing, consuming, using, purchasing, obtaining, or transporting

an amount of cannabis purchased or produced in accordance with this Act that does not exceed the possession limit under subsection (a) of Section 10-10

shall not be a basis for seizure or forfeiture of assets under State law.

(b) Cultivating cannabis for personal use is subject to the following limitations:

- (1) An Illinois resident
21 years of age or older
who is a registered qualifying patient under the *Compassionate Use of Medical Cannabis Pilot Program Act*
may cultivate cannabis plants,
with a limit of 5 plants that are more than 5 inches tall,
per household
without a cultivation center or craft grower license.

In this Section, “**resident**” means a person who has been domiciled in the State of Illinois for a period of 30 days before cultivation.

- (2) Cannabis cultivation must take place in an enclosed, locked space.
- (3) Adult registered qualifying patients may purchase cannabis seeds from a dispensary for the purpose of home cultivation. Seeds may not be given or sold to any other person.
- (4) Cannabis plants shall not be stored or placed in a location where they are subject to ordinary public view, as defined in this Act.

A registered qualifying patient who cultivates cannabis under this Section shall take reasonable precautions to ensure the plants are secure from unauthorized access, including unauthorized access by a person under 21 years of age.

(5) Cannabis cultivation may occur only on residential property lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property.

An owner or lessor of residential property may prohibit the cultivation of cannabis by a lessee.

(6) (Blank).

(7) A dwelling, residence, apartment, condominium unit, enclosed, locked space, or piece of property not divided into multiple dwelling units **shall not contain more than 5 plants** at any one time.

(8) Cannabis plants may only be tended by registered qualifying patients who reside at the residence, or their authorized agent attending to the residence for brief periods, such as when the qualifying patient is temporarily away from the residence.

(9) A registered qualifying patient who cultivates more than the allowable number of cannabis plants, or who sells or gives away cannabis plants, cannabis, or cannabis-infused products produced under this Section, **is liable for penalties as provided by law, including the Cannabis Control Act**, in addition to loss of home cultivation privileges as established by rule.

705/10-10

Possession limit

(a) Except if otherwise authorized by this Act,

for a **person who is 21 years of age or older**

and a **resident of this State**.

the possession limit is as follows:

(1) 30 grams of cannabis flower;

(2) no more than 500 milligrams of THC contained in cannabis-infused product;

(3) 5 grams of cannabis concentrate; and

(4) **for registered qualifying patients**, any cannabis produced by cannabis plants grown under subsection (b) of Section 10-5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older

and who is **not a resident of this State**,

the possession limit is:

(1) 15 grams of cannabis flower;

(2) 2.5 grams of cannabis concentrate; and

(3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the *Compassionate Use of Medical Cannabis Pilot Program Act*.

705/10-15

Persons under 21 years of age

(a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 21 years of age, or to allow a person under 21 years of age to purchase, possess, use, process, transport, grow, or consume cannabis

except where authorized by the *Compassionate Use of Medical Cannabis Pilot Program Act* or by the *Community College Cannabis Vocational Pilot Program*.

(b) Notwithstanding any other provisions of law authorizing the possession of medical cannabis, nothing in this Act authorizes a person who is under 21 years of age to possess cannabis.

A person under 21 years of age with cannabis in his or her possession is guilty of a civil law violation as outlined in paragraph (a) of Section 4 of the Cannabis Control Act.

(c) If the person under the age of 21 was in a motor vehicle at the time of the offense,

the Secretary of State **may suspend or revoke** the driving privileges of any person for a violation of this Section under Section 6–206 of the Illinois Vehicle Code and the rules adopted under it.

(d) It is unlawful for any parent or guardian to knowingly permit his or her

residence,
any other private property under his or her control,
or any vehicle,
conveyance,
or watercraft

under his or her control to be used by an invitee of the parent's child or the guardian's ward,
if the invitee is under the age of 21, in a manner that constitutes a violation of this Section.

A parent or guardian is deemed to have knowingly permitted his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control to be used in violation of this Section if he or she knowingly authorizes or permits consumption of cannabis by underage invitees.

Any person who violates this subsection (d) is guilty of a **Class A misdemeanor** and the person's sentence shall include, but shall not be limited to, a fine of not less than \$500.

If a violation of this subsection (d) directly or indirectly results in great bodily harm or death to any person, the person violating this subsection is guilty of a **Class 4 felony**.

In this subsection (d), where the residence or other property has an owner and a tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or lessee.

705/10–20

Identification; false identification; penalty

(a) To protect personal privacy, the Department of Financial and Professional Regulation shall not require a purchaser to provide a dispensing organization with personal information other than government-issued identification to determine the purchaser's age, and a dispensing organization shall not obtain and record personal information about a purchaser without the purchaser's consent.

A dispensing organization shall use an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification.

Any identifying or personal information of a purchaser obtained or received in accordance with this Section shall not be retained, used, shared or disclosed for any purpose except as authorized by this Act.

(b) A person who is under 21 years of age may not present or offer to a cannabis business establishment or the cannabis business establishment's principal or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of:

- (1) purchasing, attempting to purchase, or otherwise obtaining or attempting to obtain cannabis or any cannabis product; or
- (2) gaining access to a cannabis business establishment.

(c) A violation of this Section is a **Class A misdemeanor** consistent with Section 6–20 of the Liquor Control Act of 1934.

(d) The Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6–206 of the Illinois Vehicle Code and the rules adopted under it.

(e) No agent or employee of the licensee shall be disciplined or discharged for selling or furnishing cannabis or cannabis products to a person under 21 years of age if the agent or employee demanded and was shown, before furnishing cannabis or cannabis products to a person under 21 years of age, adequate written evidence of age and identity of the person.

This subsection (e) does not apply if the agent or employee accepted the written evidence knowing it to be false or fraudulent.

Adequate written evidence of age and identity of the person is a document issued by a federal, State, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Military Selective Service Act, or an identification card issued to a member of the Armed Forces.

Proof that the licensee or his or her employee or agent was shown and reasonably relied upon such written evidence in any transaction forbidden by this Section is an affirmative defense in any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

705/10–25

Immunities and presumptions related to the use of cannabis by purchasers

(a) A purchaser who is 21 years of age or older

is not subject to arrest, prosecution, denial of any right or privilege, or other punishment including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board,

based solely on the use of cannabis if

- (1) the purchaser possesses an amount of cannabis that does not exceed the possession limit under Section 10–10 and, if the purchaser is licensed, certified, or registered to practice any trade or profession under any Act and
- (2) the use of cannabis does not impair that person when he or she is engaged in the practice of the profession for which he or she is licensed, certified, or registered.

(b) A purchaser 21 years of age or older

is not subject to arrest, prosecution, denial of any right or privilege, or other punishment, including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board,

based solely for

- (i) selling cannabis paraphernalia if employed and licensed as a dispensing agent by a dispensing organization or
- (ii) being in the presence or vicinity of the use of cannabis as allowed under this Act.

- (c) Mere possession of, or application for, an agent identification card or license does not constitute probable cause or reasonable suspicion to believe that a crime has been committed, nor shall it be used as the sole basis to support the search of the person, property, or home of the person applying for the agent identification card. The possession of, or application for, an agent identification card does not preclude the existence of probable cause if probable cause exists based on other grounds.
- (d) No person employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in good faith in reliance on this Act when acting within the scope of his or her employment. Representation and indemnification shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.
- (e) No law enforcement or correctional agency, nor any person employed by a law enforcement or correctional agency, shall be subject to criminal or civil liability, except for willful and wanton misconduct, as a result of taking any action within the scope of the official duties of the agency or person to prohibit or prevent the possession or use of cannabis by a person incarcerated at a correctional facility, jail, or municipal lockup facility, on parole or mandatory supervised release, or otherwise under the lawful jurisdiction of the agency or person.
- (f) For purposes of receiving medical care, including organ transplants, a person's use of cannabis under this Act does not constitute the use of an illicit substance or otherwise disqualify a person from medical care.

705/10-30

Discrimination prohibited

- (a) Neither the presence of cannabinoid components or metabolites in a person's bodily fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of cannabis or the participation in cannabis-related activities lawful under this Act by a custodial or noncustodial parent, grandparent, legal guardian, foster parent, or other person charged with the well-being of a child, shall form the sole or primary basis or supporting basis for any action or proceeding by a child welfare agency or in a family or juvenile court, any adverse finding, adverse evidence, or restriction of any right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a child, or a person's fitness to adopt a child or act as a foster parent of a child, or serve as the basis of any adverse finding, adverse evidence, or restriction of any right of privilege in a proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the management of an estate, unless the person's actions in relation to cannabis created an unreasonable danger to the safety of the minor or otherwise show the person to not be competent as established by clear and convincing evidence. This subsection applies only to conduct protected under this Act.
- (b) No landlord may be penalized or denied any benefit under State law for leasing to a person who uses cannabis under this Act.

(c) Nothing in this Act may be construed to require any person or establishment in lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis on or in that property.

705/10-35

Limitations and penalties

(a) This Act does not permit any person to engage in,

and does not prevent the imposition of any civil, criminal, or other penalties

for engaging in, any of the following conduct:

(1) undertaking any task under the influence of cannabis when doing so would constitute negligence, professional malpractice, or professional misconduct;

(2) possessing cannabis:

(A) in a school bus,

unless permitted for a qualifying patient or caregiver pursuant to the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(B) on the grounds of any preschool or primary or secondary school,

unless permitted for a qualifying patient or caregiver pursuant to *the Compassionate Use of Medical Cannabis Pilot Program Act*;

(C) in any correctional facility;

(D) in a vehicle not open to the public

unless the cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving; or

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(3) using cannabis:

(A) in a school bus,

unless permitted for a qualifying patient or caregiver pursuant to the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(B) on the grounds of any preschool or primary or secondary school,

unless permitted for a qualifying patient or caregiver pursuant to the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(C) in any correctional facility;

(D) in any motor vehicle;

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(F) in any public place; or

As used in this Section, “public place” means any place where a person could reasonably be expected to be observed by others.

“Public place” includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government.

“Public place” does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises.

(G) knowingly in close physical proximity to anyone under 21 years of age

who is not a registered medical cannabis patient under the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(4) smoking cannabis in any place where smoking is prohibited under the Smoke Free Illinois Act;

(5) operating, navigating, or being in actual physical control

of any motor vehicle, aircraft, or motorboat

while using or under the influence of cannabis in violation of Section 11–501 or 11–502.1 of the Illinois Vehicle Code;

(6) facilitating the use of cannabis by any person who is not allowed to use cannabis under this Act or the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(7) transferring cannabis to any person contrary to this Act or the *Compassionate Use of Medical Cannabis Pilot Program Act*;

(8) the use of cannabis by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty; or

(9) the use of cannabis by a person who has a school bus permit or a Commercial Driver's License while on duty.

(b) Nothing in this Act shall be construed to prevent the arrest or prosecution of a person for reckless driving or driving under the influence of cannabis if probable cause exists.

(c) Nothing in this Act shall prevent a private business from restricting or prohibiting the use of cannabis on its property, including areas where motor vehicles are parked.

(d) Nothing in this Act shall require an individual or business entity to violate the provisions of federal law, including colleges or universities that must abide by the Drug-Free Schools and Communities Act Amendments of 1989, that require campuses to be drug free.

705/10–40

Restore, Reinvest, and Renew Program.

(a) The General Assembly finds that in order to address the disparities described below, aggressive approaches and targeted resources to support local design and control of community-based responses to these outcomes are required.

To carry out this intent, the Restore, Reinvest, and Renew (R3) Program is created for the following purposes:

(1) to directly address the impact of economic disinvestment, violence, and the historical overuse of criminal justice responses to community and individual needs by providing resources to support local design and control of community-based responses to these impacts;

(2) to substantially reduce both the total amount of gun violence and concentrated poverty in this State;

(3) to protect communities from gun violence through targeted investments and intervention programs, including economic growth and improving family violence prevention, community treatment rates, gun injury victim services, and public health prevention activities; trauma

(4) to promote employment infrastructure and capacity building related to the social determinants of health in the eligible community areas.

(b) In this Section, “Authority” means the Illinois Criminal Justice Information Authority in coordination with the Justice, Equity, and Opportunity Initiative of the Lieutenant Governor’s Office.

(c) Eligibility of R3 Areas.

Within 180 days after the effective date of this Act, the Authority shall identify as eligible, areas in this State by way of historically recognized geographic boundaries, to be designated by the Restore, Reinvest, and Renew Program Board as R3 Areas and therefore eligible to apply for R3 funding.

Local groups within R3 Areas will be eligible to apply for State funding through the Restore, Reinvest, and Renew Program Board. Qualifications for designation as an R3 Area are as follows:

(1) Based on an analysis of data, communities in this State that are high need, underserved, disproportionately impacted by historical economic disinvestment, and ravaged by violence as indicated by the highest rates of gun injury, unemployment, child poverty rates, and commitments to and returns from the Illinois Department of Corrections.

(2) The Authority shall send to the Legislative Audit Commission and make publicly available its analysis and identification of eligible R3 Areas and shall recalculate he eligibility data every 4 years.

On an annual basis, the Authority shall analyze data and indicate if data covering any R3 Area or portion of an Area has, for 4 consecutive years, substantially deviated from the average of statewide data on which the original calculation was made to determine the Areas, including disinvestment, violence, gun injury, unemployment, child poverty rates, or commitments to or returns from the Illinois Department of Corrections.

(d) The Restore, Reinvest, and Renew Program Board shall encourage collaborative partnerships within each R3 Area to minimize multiple partnerships per Area

(e) The Restore, Reinvest, and Renew Program Board is created and shall reflect the diversity of the State of Illinois, including geographic, racial, and ethnic diversity.

Using the data provided by the Authority, the Restore, Reinvest, and Renew Program Board shall be responsible for designating the R3 Area boundaries and for the selection and oversight of R3 Area grantees.

The Restore, Reinvest, and Renew Program Board ex officio members shall, within 4 months after the effective date of this Act, convene the Board to appoint a full Restore, Reinvest, and Renew Program Board and oversee, provide guidance to, and develop an administrative structure for the R3 Program.

(1) The ex officio members are:

- (A) The Lieutenant Governor, or his or her designee, who shall serve as chair.
- (B) The Attorney General, or his or her designee.
- (C) The Director of Commerce and Economic Opportunity, or his or her designee.
- (D) The Director of Public Health, or his or her designee.
- (E) The Director of Corrections, or his or her designee.
- (F) The Executive Director of the Illinois Criminal Justice Information Authority, or his or her designee.
- (G) The Director of Employment Security, or his or her designee.
- (H) The Secretary of Human Services, or his or her designee.
- (I) A member of the Senate, designated by the President of the Senate.
- (J) A member of the House of Representatives, designated by the Speaker of the House of Representatives.
- (K) A member of the Senate, designated by the Minority Leader of the Senate.
- (L) A member of the House of Representatives, designated by the Minority Leader of the House of Representatives.

(2) Within 90 days after the R3 Areas have been designated by the Restore, Reinvest, and Renew Program Board, the following members shall be appointed to the Board by the R3 board chair:

(A) public officials of municipal geographic jurisdictions in the State that include an R3 Area, or their designees;

(B) 4 community-based providers or community development organization representatives who provide services to treat violence and address the social determinants of health, or promote community investment, including, but not limited to, services such as job placement and training, educational services, workforce development programming, and wealth building.

The community-based organization representatives shall work primarily in jurisdictions that include an R3 Area and no more than 2 representatives shall work primarily in Cook County.

At least one of the community-based providers shall have expertise in providing services to an immigrant population;

(C) Two experts in the field of violence reduction;

(D) One male who has previously been incarcerated and is over the age of 24 at time of appointment;

(E) One female who has previously been incarcerated and is over the age of 24 at time of appointment;

(F) Two individuals who have previously been incarcerated and are between the ages of 17 and 24 at time of appointment.

As used in this paragraph (2), "an individual who has been previously incarcerated" means a person who has been convicted of or pled guilty to one or more felonies, who was sentenced to a term of imprisonment, and who has completed his or her sentence.

Board members shall serve without compensation and may be reimbursed for reasonable expenses incurred in the performance of their duties from funds appropriated for that purpose.

Once all its members have been appointed as outlined in items (A) through (F) of this paragraph (2), the Board may exercise any power, perform any function, take any action, or do anything in furtherance of its purposes and goals upon the appointment of a quorum of its members.

The Board terms of the non-ex officio and General Assembly Board members shall end 4 years from the date of appointment.

(f) Within 12 months after the effective date of this Act, the Board shall:

(1) develop a process to solicit applications from eligible R3 Areas;

(2) develop a standard template for both planning and implementation activities to be submitted by R3 Areas to the State;

(3) identify resources sufficient to support the full administration and evaluation of the R3 Program, including building and sustaining core program capacity at the community and State levels;

(4) review R3 Area grant applications and proposed agreements and approve the distribution of resources;

(5) develop a performance measurement system that focuses on positive outcomes;

(6) develop a process to support ongoing monitoring and evaluation of R3 programs; and

(7) deliver an annual report to the General Assembly and to the Governor to be posted on the Governor's Office and General Assembly websites and provide to the public an annual report on its progress.

(g) R3 Area grants.

(1) Grant funds shall be awarded by the Illinois Criminal Justice Information Authority, in coordination with the R3 board, based on the likelihood that the plan will achieve the outcomes outlined in subsection (a) and consistent with the requirements of the Grant Accountability and Transparency Act.

The R3 Program shall also facilitate the provision of training and technical assistance for capacity building within and among R3 Areas.

(2) R3 Program Board grants shall be used to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid.

(3) The Restore, Reinvest, and Renew Program Board and the R3 Area grantees shall, within a period of no more than 120 days from the completion of planning activities described in this Section, finalize an agreement on the plan for implementation. Implementation activities may:

(A) have a basis in evidence or best practice research or have evaluations demonstrating the capacity to address the purpose of the program in subsection (a);

(B) collect data from the inception of planning activities through implementation, with data collection technical assistance when needed, including cost data and data related to identified meaningful short-term, mid-term, and long-term goals and metrics;

(C) report data to the Restore, Reinvest, and Renew Program Board biannually; and

(D) report information as requested by the R3 Program Board.

705/10-50

Employment; employer liability

(a) Nothing in this Act shall prohibit an employer from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.

(b) Nothing in this Act shall require an employer to permit an employee to be under the influence of or use cannabis in the employer's workplace or while performing the employee's job duties or while on call.

(c) Nothing in this Act shall limit or prevent an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.

(d) An employer may consider an employee to be impaired or under the influence of cannabis

if the employer has a good faith belief

that an employee manifests specific, articulable symptoms

while working

that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's

speech,
physical dexterity,
agility,
coordination,
demeanor,
irrational
or unusual behavior,
or negligence or carelessness in operating equipment or machinery;

disregard for the safety of the employee or others, or involvement in any accident that results in serious damage to equipment or property;

disruption of a production or manufacturing process;

or carelessness that results in any injury to the employee or others.

If an employer elects to discipline an employee on the basis that the employee is under the influence or impaired by cannabis, the employer must afford the employee a reasonable opportunity to contest the basis of the determination.

(e) Nothing in this Act shall be construed to create or imply a cause of action for any person against an employer for:

(1) actions, including but not limited to subjecting an employee or applicant to reasonable drug and alcohol testing under the employer's workplace drug policy, including an employee's refusal to be tested or to cooperate in testing procedures or disciplining or termination of employment, based on the employer's good faith belief that an employee used or possessed cannabis in the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's employment policies;

(2) actions, including discipline or termination of employment, based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or

(3) injury, loss, or liability to a third party if the employer neither knew nor had reason to know that the employee was impaired.

(f) Nothing in this Act shall be construed to enhance or diminish protections afforded by any other law, including but not limited to the Compassionate Use of Medical Cannabis Pilot Program Act or the Opioid Alternative Pilot Program.

(g) Nothing in this Act shall be construed to interfere with any federal, State, or local restrictions on employment including, but not limited to, the United States Department of Transportation regulation 49 CFR 40.151(e) or impact an employer's ability to comply with federal or State law or cause it to lose a federal or State contract or funding.

(h) As used in this Section, "workplace" means the employer's premises, including any building, real property, and parking area under the control of the employer or area used by an employee while in performance of the employee's job duties, and vehicles, whether leased, rented, or owned. "Workplace" may be further defined by the employer's written employment policy, provided that the policy is consistent with this Section.

(i) For purposes of this Section, an employee is deemed "on call" when such employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

ARTICLE 15.
LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

705/15-5
Authority.

- (a) In this Article, “Department” means the Department of Financial and Professional Regulation.
- (b) It is the duty of the Department to administer and enforce the provisions of this Act relating to the licensure and oversight of dispensing organizations and dispensing organization agents unless otherwise provided in this Act.
- (c) No person shall operate a dispensing organization for the purpose of serving purchasers of cannabis or cannabis products without a license issued under this Article by the Department. No person shall be an officer, director, manager, or employee of a dispensing organization without having been issued a dispensing organization agent card by the Department.
- (d) Subject to the provisions of this Act, the Department may exercise the following powers and duties:
- (1) Prescribe forms to be issued for the administration and enforcement of this Article.
 - (2) Examine, inspect, and investigate the premises, operations, and records of dispensing organization applicants and licensees.
 - (3) Conduct investigations of possible violations of this Act pertaining to dispensing organizations and dispensing organization agents.
 - (4) Conduct hearings on proceedings to refuse to issue or renew licenses or to revoke, suspend, place on probation, reprimand, or otherwise discipline a license under this Article or take other nondisciplinary action.
 - (5) Adopt rules required for the administration of this Article.

705/15-10
Medical cannabis dispensing organization exemption.

This Article does not apply to medical cannabis dispensing organizations registered under the Compassionate Use of Medical Cannabis Pilot Program Act, except where otherwise specified.

705/15-15
Early Approval Adult Use Dispensing Organization License.

- (a) Any medical cannabis dispensing organization holding a valid registration under the Compassionate Use of Medical Cannabis Pilot Program Act as of the effective date of this Act may, within 60 days of the effective date of this Act, apply to the Department for an

Early Approval Adult Use Dispensing Organization License to serve purchasers at any medical cannabis dispensing location in operation on the effective date of this Act, pursuant to this Section.

(b) A medical cannabis dispensing organization seeking issuance of an Early Approval Adult Use Dispensing Organization License to serve purchasers at any medical cannabis dispensing location in operation as of the effective date of this Act shall submit an application on forms provided by the Department. The application must be submitted by the same person or entity that holds the medical cannabis dispensing organization registration and include the following:

- (1) Payment of a nonrefundable fee of \$30,000 to be deposited into the Cannabis Regulation Fund;
- (2) Proof of registration as a medical cannabis dispensing organization that is in good standing;
- (3) Certification that the applicant will comply with the requirements contained in the Compassionate Use of Medical Cannabis Pilot Program Act except as provided in this Act;
- (4) The legal name of the dispensing organization;
- (5) The physical address of the dispensing organization;
- (6) The name, address, social security number, and date of birth of each principal officer and board member of the dispensing organization, each of whom must be at least 21 years of age;
- (7) A nonrefundable Cannabis Business Development Fee equal to 3% of the dispensing organization's total sales between June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to be deposited into the Cannabis Business Development Fund; and
- (8) Identification of one of the following Social Equity Inclusion Plans to be completed by March 31, 2021:
 - (A) Make a contribution of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to the Cannabis Business Development Fund. This is in addition to the fee required by item (7) of this subsection (b);
 - (B) Make a grant of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;
 - (C) Make a donation of \$100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;
 - (D) Participate as a host in a cannabis business establishment incubator program approved by the Department of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Dispensing Organization License holder agrees to provide a loan of at least \$100,000 and mentorship to incubate a licensee that qualifies as a Social Equity Applicant for at least a year. As used in this Section, "incubate" means providing direct financial assistance and training necessary to engage in licensed cannabis industry activity similar to that of the host licensee. The Early Approval Adult Use Dispensing Organization License holder or the same entity holding any other licenses issued pursuant to this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection. If an Early Approval Adult Use Dispensing Organization License holder fails to find a business to incubate to comply with this subsection before its Early Approval Adult Use Dispensing Organization License expires, it may opt to meet the requirement of this subsection by completing another item from this subsection; or
 - (E) Participate in a sponsorship program for at least 2 years approved by the Department of Commerce and Economic Opportunity in which an Early Approval Adult Use Dispensing Organization License holder agrees to provide an interest-free loan of at least \$200,000 to a Social Equity Applicant. The sponsor shall not take an ownership stake in any cannabis business establishment receiving sponsorship services to comply with this subsection.

(c) The license fee required by paragraph (1) of subsection (b) of this Section shall be in addition to any license fee required for the renewal of a registered medical cannabis dispensing organization license.

(d) Applicants must submit all required information, including the requirements in subsection (b) of this Section, to the Department. Failure by an applicant to submit all required information may result in the application being disqualified.

(e) If the Department receives an application that fails to provide the required elements contained in subsection (b), the Department shall issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to submit complete information. Applications that are still incomplete after this opportunity to cure may be disqualified.

(f) If an applicant meets all the requirements of subsection (b) of this Section, the Department shall issue the Early Approval Adult Use Dispensing Organization License within 14 days of receiving a completed application unless:

(1) The licensee or a principal officer is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois;

(2) The Secretary of Financial and Professional Regulation determines there is reason, based on documented compliance violations, the licensee is not entitled to an Early Approval Adult Use Dispensing Organization License; or

(3) Any principal officer fails to register and remain in compliance with this Act or the Compassionate Use of Medical Cannabis Pilot Program Act.

(g) A registered medical cannabis dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License may begin selling cannabis, cannabis-infused products, paraphernalia, and related items to purchasers under the rules of this Act no sooner than January 1, 2020.

(h) A dispensing organization holding a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act must maintain an adequate supply of cannabis and cannabis-infused products for purchase by qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants. For the purposes of this subsection, "adequate supply" means a monthly inventory level that is comparable in type and quantity to those medical cannabis products provided to patients and caregivers on an average monthly basis for the 6 months before the effective date of this Act.

(i) If there is a shortage of cannabis or cannabis-infused products, a dispensing organization holding both a dispensing organization license under the Compassionate Use of Medical Cannabis Pilot Program Act and this Act shall prioritize serving qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants before serving purchasers.

(j) Notwithstanding any law or rule to the contrary, a person that holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act and an Early Approval Adult Use Dispensing Organization License may permit purchasers into a limited access area as that term is defined in administrative rules made under the authority in the Compassionate Use of Medical Cannabis Pilot Program Act.

(k) An Early Approval Adult Use Dispensing Organization License is valid until March 31, 2021. A dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may renew its Early Approval Adult Use Dispensing Organization License. The Department shall renew the Early Approval Adult Use Dispensing Organization License within 60 days of the renewal application being deemed complete if:

(1) the dispensing organization submits an application and the required nonrefundable renewal fee of \$30,000, to be deposited into the Cannabis Regulation Fund;

(2) the Department has not suspended or revoked the Early Approval Adult Use Dispensing Organization License or a medical cannabis dispensing organization license on the same premises for violations of this Act, the Compassionate Use of Medical Cannabis Pilot Program Act, or rules adopted pursuant to those Acts; and

(3) the dispensing organization has completed a Social Equity Inclusion Plan as required by paragraph (8) of subsection (b) of this Section.

(l) The Early Approval Adult Use Dispensing Organization License renewed pursuant to subsection (k) of this Section shall expire March 31, 2022. The Early Approval Adult Use Dispensing Organization Licensee shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may apply for an Adult Use Dispensing Organization License. The Department shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant has met all of the criteria in Section 15–36.

(m) If a dispensary fails to submit an application for an Adult Use Dispensing Organization License before the expiration of the Early Approval Adult Use Dispensing Organization License pursuant to subsection (k) of this Section, the dispensing organization shall cease serving purchasers and cease all operations until it receives an Adult Use Dispensing Organization License.

(n) A dispensing organization agent who holds a valid dispensing organization agent identification card issued under the Compassionate Use of Medical Cannabis Pilot Program Act and is an officer, director, manager, or employee of the dispensing organization licensed under this Section may engage in all activities authorized by this Article to be performed by a dispensing organization agent.

(o) All fees collected pursuant to this Section shall be deposited into the Cannabis Regulation Fund, unless otherwise specified.

705/15-20

Early Approval Adult Use Dispensing Organization License; secondary site.

(a) If the Department suspends or revokes the Early Approval Adult Use Dispensing Organization License of a dispensing organization that also holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, the Department may consider the suspension or revocation as grounds to take disciplinary action against the medical cannabis dispensing organization license.

(a-5) If, within 360 days of the effective date of this Act, a dispensing organization is unable to find a location within the BLS Regions prescribed in subsection (a) of this Section in which to operate an Early Approval Adult Use Dispensing Organization at a secondary site because no jurisdiction within the prescribed area allows the operation of an Adult Use Cannabis Dispensing Organization, the Department of Financial and Professional Regulation may waive the geographic restrictions of subsection (a) of this Section and specify another BLS Region into which the dispensary may be placed.

(b) Any medical cannabis dispensing organization holding a valid registration under the Compassionate Use of Medical Cannabis Pilot Program Act as of the effective date of this Act may, within 60 days of the effective date of this Act, apply to the Department for an Early Approval Adult Use Dispensing Organization License to operate a dispensing organization to serve purchasers at a secondary site not within 1,500 feet of another medical cannabis dispensing organization or adult use dispensing organization.

The Early Approval Adult Use Dispensing Organization secondary site shall be within any BLS region that shares territory with the dispensing organization district to which the medical cannabis dispensing organization is assigned under the administrative rules for dispensing organizations under the Compassionate Use of Medical Cannabis Pilot Program Act.

(c) A medical cannabis dispensing organization seeking issuance of an Early Approval Adult Use Dispensing Organization License at a secondary site to serve purchasers at a secondary site as prescribed in subsection (b) of this Section shall submit an application on forms provided by the Department. The application must meet or include the following qualifications:

- (1) a payment of a nonrefundable application fee of \$30,000;
- (2) proof of registration as a medical cannabis dispensing organization that is in good standing;
- (3) submission of the application by the same person or entity that holds the medical cannabis dispensing organization registration;
- (4) the legal name of the medical cannabis dispensing organization;
- (5) the physical address of the medical cannabis dispensing organization and the proposed physical address of the secondary site;
- (6) a copy of the current local zoning ordinance Sections relevant to dispensary operations and documentation of the approval, the conditional approval or the status of a request for zoning approval from the local zoning office that the proposed dispensary location is in compliance with the local zoning rules;
- (7) a plot plan of the dispensary drawn to scale. The applicant shall submit general specifications of the building exterior and interior layout;
- (8) a statement that the dispensing organization agrees to respond to the Department's supplemental requests for information;
- (9) for the building or land to be used as the proposed dispensary:
 - (A) if the property is not owned by the applicant, a written statement from the property owner and landlord, if any, certifying consent that the applicant may operate a dispensary on the premises; or
 - (B) if the property is owned by the applicant, confirmation of ownership;
- (10) a copy of the proposed operating bylaws;

(11) a copy of the proposed business plan that complies with the requirements in this Act, including, at a minimum, the following:

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

(B) a description of the process of dispensing cannabis;

(12) a copy of the proposed security plan that complies with the requirements in this Article, including:

(A) a description of the delivery process by which cannabis will be received from a transporting organization, including receipt of manifests and protocols that will be used to avoid diversion, theft, or loss at the dispensary acceptance point; and

(B) the process or controls that will be implemented to monitor the dispensary, secure the premises, agents, patients, and currency, and prevent the diversion, theft, or loss of cannabis; and

(C) the process to ensure that access to the restricted access areas is restricted to, registered agents, service professionals, transporting organization agents, Department inspectors, and security personnel;

(13) a proposed inventory control plan that complies with this Section;

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

(15) a nonrefundable Cannabis Business Development Fee equal to \$200,000, to be deposited into the Cannabis Business Development Fund; and

(16) a commitment to completing one of the following Social Equity Inclusion Plans in subsection (d).

(d) Before receiving an Early Approval Adult Use Dispensing Organization License at a secondary site, a dispensing organization shall indicate the Social Equity Inclusion Plan that the applicant plans to achieve before the expiration of the Early Approval Adult Use Dispensing Organization License from the list below:

(1) make a contribution of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to the Cannabis Business Development Fund. This is in addition to the fee required by paragraph (16) of subsection (c) of this Section;

(2) make a grant of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;

(3) make a donation of \$100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;

(4) participate as a host in a cannabis business establishment incubator program approved by the Department of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Dispensing Organization License at a secondary site holder agrees to provide a loan of at least \$100,000 and mentorship to incubate a licensee that qualifies as a Social Equity Applicant for at least a year.

In this paragraph (4), “incubate” means providing direct financial assistance and training necessary to engage in licensed cannabis industry activity similar to that of the host licensee.

The Early Approval Adult Use Dispensing Organization License holder or the same entity holding any other licenses issued under this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection.

If an Early Approval Adult Use Dispensing Organization License at a secondary site holder fails to find a business to incubate in order to comply with this subsection before its Early Approval Adult Use Dispensing Organization License at a secondary site expires, it may opt to meet the requirement of this subsection by completing another item from this subsection before the expiration of its Early Approval Adult Use Dispensing Organization License at a secondary site to avoid a penalty; or

(5) participate in a sponsorship program for at least 2 years approved by the Department of Commerce and Economic Opportunity in which an Early Approval Adult Use Dispensing Organization License at a secondary site holder agrees to provide an interest-free loan of at least \$200,000 to a Social Equity Applicant.

The sponsor shall not take an ownership stake of greater than 10% in any business receiving sponsorship services to comply with this subsection.

(e) The license fee required by paragraph (1) of subsection (c) of this Section is in addition to any license fee required for the renewal of a registered medical cannabis dispensing organization license.

(f) Applicants must submit all required information, including the requirements in subsection (c) of this Section, to the Department. Failure by an applicant to submit all required information may result in the application being disqualified.

(g) If the Department receives an application that fails to provide the required elements contained in subsection (c), the Department shall issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to submit complete information. Applications that are still incomplete after this opportunity to cure may be disqualified.

(h) Once all required information and documents have been submitted, the Department will review the application. The Department may request revisions and retains final approval over dispensary features. Once the application is complete and meets the Department's approval, the Department shall conditionally approve the license. Final approval is contingent on the build-out and Department inspection.

(i) Upon submission of the Early Approval Adult Use Dispensing Organization at a secondary site application, the applicant shall request an inspection and the Department may inspect the Early Approval Adult Use Dispensing Organization's secondary site to confirm compliance with the application and this Act.

(j) The Department shall only issue an Early Approval Adult Use Dispensing Organization License at a secondary site after the completion of a successful inspection.

(k) If an applicant passes the inspection under this Section, the Department shall issue the Early Approval Adult Use Dispensing Organization License at a secondary site within 10 business days unless:

- (1) The licensee; principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee; or agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois; or
- (2) The Secretary of Financial and Professional Regulation determines there is reason, based on documented compliance violations, the licensee is not entitled to an Early Approval Adult Use Dispensing Organization License at its secondary site.

(l) Once the Department has issued a license, the dispensing organization shall notify the Department of the proposed opening date.

(m) A registered medical cannabis dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License at a secondary site may begin selling cannabis, cannabis-infused products, paraphernalia, and related items to purchasers under the rules of this Act no sooner than January 1, 2020.

(n) If there is a shortage of cannabis or cannabis-infused products, a dispensing organization holding both a dispensing organization license under the Compassionate Use of Medical Cannabis Pilot Program Act and this Article shall prioritize serving qualifying patients and caregivers before serving purchasers.

(o) An Early Approval Adult Use Dispensing Organization License at a secondary site is valid until March 31, 2021. A dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License at a secondary site shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may renew its Early Approval Adult Use Dispensing Organization License at a secondary site.

The Department shall renew an Early Approval Adult Use Dispensing Organization License at a secondary site within 60 days of submission of the renewal application being deemed complete if:

- (1) the dispensing organization submits an application and the required nonrefundable renewal fee of \$30,000, to be deposited into the Cannabis Regulation Fund;
- (2) the Department has not suspended or revoked the Early Approval Adult Use Dispensing Organization License or a medical cannabis dispensing organization license held by the same person or entity for violating this Act or rules adopted under this Act or the Compassionate Use of Medical Cannabis Pilot Program Act or rules adopted under that Act; and

(3) the dispensing organization has completed a Social Equity Inclusion Plan as required by paragraph (16) of subsection (c) of this Section.

(p) The Early Approval Adult Use Dispensing Organization Licensee at a secondary site renewed pursuant to subsection (o) shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may apply for an Adult Use Dispensing Organization License. The Department shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant has met all of the criteria in Section 15–36.

(q) If a dispensing organization fails to submit an application for renewal of an Early Approval Adult Use Dispensing Organization License or for an Adult Use Dispensing Organization License before the expiration dates provided in subsections (o) and (p) of this Section, the dispensing organization shall cease serving purchasers until it receives a renewal or an Adult Use Dispensing Organization License.

(r) A dispensing organization agent who holds a valid dispensing organization agent identification card issued under the Compassionate Use of Medical Cannabis Pilot Program Act and is an officer, director, manager, or employee of the dispensing organization licensed under this Section may engage in all activities authorized by this Article to be performed by a dispensing organization agent.

(s) If the Department suspends or revokes the Early Approval Adult Use Dispensing Organization License of a dispensing organization that also holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, the Department may consider the suspension or revocation as grounds to take disciplinary action against the medical cannabis dispensing organization.

(t) All fees or fines collected from an Early Approval Adult Use Dispensing Organization License at a secondary site holder as a result of a disciplinary action in the enforcement of this Act shall be deposited into the Cannabis Regulation Fund and be appropriated to the Department for the ordinary and contingent expenses of the Department in the administration and enforcement of this Section.

705/15–25

Awarding of Conditional Adult Use Dispensing Organization Licenses prior to January 1, 2021

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

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

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

- (1) Bloomington: 1
- (2) Cape Girardeau: 1
- (3) Carbondale–Marion: 1
- (4) Champaign–Urbana: 1
- (5) Chicago–Naperville–Elgin: 47
- (6) Danville: 1
- (7) Davenport–Moline–Rock Island: 1
- (8) Decatur: 1
- (9) Kankakee: 1
- (10) Peoria: 3
- (11) Rockford: 2
- (12) St. Louis: 4
- (13) Springfield: 1
- (14) Northwest Illinois nonmetropolitan: 3
- (15) West Central Illinois nonmetropolitan: 3
- (16) East Central Illinois nonmetropolitan: 2
- (17) South Illinois nonmetropolitan: 2

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

- (1) Payment of a nonrefundable application fee of \$5,000 for each license for which the applicant is applying, which shall be deposited into the Cannabis Regulation Fund;
- (2) Certification that the applicant will comply with the requirements contained in this Act;
- (3) The legal name of the proposed dispensing organization;
- (4) A statement that the dispensing organization agrees to respond to the Department's supplemental requests for information;
- (5) From each principal officer, a statement indicating whether that person:
 - (A) has previously held or currently holds an ownership interest in a cannabis business establishment in Illinois; or
 - (B) has held an ownership interest in a dispensing organization or its equivalent in another state or territory of the United States that had the dispensing organization registration or license suspended, revoked, placed on probationary status, or subjected to other disciplinary action;
- (6) Disclosure of whether any principal officer has ever filed for bankruptcy or defaulted on spousal support or child support obligation;
- (7) A resume for each principal officer, including whether that person has an academic degree, certification, or relevant experience with a cannabis business establishment or in a related industry;
- (8) A description of the training and education that will be provided to dispensing organization agents;
- (9) A copy of the proposed operating bylaws;
- (10) A copy of the proposed business plan that complies with the requirements in this Act, including, at a minimum, the following:
 - (A) A description of services to be offered; and
 - (B) A description of the process of dispensing cannabis;
- (11) A copy of the proposed security plan that complies with the requirements in this Article, including:
 - (A) The process or controls that will be implemented to monitor the dispensary, secure the premises, agents, and currency, and prevent the diversion, theft, or loss of cannabis; and
 - (B) The process to ensure that access to the restricted access areas is restricted to, registered agents, service professionals, transporting organization agents, Department inspectors, and security personnel;
- (12) A proposed inventory control plan that complies with this Section;
- (13) A proposed floor plan, a square footage estimate, and a description of proposed security devices, including, without limitation, cameras, motion detectors, servers, video storage capabilities, and alarm service providers;
- (14) The name, address, social security number, and date of birth of each principal officer and board member of the dispensing organization; each of those individuals shall be at least 21 years of age;
- (15) Evidence of the applicant's status as a Social Equity Applicant, if applicable, and whether a Social Equity Applicant plans to apply for a loan or grant issued by the Department of Commerce and Economic Opportunity;
- (16) The address, telephone number, and email address of the applicant's principal place of business, if applicable. A post office box is not permitted;
- (17) Written summaries of any information regarding instances in which a business or not-for-profit that a prospective board member previously managed or served on were fined or censured, or any instances in which a business or not-for-profit that a prospective board member previously managed or served on had its registration suspended or revoked in any administrative or judicial proceeding;
- (18) A plan for community engagement;

- (19) Procedures to ensure accurate recordkeeping and security measures that are in accordance with this Article and Department rules;
- (20) The estimated volume of cannabis it plans to store at the dispensary;
- (21) A description of the features that will provide accessibility to purchasers as required by the Americans with Disabilities Act;
- (22) A detailed description of air treatment systems that will be installed to reduce odors;
- (23) A reasonable assurance that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate;
- (24) The dated signature of each principal officer;
- (25) A description of the enclosed, locked facility where cannabis will be stored by the dispensing organization;
- (26) Signed statements from each dispensing organization agent stating that he or she will not divert cannabis;
- (27) The number of licenses it is applying for in each BLS Region;
- (28) A diversity plan that includes a narrative of at least 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity;
- (29) A contract with a private security contractor that is licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 in order for the dispensary to have adequate security at its facility; and
- (30) Other information deemed necessary by the Illinois Cannabis Regulation Oversight Officer to conduct the disparity and availability study referenced in subsection (e) of Section 5-45.

(e) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of award to identify a physical location for the dispensing organization retail storefront.

Before a conditional licensee receives an authorization to build out the dispensing organization from the Department, the Department shall inspect the physical space selected by the conditional licensee.

The Department shall verify the site is suitable for public access, the layout promotes the safe dispensing of cannabis, the location is sufficient in size, power allocation, lighting, parking, handicapped accessible parking spaces, accessible entry and exits as required by the Americans with Disabilities Act, product handling, and storage.

The applicant shall also provide a statement of reasonable assurance that the issuance of a license will not have a detrimental impact on the community.

The applicant shall also provide evidence that the location is not within 1,500 feet of an existing dispensing organization.

If an applicant is unable to find a suitable physical address in the opinion of the Department within 180 days of the issuance of the Conditional Adult Use Dispensing Organization License, the Department may extend the period for finding a physical address another 180 days if the Conditional Adult Use Dispensing Organization License holder demonstrates concrete attempts 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 360 days of being awarded a conditional license, the Department shall rescind the conditional license and award it to the next highest scoring applicant in the BLS Region for which the license was assigned, provided the applicant receiving the license:

- (i) confirms a continued interest in operating a dispensing organization;
- (ii) can provide evidence that the applicant continues to meet the financial requirements provided in subsection (c) of this Section; and

(iii) has not otherwise become ineligible to be awarded a 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 to the next highest scoring applicant in the same manner. The new awardee shall be subject to the same required deadlines as provided in this subsection.

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

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

The Department shall not issue an Adult Use Dispensing Organization License until:

- (1) the Department has inspected the dispensary site and proposed operations and verified that they are in compliance with this Act and local zoning laws; and
- (2) the Conditional Adult Use Dispensing Organization License holder has paid a registration fee of \$60,000, or a prorated amount accounting for the difference of time between when the Adult Use Dispensing Organization License is issued and March 31 of the next even-numbered year.

(g) The Department shall conduct a background check of the prospective organization agents in order to carry out this Article. The Department of 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 Department of 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 in the Department of State Police and Federal Bureau of Identification criminal history records databases.

The Department of State Police shall furnish, following positive identification, all Illinois conviction information to the Department.

705/15-30

Selection criteria for conditional licenses awarded under Section 15-25

(a) Applicants for a Conditional Adult Use Dispensing Organization License must submit all required information, including the information required in Section 15-25, to the Department. Failure by an applicant to submit all required information may result in the application being disqualified.

(b) If the Department receives an application that fails to provide the required elements contained in this Section, the Department shall issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.

(c) The Department will award up to 250 points to complete applications based on the sufficiency of the applicant's responses to required information. Applicants will be awarded points based on a determination that the application satisfactorily includes the following elements:

- (1) Suitability of Employee Training Plan (15 points).

The plan includes an employee training plan that demonstrates that employees will understand the rules and laws to be followed by dispensary employees, have knowledge of any security measures and operating procedures of the dispensary, and are able to advise purchasers on how to safely consume cannabis and use individual products offered by the dispensary.

- (2) Security and Recordkeeping (65 points).

(A) The security plan accounts for the prevention of the theft or diversion of cannabis. The security plan demonstrates safety procedures for dispensary agents and purchasers, and safe delivery and storage of cannabis and currency. It demonstrates compliance with all security requirements in this Act and rules.

(B) A plan for recordkeeping, tracking, and monitoring inventory, quality control, and other policies and procedures that will promote standard recordkeeping and discourage unlawful activity. This plan includes the applicant's strategy to communicate with the Department and the Department of State Police on the destruction and disposal of cannabis. The plan must also demonstrate compliance with this Act and rules.

(C) The security plan shall also detail which private security contractor licensed under Section 10–5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 the dispensary will contract with in order to provide adequate security at its facility.

(3) Applicant's Business Plan, Financials, Operating and Floor Plan (65 points).

(A) The business plan shall describe, at a minimum, how the dispensing organization will be managed on a long-term basis. This shall include a description of the dispensing organization's point-of-sale system, purchases and denials of sale, confidentiality, and products and services to be offered. It will demonstrate compliance with this Act and rules.

(B) The operating plan shall include, at a minimum, best practices for day-to-day dispensary operation and staffing. The operating plan may also include information about employment practices, including information about the percentage of full-time employees who will be provided a living wage.

(C) The proposed floor plan is suitable for public access, the layout promotes safe dispensing of cannabis, is compliant with the Americans with Disabilities Act and the Environmental Barriers Act, and facilitates safe product handling and storage.

(4) Knowledge and Experience (30 points).

(A) The applicant's principal officers must demonstrate experience and qualifications in business management or experience with the cannabis industry. This includes ensuring optimal safety and accuracy in the dispensing and sale of cannabis.

(B) The applicant's principal officers must demonstrate knowledge of various cannabis product strains or varieties and describe the types and quantities of products planned to be sold. This includes confirmation of whether the dispensing organization plans to sell cannabis paraphernalia or edibles.

(C) Knowledge and experience may be demonstrated through experience in other comparable industries that reflect on applicant's ability to operate a cannabis business establishment.

(5) Status as a Social Equity Applicant (50 points).

The applicant meets the qualifications for a Social Equity Applicant as set forth in this Act.

(6) Labor and employment practices (5 points):

The applicant may describe plans to provide a safe, healthy, and economically beneficial working environment for its agents, including, but not limited to, codes of conduct, health care benefits, educational benefits, retirement benefits, living wage standards, and entering a labor peace agreement with employees.

(7) Environmental Plan (5 points):

The applicant may demonstrate an environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the dispensary, which may include, without limitation, recycling cannabis product packaging.

(8) Illinois owner (5 points):

The applicant is 51% or more owned and controlled by an Illinois resident, who can prove residency in each of the past 5 years with tax records.

(9) Status as veteran (5 points):

The applicant is 51% or more controlled and owned by an individual or individuals who meet the qualifications of a veteran as defined by Section 45–57 of the Illinois Procurement Code.

(10) A diversity plan (5 points):

that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity.

(d) The Department may also award up to 2 bonus points for a plan to engage with the community.

The applicant may demonstrate a desire to engage with its community by participating in one or more of, but not limited to, the following actions:

- (i) establishment of an incubator program designed to increase participation in the cannabis industry by persons who would qualify as Social Equity Applicants;
- (ii) providing financial assistance to substance abuse treatment centers;
- (iii) educating children and teens about the potential harms of cannabis use; or
- (iv) other measures demonstrating a commitment to the applicant's community.

Bonus points will only be awarded if the Department receives applications that receive an equal score for a particular region.

(e) 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.

(f) The Department may, in its discretion, refuse to issue an authorization to any applicant:

- (1) Who is unqualified to perform the duties required of the applicant;
- (2) Who fails to disclose or states falsely any information called for in the application;
- (3) Who has been found guilty of a violation of this Act, or whose medical cannabis dispensing organization, medical cannabis cultivation organization, or Early Approval Adult Use Dispensing Organization License, or Early Approval Adult Use Dispensing Organization License at a secondary site, or Early Approval Cultivation Center License was suspended, restricted, revoked, or denied for just cause, or the applicant's cannabis business establishment license was suspended, restricted, revoked, or denied in any other state; or
- (4) 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.

(g) 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 returns or paying any amounts owed to the State of Illinois.

(h) The Department shall verify an applicant's compliance with the requirements of this Article and rules before issuing a dispensing organization license.

(i) Should the applicant be awarded a license, 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 Licenses, except as otherwise provided by this Act or 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 re-evaluate its prior decision regarding the awarding of a license, including, but not limited to, suspending or revoking a 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 revocation of its authorization or license by the Department.

(j) If an applicant has not begun operating as a dispensing organization within one year of the issuance of the Conditional Adult Use Dispensing Organization License, the Department may revoke the Conditional Adult Use Dispensing Organization License and award it to the next highest scoring applicant in the BLS Region if a suitable applicant indicates a continued interest in the license or begin a new selection process to award a Conditional Adult Use Dispensing Organization License.

(k) The Department shall deny an application if granting that application would result in a single person or entity having a direct or indirect financial interest in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, or Adult Use Dispensing Organization Licenses.

Any entity that is awarded a license that results in a single person or entity having a direct or indirect financial interest in more than 10 licenses shall forfeit the most recently issued license and suffer a penalty to be determined by the Department, unless the entity declines the license at the time it is awarded.

705/15-35

Conditional Adult Use Dispensing Organization License after January 1, 2021.

(a) In addition to any of the licenses issued in Sections 15–15, Section 15–20, or Section 15–25 of this Act, by December 21, 2021, the Department shall issue up to 110 Conditional Adult Use Dispensing Organization Licenses, pursuant to the application process adopted under this Section.

Prior to issuing such licenses, the Department may adopt rules through emergency rulemaking in accordance with subsection (gg) of Section 5–45 of the Illinois Administrative Procedure Act.

The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

Such rules may:

(1) Modify or change the BLS Regions as they apply to this Article or modify or raise the number of Adult Conditional Use Dispensing Organization Licenses assigned to each region based on the following factors:

(A) Purchaser wait times;

(B) Travel time to the nearest dispensary for potential purchasers;

(C) Percentage of cannabis sales occurring in Illinois not in the regulated market using data from the Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism data from the Illinois Office of Tourism to ascertain total cannabis consumption in Illinois compared to the amount of sales in licensed dispensing organizations;

(D) Whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients;

(E) Population increases or shifts;

(F) Density of dispensing organizations in a region;

(G) The Department's capacity to appropriately regulate additional licenses;

(H) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer in subsection (e) of Section 5–45 to reduce or eliminate any identified barriers to entry in the cannabis industry; and

(I) Any other criteria the Department deems relevant.

(2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer and make modifications to remedy evidence of discrimination.

(b) After January 1, 2022, the Department may by rule modify or raise the number of Adult Use Dispensing Organization Licenses assigned to each region, and modify or change the licensing application process to reduce or eliminate barriers based on the criteria in subsection (a). At no time shall the Department issue more than 500 Adult Use Dispensary Organization Licenses.

705/15-36

Adult Use Dispensing Organization License

(a) A person is only eligible to receive an Adult Use Dispensing Organization if the person has been awarded a Conditional Adult Use Dispensing Organization License pursuant to this Act or has renewed its license pursuant to subsection (k) of Section 15-15 or subsection (p) of Section 15-20.

(b) The Department shall not issue an Adult Use Dispensing Organization License until:

- (1) the Department has inspected the dispensary site and proposed operations and verified that they are in compliance with this Act and local zoning laws;
- (2) the Conditional Adult Use Dispensing Organization License holder has paid a registration fee of \$60,000 or a prorated amount accounting for the difference of time between when the Adult Use Dispensing Organization License is issued and March 31 of the next even-numbered year; and
- (3) the Conditional Adult Use Dispensing Organization License holder has met all the requirements in the Act and rules.

(c) No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than 10 dispensing organizations licensed under this Article.

Further, no person or entity that is:

- (1) employed by, is an agent of, or participates in the management of a dispensing organization or registered medical cannabis dispensing organization;
- (2) a principal officer of a dispensing organization or registered medical cannabis dispensing organization; or
- (3) an entity controlled by or affiliated with a principal officer of a dispensing organization or registered medical cannabis dispensing organization;

shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a dispensing organization that would result in such person or entity owning or participating in the management of more than 10 dispensing organizations. For the purpose of this subsection, participating in management may include, without limitation, controlling decisions regarding staffing, pricing, purchasing, marketing, store design, hiring, and website design.

(d) The Department shall deny an application if granting that application would result in a person or entity obtaining direct or indirect financial interest 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.

If a person or entity is awarded a Conditional Adult Use Dispensing Organization License that would cause the person or entity to be in violation of this subsection, he, she, or it shall choose which license application it wants to abandon and such licenses shall become available to the next qualified applicant in the region in which the abandoned license was awarded.

705/15-40

Dispensing organization agent identification card; agent training.

(a) The Department shall:

- (1) Verify the information contained in an application or renewal for a dispensing organization agent identification card submitted under this Article, and approve or deny an application or renewal, within 30 days of receiving a completed application or renewal application and all supporting documentation required by rule;

- (2) Issue a dispensing organization agent identification card to a qualifying agent within 15 business days of approving the application or renewal;
 - (3) Enter the registry identification number of the dispensing organization where the agent works;
 - (4) Within one year from the effective date of this Act, allow for an electronic application process and provide a confirmation by electronic or other methods that an application has been submitted; and
 - (5) Collect a \$100 nonrefundable fee from the applicant to be deposited into the Cannabis Regulation Fund.
- (b) A dispensing agent must keep his or her identification card visible at all times when on the property of the dispensing organization.
- (c) The dispensing organization agent identification cards shall contain the following:
- (1) The name of the cardholder;
 - (2) The date of issuance and expiration date of the dispensing organization agent identification cards;
 - (3) A random 10–digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the cardholder; and
 - (4) A photograph of the cardholder.
- (d) The dispensing organization agent identification cards shall be immediately returned to the dispensing organization upon termination of employment.
- (e) The Department shall not issue an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.
- (f) Any card lost by a dispensing organization agent shall be reported to the Department of State Police and the Department immediately upon discovery of the loss.
- (g) An applicant shall be denied a dispensing organization agent identification card if he or she fails to complete the training provided for in this Section.
- (h) A dispensing organization agent shall only be required to hold one card for the same employer regardless of what type of dispensing organization license the employer holds.
- (i) Cannabis retail sales training requirements.
- (1) Within 90 days of September 1, 2019, or 90 days of employment, whichever is later, all owners, managers, employees, and agents involved in the handling or sale of cannabis or cannabis-infused product employed by an adult use dispensing organization or medical cannabis dispensing organization as defined in Section 10 of the Compassionate Use of Medical Cannabis Pilot Program Act shall attend and successfully complete a Responsible Vendor Program.
 - (2) Each owner, manager, employee, and agent of an adult use dispensing organization or medical cannabis dispensing organization shall successfully complete the program annually.
 - (3) Responsible Vendor Program Training modules shall include at least 2 hours of instruction time approved by the Department including:
 - (i) Health and safety concerns of cannabis use, including the responsible use of cannabis, its physical effects, onset of physiological effects, recognizing signs of impairment, and appropriate responses in the event of overconsumption.
 - (ii) Training on laws and regulations on driving while under the influence.
 - (iii) Sales to minors prohibition. Training shall cover all relevant Illinois laws and rules.
 - (iv) Quantity limitations on sales to purchasers. Training shall cover all relevant Illinois laws and rules.
 - (v) Acceptable forms of identification. Training shall include:

(I) How to check identification; and

(II) Common mistakes made in verification;

(vi) Safe storage of cannabis;

(vii) Compliance with all inventory tracking system regulations;

(viii) Waste handling, management, and disposal;

(ix) Health and safety standards;

(x) Maintenance of records;

(xi) Security and surveillance requirements;

(xii) Permitting inspections by State and local licensing and enforcement authorities;

(xiii) Privacy issues;

(xiv) Packaging and labeling requirement for sales to purchasers; and

(xv) Other areas as determined by rule.

(j) BLANK.

(k) Upon the successful completion of the Responsible Vendor Program, the provider shall deliver proof of completion either through mail or electronic communication to the dispensing organization, which shall retain a copy of the certificate.

(l) The license of a dispensing organization or medical cannabis dispensing organization whose owners, managers, employees, or agents fail to comply with this Section may be suspended or revoked under Section 15–145 or may face other disciplinary action.

(m) The regulation of dispensing organization and medical cannabis dispensing employer and employee training is an exclusive function of the State, and regulation by a unit of local government, including a home rule unit, is prohibited. This subsection (m) is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(n) Persons seeking Department approval to offer the training required by paragraph (3) of subsection (i) may apply for such approval between August 1 and August 15 of each odd-numbered year in a manner prescribed by the Department.

(o) Persons seeking Department approval to offer the training required by paragraph (3) of subsection (i) shall submit a non-refundable application fee of \$2,000 to be deposited into the Cannabis Regulation Fund or a fee as may be set by rule.

Any changes made to the training module shall be approved by the Department.

(p) The Department shall not unreasonably deny approval of a training module that meets all the requirements of paragraph (3) of subsection (i).

A denial of approval shall include a detailed description of the reasons for the denial.

(q) Any person approved to provide the training required by paragraph (3) of subsection (i) shall submit an application for re-approval between August 1 and August 15 of each odd-numbered year and include a non-refundable application fee of \$2,000 to be deposited into the Cannabis Regulation Fund or a fee as may be set by rule.

705/15–45 **Renewal**

(a) Adult Use Dispensing Organization Licenses shall expire on March 31 of even-numbered years.

(b) Agent identification cards shall expire one year from the date they are issued.

(c) Licensees and dispensing agents shall submit a renewal application as provided by the Department and pay the required renewal fee.

The Department shall require an agent, employee, contracting, and subcontracting diversity report and an environmental impact report with its renewal application.

No license or agent identification card shall be renewed if it is currently under revocation or suspension for violation of this Article or any rules that may be adopted under this Article or the licensee, principal officer, board member, person having a financial or voting interest of 5% or greater in the licensee, or agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

(d) Renewal fees are:

(1) For a dispensing organization, \$60,000, to be deposited into the Cannabis Regulation Fund.

(2) For an agent identification card, \$100, to be deposited into the Cannabis Regulation Fund.

(e) If a dispensing organization fails to renew its license before expiration, the dispensing organization shall cease operations until the license is renewed.

(f) If a dispensing organization agent fails to renew his or her registration before its expiration, he or she shall cease to perform duties authorized by this Article at a dispensing organization until his or her registration is renewed.

(g) Any dispensing organization that continues to operate or dispensing agent that continues to perform duties authorized by this Article at a dispensing organization that fails to renew its license is subject to penalty as provided in this Article, or any rules that may be adopted pursuant to this Article.

(h) The Department shall not renew a license if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

The Department shall not renew a dispensing agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/15-50

Disclosure of ownership and control

(a) Each dispensing organization applicant and licensee shall file and maintain a Table of Organization, Ownership and Control with the Department.

The Table of Organization, Ownership and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that, through direct or indirect means, manages, owns, or controls the applicant or licensee.

(b) The Table of Organization, Ownership and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the dispensing organization.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity.

(d) A dispensing organization with a parent company or companies, or partially owned or controlled by another entity must disclose to the Department the relationship and all owners, board members, officers, or individuals with control or management of those entities.

A dispensing organization shall not shield its ownership or control from the Department.

(e) All principal officers must submit a complete online application with the Department within 14 days of the dispensing organization being licensed by the Department or within 14 days of Department notice of approval as a new principal officer.

(f) A principal officer may not allow his or her registration to expire.

(g) A dispensing organization separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Department within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the dispensing organization or shall otherwise terminate his or her affiliation.

Failure to do so may subject the dispensing organization to discipline, suspension, or revocation of its license by the Department.

(i) It is the responsibility of the dispensing organization and its principal officers to promptly notify the Department of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the dispensing organization's primary or secondary contact information.

Any changes must be made to the Department in writing.

705/15-55

Financial responsibility.

Evidence of financial responsibility is a requirement for the issuance, maintenance, or reactivation of a license under this Article. Evidence of financial responsibility shall be used to guarantee that the dispensing organization timely and successfully completes dispensary construction, operates in a manner that provides an uninterrupted supply of cannabis, faithfully pays registration renewal fees, keeps accurate books and records, makes regularly required reports, complies with State tax requirements, and conducts the dispensing organization in conformity with this Act and rules.

Evidence of financial responsibility shall be provided by one of the following:

(1) Establishing and maintaining an escrow or surety account in a financial institution in the amount of \$50,000, with escrow terms, approved by the Department, that it shall be payable to the Department in the event of circumstances outlined in this Act and rules.

(A) A financial institution may not return money in an escrow or surety account to the dispensing organization that established the account or a representative of the organization unless the organization or representative presents a statement issued by the Department indicating that the account may be released.

(B) The escrow or surety account shall not be canceled on less than 30 days' notice in writing to the Department, unless otherwise approved by the Department.

If an escrow or surety account is canceled and the registrant fails to secure a new account with the required amount on or before the effective date of cancellation, the registrant's registration may be revoked.

The total and aggregate liability of the surety on the bond is limited to the amount specified in the escrow or surety account.

(2) Providing a surety bond in the amount of \$50,000, naming the dispensing organization as principal of the bond, with terms, approved by the Department, that the bond defaults to the Department in the event of circumstances outlined in this Act and rules. Bond terms shall include:

(A) The business name and registration number on the bond must correspond exactly with the business name and registration number in the Department's records.

(B) The bond must be written on a form approved by the Department.

(C) A copy of the bond must be received by the Department within 90 days after the effective date.

(D) The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Department. If a bond is canceled and the registrant fails to file a new bond with the Department in the required amount on or before the effective date of cancellation, the registrant's registration may be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

705/15-60

Changes to a dispensing organization.

(a) A license shall be issued to the specific dispensing organization identified on the application and for the specific location proposed. The license is valid only as designated on the license and for the location for which it is issued.

(b) A dispensing organization may only add principal officers after being approved by the Department.

(c) A dispensing organization shall provide written notice of the removal of a principal officer within 5 business days after removal. The notice shall include the written agreement of the principal officer being removed, unless otherwise approved by the Department, and allocation of ownership shares after removal in an updated ownership chart.

(d) A dispensing organization shall provide a written request to the Department for the addition of principal officers. A dispensing organization shall submit proposed principal officer applications on forms approved by the Department.

(e) All proposed new principal officers shall be subject to the requirements of this Act, this Article, and any rules that may be adopted pursuant to this Act.

(f) The Department may prohibit the addition of a principal officer to a dispensing organization for failure to comply with this Act, this Article, and any rules that may be adopted pursuant to this Act.

(g) A dispensing organization may not assign a license.

(h) A dispensing organization may not transfer a license without prior Department approval. Such approval may be withheld if the person to whom the license is being transferred does not commit to the same or a similar community engagement plan provided as part of the dispensing organization's application under paragraph (18) of subsection (d) of Section 15-25, and such transferee's license shall be conditional upon that commitment.

(i) With the addition or removal of principal officers, the Department will review the ownership structure to determine whether the change in ownership has had the effect of a transfer of the license. The dispensing organization shall supply all ownership documents requested by the Department.

(j) A dispensing organization may apply to the Department to approve a sale of the dispensing organization. A request to sell the dispensing organization must be on application forms provided by the Department. A request for an approval to sell a dispensing organization must comply with the following:

- (1) New application materials shall comply with this Act and any rules that may be adopted pursuant to this Act;
- (2) Application materials shall include a change of ownership fee of \$5,000 to be deposited into the Cannabis Regulation Fund;
- (3) The application materials shall provide proof that the transfer of ownership will not have the effect of granting any of the owners or principal officers direct or indirect ownership or control of more than 10 adult use dispensing organization licenses;
- (4) New principal officers shall each complete the proposed new principal officer application;
- (5) If the Department approves the application materials and proposed new principal officer applications, it will perform an inspection before approving the sale and issuing the dispensing organization license;
- (6) If a new license is approved, the Department will issue a new license number and certificate to the new dispensing organization.

(k) The dispensing organization shall provide the Department with the personal information for all new dispensing organizations agents as required in this Article and all new dispensing organization agents shall be subject to the requirements of this Article.

A dispensing organization agent must obtain an agent identification card from the Department before beginning work at a dispensary.

(f) Before remodeling, expansion, reduction, or other physical, noncosmetic alteration of a dispensary, the dispensing organization must notify the Department and confirm the alterations are in compliance with this Act and any rules that may be adopted pursuant to this Act.

705/15-65

Administration.

(a) A dispensing organization shall establish, maintain, and comply with written policies and procedures as submitted in the Business, Financial and Operating plan as required in this Article or by rules established by the Department, and approved by the Department, for the security, storage, inventory, and distribution of cannabis.

These policies and procedures shall include methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting errors and inaccuracies in inventories.

At a minimum, dispensing organizations shall ensure the written policies and procedures provide for the following:

- (1) Mandatory and voluntary recalls of cannabis products.

The policies shall be adequate to deal with recalls due to any action initiated at the request of the Department and any voluntary action by the dispensing organization to remove defective or potentially defective cannabis from the market or any action undertaken to promote public health and safety, including:

- (i) A mechanism reasonably calculated to contact purchasers who have, or likely have, obtained the product from the dispensary, including information on the policy for return of the recalled product;
- (ii) A mechanism to identify and contact the adult use cultivation center, craft grower, or infuser that manufactured the cannabis;
- (iii) Policies for communicating with the Department, the Department of Agriculture, and the Department of Public Health within 24 hours of discovering defective or potentially defective cannabis; and
- (iv) Policies for destruction of any recalled cannabis product;

- (2) Responses to local, State, or national emergencies, including natural disasters, that affect the security or operation of a dispensary;

- (3) Segregation and destruction of outdated, damaged, deteriorated, misbranded, or adulterated cannabis. This procedure shall provide for written documentation of the cannabis disposition;

- (4) Ensure the oldest stock of a cannabis product is distributed first. The procedure may permit deviation from this requirement, if such deviation is temporary and appropriate;

- (5) Training of dispensing organization agents in the provisions of this Act and rules, to effectively operate the point-of-sale system and the State's verification system, proper inventory handling and tracking, specific uses of cannabis or cannabis-infused products, instruction regarding regulatory inspection preparedness and law enforcement interaction, awareness of the legal requirements for maintaining status as an agent, and other topics as specified by the dispensing organization or the Department.

The dispensing organization shall maintain evidence of all training provided to each agent in its files that is subject to inspection and audit by the Department.

The dispensing organization shall ensure agents receive a minimum of 8 hours of training subject to the requirements in subsection (i) of Section 15-40 annually, unless otherwise approved by the Department;

- (6) Maintenance of business records consistent with industry standards, including bylaws, consents, manual or computerized records of assets and liabilities, audits, monetary transactions, journals, ledgers, and supporting documents, including agreements, checks, invoices, receipts, and vouchers.

Records shall be maintained in a manner consistent with this Act and shall be retained for 5 years;

- (7) Inventory control, including:

(i) Tracking purchases and denials of sale;

(ii) Disposal of unusable or damaged cannabis as required by this Act and rules; and

(8) Purchaser education and support, including:

(i) Whether possession of cannabis is illegal under federal law;

(ii) Current educational information issued by the Department of Public Health about the health risks associated with the use or abuse of cannabis;

(iii) Information about possible side effects;

(iv) Prohibition on smoking cannabis in public places; and

(v) Offering any other appropriate purchaser education or support materials.

(b) BLANK.

(c) A dispensing organization shall maintain copies of the policies and procedures on the dispensary premises and provide copies to the Department upon request.

The dispensing organization shall review the dispensing organization policies and procedures at least once every 12 months from the issue date of the license and update as needed due to changes in industry standards or as requested by the Department.

(d) A dispensing organization shall ensure that each principal officer and each dispensing organization agent has a current agent identification card in the agent's immediate possession when the agent is at the dispensary.

(e) A dispensing organization shall provide prompt written notice to the Department, including the date of the event, when a dispensing organization agent no longer is employed by the dispensing organization.

(f) A dispensing organization shall promptly document and report any loss or theft of cannabis from the dispensary to the Department of State Police and the Department.

It is the duty of any dispensing organization agent who becomes aware of the loss or theft to report it as provided in this Article.

(g) A dispensing organization shall post the following information in a conspicuous location in an area of the dispensary accessible to consumers:

(1) The dispensing organization's license;

(2) The hours of operation.

(h) Signage that shall be posted inside the premises.

(1) All dispensing organizations must display a placard that states the following: "Cannabis consumption can impair cognition and driving, is for adult use only, may be habit forming, and should not be used by pregnant or breastfeeding women."

(2) Any dispensing organization that sells edible cannabis-infused products must display a placard that states the following:

(A) "Edible cannabis-infused products were produced in a kitchen that may also process common food allergens."; and

(B) "The effects of cannabis products can vary from person to person, and it can take as long as two hours to feel the effects of some cannabis-infused products. Carefully review the portion size information and warnings contained on the product packaging before consuming."

(3) All of the required signage in this subsection (h) shall be no smaller than 24 inches tall by 36 inches wide, with typed letters no smaller than 2 inches.

The signage shall be clearly visible and readable by customers.

The signage shall be placed in the area where cannabis and cannabis-infused products are sold and may be translated into additional languages as needed.

The Department may require a dispensary to display the required signage in a different language, other than English, if the Secretary deems it necessary.

(i) A dispensing organization shall prominently post notices inside the dispensing organization that state activities that are strictly prohibited and punishable by law, including, but not limited to:

- (1) No minors permitted on the premises unless the minor is a minor qualifying patient under the Compassionate Use of Medical Cannabis Pilot Program Act;
- (2) Distribution to persons under the age of 21 is prohibited;
- (3) Transportation of cannabis or cannabis products across state lines is prohibited.

705/15-70

Operational requirements: prohibitions

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

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

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

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

(e) A dispensing organization shall inspect and count product received by the adult use cultivation center before dispensing it.

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

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

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

No service professional shall work in the dispensary until the name is provided to the Department on the service professional list.

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

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

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

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

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

(n) A dispensing organization shall not:

- (1) Produce or manufacture cannabis;

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

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

(4) Sell cannabis or cannabis-infused products to a purchaser unless the dispensary organization is licensed under the Compassionate Use of Medical Cannabis Pilot Program, and the individual is registered under the Compassionate Use of Medical Cannabis Pilot Program or the purchaser has been verified to be over the age of 21;

(5) Enter into an exclusive agreement with any adult use cultivation center, craft grower, or infuser.

Dispensaries shall provide consumers an assortment of products from various cannabis business establishment licensees such that the inventory available for sale at any dispensary from any single cultivation center, craft grower, processor, or infuser entity shall not be more than 40% of the total inventory available for sale.

For the purpose of this subsection, a cultivation center, craft grower, processor, or infuser shall be considered part of the same entity if the licensees share at least one principal officer.

The Department may request that a dispensary diversify its products as needed or otherwise discipline a dispensing organization for violating this requirement;

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

(7) Operate drive-through windows;

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

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

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

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

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

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

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

(15) Be located within 1,500 feet of the property line of a pre-existing dispensing organization;

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

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

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

(o) It is unlawful for any person having an Early Approval Adult Use Cannabis Dispensing Organization License, a Conditional Adult Use Cannabis Dispensing Organization, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program or any officer, associate, member, representative, or agent of such licensee to accept, receive, or borrow money or anything else of value or accept or receive credit (other than merchandising credit in the ordinary course of business for a period not to exceed 30 days) directly or indirectly from any adult use cultivation center, craft grower, infuser, or transporting organization.

This includes anything received or borrowed or from any stockholders, officers, agents, or persons connected with an adult use cultivation center, craft grower, infuser, or transporting organization.

This also excludes any received or borrowed in exchange for preferential placement by the dispensing organization, including preferential placement on the dispensing organization's shelves, display cases, or website.

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

705/15-75

Inventory control system.

(a) A dispensing organization agent-in-charge shall have primary oversight of the dispensing organization's cannabis inventory verification system, and its point-of-sale system. The inventory point-of-sale system shall be real-time, web-based, and accessible by the Department at any time. The point-of-sale system shall track, at a minimum the date of sale, amount, price, and currency.

(b) A dispensing organization shall establish an account with the State's verification system that documents:

- (1) Each sales transaction at the time of sale and each day's beginning inventory, acquisitions, sales, disposal, and ending inventory.
- (2) Acquisition of cannabis and cannabis-infused products from a licensed adult use cultivation center, craft grower, infuser, or transporter, including:
 - (i) A description of the products, including the quantity, strain, variety, and batch number of each product received;
 - (ii) The name and registry identification number of the licensed adult use cultivation center, craft grower, or infuser providing the cannabis and cannabis-infused products;
 - (iii) The name and registry identification number of the licensed adult use cultivation center, craft grower, infuser, or transportation agent delivering the cannabis;
 - (iv) The name and registry identification number of the dispensing organization agent receiving the cannabis; and
 - (v) The date of acquisition.
- (3) The disposal of cannabis, including:
 - (i) A description of the products, including the quantity, strain, variety, batch number, and reason for the cannabis being disposed;
 - (ii) The method of disposal; and
 - (iii) The date and time of disposal.

(c) Upon cannabis delivery, a dispensing organization shall confirm the product's name, strain name, weight, and identification number on the manifest matches the information on the cannabis product label and package.

The product name listed and the weight listed in the State's verification system shall match the product packaging.

(d) The agent-in-charge shall conduct daily inventory reconciliation documenting and balancing cannabis inventory by confirming the State's verification system matches the dispensing organization's point-of-sale system and the amount of physical product at the dispensary.

- (1) A dispensing organization must receive Department approval before completing an inventory adjustment. It shall provide a detailed reason for the adjustment. Inventory adjustment documentation shall be kept at the dispensary for 2 years from the date performed.

(2) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily inventory reconciliation due to mistake, the dispensing organization shall determine how the imbalance occurred and immediately upon discovery take and document corrective action.

If the dispensing organization cannot identify the reason for the mistake within 2 calendar days after first discovery, it shall inform the Department immediately in writing of the imbalance and the corrective action taken to date.

The dispensing organization shall work diligently to determine the reason for the mistake.

(3) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily inventory reconciliation or through other means due to theft, criminal activity, or suspected criminal activity, the dispensing organization shall immediately determine how the reduction occurred and take and document corrective action.

Within 24 hours after the first discovery of the reduction due to theft, criminal activity, or suspected criminal activity, the dispensing organization shall inform the Department and the Department of State Police in writing.

(4) The dispensing organization shall file an annual compilation report with the Department, including a financial statement that shall include, but not be limited to, an income statement, balance sheet, profit and loss statement, statement of cash flow, wholesale cost and sales, and any other documentation requested by the Department in writing.

The financial statement shall include any other information the Department deems necessary in order to effectively administer this Act and all rules, orders, and final decisions promulgated under this Act. Statements required by this Section shall be filed with the Department within 60 days after the end of the calendar year.

The compilation report shall include a letter authored by a licensed certified public accountant that it has been reviewed and is accurate based on the information provided. The dispensing organization, financial statement, and accompanying documents are not required to be audited unless specifically requested by the Department.

(e) A dispensing organization shall:

(1) Maintain the documentation required in this Section in a secure locked location at the dispensing organization for 5 years from the date on the document;

(2) Provide any documentation required to be maintained in this Section to the Department for review upon request; and

(3) If maintaining a bank account, retain for a period of 5 years a record of each deposit or withdrawal from the account.

(f) If a dispensing organization chooses to have a return policy for cannabis and cannabis products, the dispensing organization shall seek prior approval from the Department.

705/15-80

Storage requirements

(a) Authorized on-premises storage. A dispensing organization must store inventory on its premises. All inventory stored on the premises must be secured in a restricted access area and tracked consistently with the inventory tracking rules.

(b) A dispensary shall be of suitable size and construction to facilitate cleaning, maintenance, and proper operations.

(c) A dispensary shall maintain adequate lighting, ventilation, temperature, humidity control, and equipment.

(d) Containers storing cannabis that have been tampered with, damaged, or opened shall be labeled with the date opened and quarantined from other cannabis products in the vault until they are disposed.

(e) Cannabis that was tampered with, expired, or damaged shall not be stored at the premises for more than 7 calendar days.

(f) Cannabis samples shall be in a sealed container. Samples shall be maintained in the restricted access area.

(g) The dispensary storage areas shall be maintained in accordance with the security requirements in this Act and rules.

(h) Cannabis must be stored at appropriate temperatures and under appropriate conditions to help ensure that its packaging, strength, quality, and purity are not adversely affected.

705/15-85

Dispensing cannabis

- (a) Before a dispensing organization agent dispenses cannabis to a purchaser, the agent shall:
- (1) Verify the age of the purchaser by checking a government-issued identification card by use of an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification;
 - (2) Verify the validity of the government-issued identification card;
 - (3) Offer any appropriate purchaser education or support materials;
 - (4) Enter the following information into the State's cannabis electronic verification system:
 - (i) The dispensing organization agent's identification number;
 - (ii) The dispensing organization's identification number;
 - (iii) The amount, type (including strain, if applicable) of cannabis or cannabis-infused product dispensed;
 - (iv) The date and time the cannabis was dispensed.
- (b) A dispensing organization shall refuse to sell cannabis or cannabis-infused products to any person unless the person produces a valid identification showing that the person is 21 years of age or older.
- A medical cannabis dispensing organization may sell cannabis or cannabis-infused products to a person who is under 21 years of age if the sale complies with the provisions of the Compassionate Use of Medical Cannabis Pilot Program Act and rules.
- (c) For the purposes of this Section, valid identification must:
- (1) Be valid and unexpired;
 - (2) Contain a photograph and the date of birth of the person.

705/15-90

Destruction and disposal of cannabis

- (a) Cannabis and cannabis-infused products must be destroyed by rendering them unusable using methods approved by the Department that comply with this Act and rules.
- (b) Cannabis waste rendered unusable must be promptly disposed according to this Act and rules.
- Disposal of the cannabis waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Acceptable permitted solid waste facilities include, but are not limited to:
- (1) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.
 - (2) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.
- (c) All waste and unusable product shall be weighed, recorded, and entered into the inventory system before rendering it unusable. All waste and unusable cannabis concentrates and cannabis-infused products shall be recorded and entered into the inventory system before rendering it unusable.
- Verification of this event shall be performed by an agent-in-charge and conducted in an area with video surveillance.
- (d) Electronic documentation of destruction and disposal shall be maintained for a period of at least 5 years.

705/15-95

Agent-in-charge

(a) Every dispensing organization shall designate, at a minimum, one agent-in-charge for each licensed dispensary. The designated agent-in-charge must hold a dispensing organization agent identification card. Maintaining an agent-in-charge is a continuing requirement for the license, except as provided in subsection (f).

(b) The agent-in-charge shall be a principal officer or a full-time agent of the dispensing organization and shall manage the dispensary.

Managing the dispensary includes, but is not limited to, responsibility for opening and closing the dispensary, delivery acceptance, oversight of sales and dispensing organization agents, recordkeeping, inventory, dispensing organization agent training, and compliance with this Act and rules.

Participation in affairs also includes the responsibility for maintaining all files subject to audit or inspection by the Department at the dispensary.

(c) The agent-in-charge is responsible for promptly notifying the Department of any change of information required to be reported to the Department.

(d) In determining whether an agent-in-charge manages the dispensary, the Department may consider the responsibilities identified in this Section, the number of dispensing organization agents under the supervision of the agent-in-charge, and the employment relationship between the agent-in-charge and the dispensing organization, including the existence of a contract for employment and any other relevant fact or circumstance.

(e) The agent-in-charge is responsible for notifying the Department of a change in the employment status of all dispensing organization agents within 5 business days after the change, including notice to the Department if the termination of an agent was for diversion of product or theft of currency.

(f) In the event of the separation of an agent-in-charge due to death, incapacity, termination, or any other reason and if the dispensary does not have an active agent-in-charge, the dispensing organization shall immediately contact the Department and request a temporary certificate of authority allowing the continuing operation.

The request shall include the name of an interim agent-in-charge until a replacement is identified, or shall include the name of the replacement.

The Department shall issue the temporary certificate of authority promptly after it approves the request.

If a dispensing organization fails to promptly request a temporary certificate of authority after the separation of the agent-in-charge, its registration shall cease until the Department approves the temporary certificate of authority or registers a new agent-in-charge.

No temporary certificate of authority shall be valid for more than 90 days.

The succeeding agent-in-charge shall register with the Department in compliance with this Article.

Once the permanent succeeding agent-in-charge is registered with the Department, the temporary certificate of authority is void.

No temporary certificate of authority shall be issued for the separation of an agent-in-charge due to disciplinary action by the Department related to his or her conduct on behalf of the dispensing organization.

(g) The dispensing organization agent-in-charge registration shall expire one year from the date it is issued. The agent-in-charge's registration shall be renewed annually. The Department shall review the dispensing organization's compliance history when determining whether to grant the request to renew.

(h) Upon termination of an agent-in-charge's employment, the dispensing organization shall immediately reclaim the dispensing agent identification card.

The dispensing organization shall promptly return the identification card to the Department.

(i) The Department may deny an application or renewal or discipline or revoke an agent-in-charge identification card for any of the following reasons:

- (1) Submission of misleading, incorrect, false, or fraudulent information in the application or renewal application;

- (2) Violation of the requirements of this Act or rules;
- (3) Fraudulent use of the agent-in-charge identification card;
- (4) Selling, distributing, transferring in any manner, or giving cannabis to any unauthorized person;
- (5) Theft of cannabis, currency, or any other items from a dispensary.
- (6) Tampering with, falsifying, altering, modifying, or duplicating an agent-in-charge identification card;
- (7) Tampering with, falsifying, altering, or modifying the surveillance video footage, point-of-sale system, or the State's verification system;
- (8) Failure to notify the Department immediately upon discovery that the agent-in-charge identification card has been lost, stolen, or destroyed;
- (9) Failure to notify the Department within 5 business days after a change in the information provided in the application for an agent-in-charge identification card;
- (10) Conviction of a felony offense in accordance with Sections 2105–131, 2105–135, and 2105–205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois or any incident listed in this Act or rules following the issuance of an agent-in-charge identification card;
- (11) Dispensing to purchasers in amounts above the limits provided in this Act; or
- (12) Delinquency in filing any required tax returns or paying any amounts owed to the State of Illinois

705/15–100
Security

- (a) A dispensing organization shall implement security measures to deter and prevent entry into and theft of cannabis or currency.
- (b) A dispensing organization shall submit any changes to the floor plan or security plan to the Department for pre-approval. All cannabis shall be maintained and stored in a restricted access area during construction.
- (c) The dispensing organization shall implement security measures to protect the premises, purchasers, and dispensing organization agents including, but not limited to the following:
 - (1) Establish a locked door or barrier between the facility's entrance and the limited access area;
 - (2) Prevent individuals from remaining on the premises if they are not engaging in activity permitted by this Act or rules;
 - (3) Develop a policy that addresses the maximum capacity and purchaser flow in the waiting rooms and limited access areas;
 - (4) Dispose of cannabis in accordance with this Act and rules;
 - (5) During hours of operation, store and dispense all cannabis from the restricted access area. During operational hours, cannabis shall be stored in an enclosed locked room or cabinet and accessible only to specifically authorized dispensing organization agents;
 - (6) When the dispensary is closed, store all cannabis and currency in a reinforced vault room in the restricted access area and in a manner as to prevent diversion, theft, or loss;
 - (7) Keep the reinforced vault room and any other equipment or cannabis storage areas securely locked and protected from unauthorized entry;
 - (8) Keep an electronic daily log of dispensing organization agents with access to the reinforced vault room and knowledge of the access code or combination;
 - (9) Keep all locks and security equipment in good working order;
 - (10) Maintain an operational security and alarm system at all times;

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

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

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

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

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

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

(d) The Department may request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in this Article.

Any additional protections may be considered by the Department in evaluating overall security measures.

(e) A dispensary organization may share premises with a craft grower or an infuser 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.

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

(g) Restricted access areas.

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

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

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

(h) Security and alarm.

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

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

(ii) Security shatterproof tinted film on exterior windows;

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

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

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

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

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

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

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

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

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

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

(2) Unobstructed video surveillance of all enclosed dispensary areas, unless prohibited by law, including all points of entry and exit that shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed so all areas are captured, including, but not limited to, safes, vaults, sales areas, and areas where cannabis is stored, handled, dispensed, or destroyed. Cameras shall be angled to allow for facial recognition, the capture of clear and certain identification of any person entering or exiting the dispensary area and in lighting sufficient during all times of night or day;

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

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

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

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

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

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

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

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

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

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

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

705/15-110

Recordkeeping

(a) Dispensing organization records must be maintained electronically for 3 years and be available for inspection by the Department upon request.

Required written records include, but are not limited to, the following:

- (1) Operating procedures;
- (2) Inventory records, policies, and procedures;
- (3) Security records;
- (4) Audit records;
- (5) Staff training plans and completion documentation;
- (6) Staffing plan; and
- (7) Business records, including but not limited to:
 - (i) Assets and liabilities;
 - (ii) Monetary transactions;
 - (iii) Written or electronic accounts, including bank statements, journals, ledgers, and supporting documents, agreements, checks, invoices, receipts, and vouchers; and
 - (iv) Any other financial accounts reasonably related to the dispensary operations.

(b) Storage and transfer of records. If a dispensary closes due to insolvency, revocation, bankruptcy, or for any other reason, all records must be preserved at the expense of the dispensing organization for at least 3 years in a form and location in Illinois acceptable to the Department. The dispensing organization shall keep the records longer if requested by the Department. The dispensing organization shall notify the Department of the location where the dispensary records are stored or transferred.

705/15-120

Closure of a dispensary

(a) If a dispensing organization decides not to renew its license or decides to close its business, it shall promptly notify the Department not less than 3 months before the effective date of the closing date or as otherwise authorized by the Department.

(b) The dispensing organization shall work with the Department to develop a closure plan that addresses, at a minimum, the transfer of business records, transfer of cannabis products, and anything else the Department finds necessary.

705/15-125

Fees

After January 1, 2022, the Department may by rule modify any fee established under this Article.

705/15-135

Investigations

(a) Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the Department, the Department of State Police, and local law enforcement.

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

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

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

(e) Every person charged with preparation, obtaining, or keeping records, logs, reports, or other documents in connection with this Act and rules and every person in charge, or having custody, of those documents shall, upon request by the Department, make the documents immediately available for inspection and copying by the Department, the Department's authorized representative, or others authorized by law to review the documents.

705/15-140

Citations

The Department may issue nondisciplinary citations for minor violations.

Any such citation issued by the Department may be accompanied by a fee.

The fee shall not exceed \$20,000 per violation.

The citation shall be issued to the licensee and shall contain the licensee's name and address, the licensee's license number, a brief factual statement, the Sections of the law allegedly violated, and the fee, if any, imposed.

The citation must clearly state that the licensee may choose, in lieu of accepting the citation, to request a hearing.

If the licensee does not dispute the matter in the citation with the Department within 30 days after the citation is served, then the citation shall become final and not subject to appeal.

The penalty shall be a fee or other conditions as established by rule.

705/15-145

Grounds for discipline.

(a) The Department may deny issuance, refuse to renew or restore, or may reprimand, place on probation, suspend, revoke, or take other disciplinary or nondisciplinary action against any license or agent identification card or may impose a fine for any of the following:

- (1) Material misstatement in furnishing information to the Department;
- (2) Violations of this Act or rules;
- (3) Obtaining an authorization or license by fraud or misrepresentation;

- (4) A pattern of conduct that demonstrates incompetence or that the applicant has engaged in conduct or actions that would constitute grounds for discipline under the Act;
- (5) Aiding or assisting another person in violating any provision of this Act or rules;
- (6) Failing to respond to a written request for information by the Department within 30 days;
- (7) Engaging in unprofessional, dishonorable, or unethical conduct of a character likely to deceive, defraud, or harm the public;
- (8) Adverse action by another United States jurisdiction or foreign nation;
- (9) A finding by the Department that the licensee, after having his or her license placed on suspended or probationary status, has violated the terms of the suspension or probation;
- (10) Conviction, entry of a plea of guilty, nolo contendere, or the equivalent in a State or federal court of a principal officer or agent-in-charge of a felony offense in accordance with Sections 2105–131, 2105–135, and 2105–205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois;
- (11) Excessive use or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug;
- (12) A finding by the Department of a discrepancy in a Department audit of cannabis;
- (13) A finding by the Department of a discrepancy in a Department audit of capital or funds;
- (14) A finding by the Department of acceptance of cannabis from a source other than an Adult Use Cultivation Center, craft grower, infuser, or transporting organization licensed by the Department of Agriculture, or a dispensing organization licensed by the Department;
- (15) An inability to operate using reasonable judgment, skill, or safety due to physical or mental illness or other impairment or disability, including, without limitation, deterioration through the aging process or loss of motor skills or mental incompetence;
- (16) Failing to report to the Department within the time frames established, or if not identified, 14 days, of any adverse action taken against the dispensing organization or an agent by a licensing jurisdiction in any state or any territory of the United States or any foreign jurisdiction, any governmental agency, any law enforcement agency or any court defined in this Section;
- (17) Any violation of the dispensing organization's policies and procedures submitted to the Department annually as a condition for licensure;
- (18) Failure to inform the Department of any change of address within 10 business days;
- (19) Disclosing customer names, personal information, or protected health information in violation of any State or federal law;
- (20) Operating a dispensary before obtaining a license from the Department;
- (21) Performing duties authorized by this Act prior to receiving a license to perform such duties;
- (22) Dispensing cannabis when prohibited by this Act or rules;
- (23) Any fact or condition that, if it had existed at the time of the original application for the license, would have warranted the denial of the license;
- (24) Permitting a person without a valid agent identification card to perform licensed activities under this Act;
- (25) Failure to assign an agent-in-charge as required by this Article;
- (26) Failure to provide the training required by paragraph (3) of subsection (i) of Section 15–40 within the provided timeframe

(27) Personnel insufficient in number or unqualified in training or experience to properly operate the dispensary business;

(28) Any pattern of activity that causes a harmful impact on the community; and

(29) Failing to prevent diversion, theft, or loss of cannabis.

(b) All fines and fees imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine or as otherwise specified in the order.

(c) A circuit court order establishing that an agent-in-charge or principal officer holding an agent identification card is subject to involuntary admission as that term is defined in Section 1–119 or 1–119.1 of the Mental Health and Developmental Disabilities Code shall operate as a suspension of that card.

705/15–150

Temporary suspension

(a) The Secretary of Financial and Professional Regulation may temporarily suspend a dispensing organization license or an agent registration without a hearing if the Secretary finds that public safety or welfare requires emergency action.

The Secretary shall cause the temporary suspension by issuing a suspension notice in connection with the institution of proceedings for a hearing.

(b) If the Secretary temporarily suspends a license or agent registration without a hearing, the licensee or agent is entitled to a hearing within 45 days after the suspension notice has been issued.

The hearing shall be limited to the issues cited in the suspension notice, unless all parties agree otherwise.

(c) If the Department does not hold a hearing with 45 days after the date the suspension notice was issued, then the suspended license or registration shall be automatically reinstated and the suspension vacated.

(d) The suspended licensee or agent may seek a continuance of the hearing date, during which time the suspension remains in effect and the license or registration shall not be automatically reinstated.

(e) Subsequently discovered causes of action by the Department after the issuance of the suspension notice may be filed as a separate notice of violation.

The Department is not precluded from filing a separate action against the suspended licensee or agent.

705/15–155

Consent to administrative supervision order.

In appropriate cases, the Department may resolve a complaint against a licensee or agent through the issuance of a consent order for administrative supervision.

A license or agent subject to a consent order shall be considered by the Department to hold a license or registration in good standing.

705/15–160

Notice; hearing

(a) The Department shall, before disciplining an applicant or licensee, at least 30 days before the date set for the hearing:

(i) notify the accused in writing of the charges made and the time and place for the hearing on the charges;

(ii) direct him or her to file a written answer to the charges under oath within 20 days after service; and

(iii) inform the applicant or licensee that failure to answer will result in a default being entered against the applicant or licensee.

(b) At the time and place fixed in the notice, the hearing officer appointed by the Secretary shall proceed to hear the charges, and the parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments.

The hearing officer may continue the hearing from time to time.

In case the person, after receiving the notice, fails to file an answer, his or her license may, in the discretion of the Secretary, having first received the recommendation of the hearing officer, be suspended, revoked, or placed on probationary status, or be subject to whatever disciplinary action the Secretary considers proper, including a fine, without hearing, if that act or acts charged constitute sufficient grounds for that action under this Act.

(c) The written notice and any notice in the subsequent proceeding may be served by regular mail or email to the licensee's or applicant's address of record.

705/15-165

Subpoenas; oaths.

The Department shall have the power to subpoena and bring before it any person and to take testimony either orally or by deposition, or both, with the same fees and mileage and in the same manner as prescribed by law in judicial proceedings in civil cases in courts in this State.

The Secretary or the hearing officer shall each have the power to administer oaths to witnesses at any hearings that the Department is authorized to conduct.

705/15-170

Hearing; motion for rehearing

(a) The hearing officer shall hear evidence in support of the formal charges and evidence produced by the licensee. At the conclusion of the hearing, the hearing officer shall present to the Secretary a written report of his or her findings of fact, conclusions of law, and recommendations.

(b) At the conclusion of the hearing, a copy of the hearing officer's report shall be served upon the applicant or licensee by the Department, either personally or as provided in this Act for the service of a notice of hearing.

Within 20 calendar days after service, the applicant or licensee may present to the Department a motion in writing for rehearing, which shall specify the particular grounds for rehearing.

The Department may respond to the motion for rehearing within 20 calendar days after its service on the Department.

If no motion for rehearing is filed, then, upon the expiration of the time specified for filing such motion or upon denial of a motion for rehearing, the Secretary may enter an order in accordance with the recommendation of the hearing officer.

If the applicant or licensee orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing, the 20-day period within which a motion may be filed shall commence upon the delivery of the transcript to the applicant or licensee.

(c) If the Secretary disagrees in any regard with the report of the hearing officer, the Secretary may issue an order contrary to the report.

(d) Whenever the Secretary is not satisfied that substantial justice has been done, the Secretary may order a rehearing by the same or another hearing officer.

(e) At any point in any investigation or disciplinary proceeding under in this Article, both parties may agree to a negotiated consent order. The consent order shall be final upon signature of the Secretary.

705/15-175

Review under the Administrative Review Law

(a) All final administrative decisions of the Department hereunder shall be subject to judicial review under the provisions of the Administrative Review Law, and all amendment and modifications thereof.

The term “administrative decision” is defined as in Section 3–101 of the Code of Civil Procedure.

(b) Proceedings for judicial review shall be commenced in the circuit court of the county in which the party applying for review resides, but if the party is not a resident of Illinois, the venue shall be in Sangamon County.

(c) The Department shall not be required to certify any record to the court, file any answer in court, or otherwise appear in any court in a judicial review proceeding, unless and until the Department has received from the plaintiff payment of the costs of furnishing and certifying the record, which costs shall be determined by the Department. Failure on the part of the plaintiff to file a receipt in court shall be grounds for dismissal of the action.

ARTICLE 20. **ADULT USE CULTIVATION CENTERS**

705/20–1 **Definition**

In this Article, “**Department**” means the Department of Agriculture.

705/20–5 **§ 20–5. Issuance of licenses.**

On or after July 1, 2021, the Department of Agriculture by rule may:

(1) Modify or change the number of cultivation center licenses available, which shall at no time exceed 30 cultivation center licenses.

In determining whether to exercise the authority granted by this subsection, the Department of Agriculture must consider the following factors:

(A) The percentage of cannabis sales occurring in Illinois not in the regulated market using data from the Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism data from the Illinois Office of Tourism to ascertain total cannabis consumption in Illinois compared to the amount of sales in licensed dispensing organizations;

(B) Whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients;

(C) Whether there is an adequate supply of cannabis and cannabis-infused products to serve purchasers;

(D) Whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to any other state;

(E) Population increases or shifts;

(F) Changes to federal law;

(G) Perceived security risks of increasing the number or location of cultivation centers;

(H) The past security records of cultivation centers;

(I) The Department of Agriculture's capacity to appropriately regulate additional licensees;

(J) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer referenced in subsection (e) of Section 5–45 to reduce or eliminate any identified barriers to entry in the cannabis industry; and

(K) Any other criteria the Department of Agriculture deems relevant.

(2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the disparity and availability study commission by the Illinois Cannabis Regulation Oversight Officer and shall make modifications to remedy evidence of discrimination.

705/20-10

Early Approval of Adult Use Cultivation Center License

(a) Any medical cannabis cultivation center registered and in good standing under the Compassionate Use of Medical Cannabis Pilot Program Act as of the effective date of this Act may, within 60 days of the effective date of this Act but no later than 180 days from the effective date of this Act, apply to the Department of Agriculture for an Early Approval Adult Use Cultivation Center License to produce cannabis and cannabis-infused products at its existing facilities as of the effective date of this Act.

(b) A medical cannabis cultivation center seeking issuance of an Early Approval Adult Use Cultivation Center License shall submit an application on forms provided by the Department of Agriculture. The application must meet or include the following qualifications:

- (1) Payment of a nonrefundable application fee of \$100,000 to be deposited into the Cannabis Regulation Fund;
- (2) Proof of registration as a medical cannabis cultivation center that is in good standing;
- (3) Submission of the application by the same person or entity that holds the medical cannabis cultivation center registration;
- (4) Certification that the applicant will comply with the requirements of Section 20-30;
- (5) The legal name of the cultivation center;
- (6) The physical address of the cultivation center;
- (7) The name, address, social security number, and date of birth of each principal officer and board member of the cultivation center; each of those individuals shall be at least 21 years of age;
- (8) A nonrefundable Cannabis Business Development Fee equal to 5% of the cultivation center's total sales between June 1, 2018 to June 1, 2019 or \$750,000, whichever is less, but at not less than \$250,000, to be deposited into the Cannabis Business Development Fund; and
- (9) A commitment to completing one of the following Social Equity Inclusion Plans provided for in this subsection (b) before the expiration of the Early Approval Adult Use Cultivation Center License:

(A) A contribution of 5% of the cultivation center's total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to one of the following:

- (i) the Cannabis Business Development Fund. This is in addition to the fee required by item (8) of this subsection (b);
- (ii) a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;
- (iii) a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area.

(B) Participate as a host in a cannabis business incubator program for at least one year approved by the Department of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Cultivation Center License holder agrees to provide a loan of at least \$100,000 and mentorship to incubate a licensee that qualifies as a Social Equity Applicant.

As used in this Section, “**incubate**” means providing direct financial assistance and training necessary to engage in licensed cannabis industry activity similar to that of the host licensee.

The Early Approval Adult Use Cultivation Center License holder or the same entity holding any other licenses issued pursuant to this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection.

If an Early Approval Adult Use Cultivation Center License holder fails to find a business to incubate to comply with this subsection before its Early Approval Adult Use Cultivation Center License expires, it may opt to meet the

requirement of this subsection by completing another item from this subsection prior to the expiration of its Early Approval Adult Use Cultivation Center License to avoid a penalty.

(c) An Early Approval Adult Use Cultivation Center License is valid until March 31, 2021. A cultivation center that obtains an Early Approval Adult Use Cultivation Center License shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may renew its Early Approval Adult Use Cultivation Center License. The Department of Agriculture shall grant a renewal of an Early Approval Adult Use Cultivation Center License within 60 days of submission of an application if:

- (1) the cultivation center submits an application and the required renewal fee of \$100,000 for an Early Approval Adult Use Cultivation Center License;
- (2) the Department of Agriculture has not suspended the license of the cultivation center or suspended or revoked the license for violating this Act or rules adopted under this Act; and
- (3) the cultivation center has completed a Social Equity Inclusion Plan as required by item (9) of subsection (b) of this Section.

(c-5) The Early Approval Adult Use Cultivation Center License renewed pursuant to subsection (c) of this Section shall expire March 31, 2022. The Early Approval Adult Use Cultivation Center Licensee shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may apply for an Adult Use Cultivation Center License. The Department of Agriculture shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant meets all of the criteria in Section 20-21.

(d) The license fee required by paragraph (1) of subsection (c) of this Section shall be in addition to any license fee required for the renewal of a registered medical cannabis cultivation center license that expires during the effective period of the Early Approval Adult Use Cultivation Center License.

(e) Applicants must submit all required information, including the requirements in subsection (b) of this Section, to the Department of Agriculture. Failure by an applicant to submit all required information may result in the application being disqualified.

(f) If the Department of Agriculture receives an application with missing information, the Department may issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to submit complete information. Applications that are still incomplete after this opportunity to cure may be disqualified.

(g) If an applicant meets all the requirements of subsection (b) of this Section, the Department of Agriculture shall issue the Early Approval Adult Use Cultivation Center License within 14 days of receiving the application unless:

- (1) The licensee; principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee; or agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois;
- (2) The Director of Agriculture determines there is reason, based on an inordinate number of documented compliance violations, the licensee is not entitled to an Early Approval Adult Use Cultivation Center License; or
- (3) The licensee fails to commit to the Social Equity Inclusion Plan.

(h) A cultivation center may begin producing cannabis and cannabis-infused products once the Early Approval Adult Use Cultivation Center License is approved. A cultivation center that obtains an Early Approval Adult Use Cultivation Center License may begin selling cannabis and cannabis-infused products on December 1, 2019.

(i) An Early Approval Adult Use Cultivation Center License holder must continue to produce and provide an adequate supply of cannabis and cannabis-infused products for purchase by qualifying patients and caregivers. For the purposes of this subsection, "adequate supply" means a monthly production level that is comparable in type and quantity to those medical cannabis products produced for patients and caregivers on an average monthly basis for the 6 months before the effective date of this Act.

(j) If there is a shortage of cannabis or cannabis-infused products, a license holder shall prioritize patients registered under the Compassionate Use of Medical Cannabis Pilot Program Act over adult use purchasers.

(k) If an Early Approval Adult Use Cultivation Center licensee fails to submit an application for an Adult Use Cultivation Center License before the expiration of the Early Approval Adult Use Cultivation Center License pursuant to subsection (c-5) of this Section, the cultivation center shall cease adult use cultivation until it receives an Adult Use Cultivation Center License.

(l) A cultivation center agent who holds a valid cultivation center agent identification card issued under the Compassionate Use of Medical Cannabis Pilot Program Act and is an officer, director, manager, or employee of the cultivation center licensed under this Section may engage in all activities authorized by this Article to be performed by a cultivation center agent.

(m) If the Department of Agriculture suspends or revokes the Early Approval Adult Use Cultivation Center License of a cultivation center that also holds a medical cannabis cultivation center license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, the Department of Agriculture may suspend or revoke the medical cannabis cultivation center license concurrently with the Early Approval Adult Use Cultivation Center License.

(n) All fees or fines collected from an Early Approval Adult Use Cultivation Center License holder as a result of a disciplinary action in the enforcement of this Act shall be deposited into the Cannabis Regulation Fund.

705/20-15

Conditional Adult Use Cultivation Center application.

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

- (1) the nonrefundable application fee set by rule by the Department of Agriculture, to be deposited into the Cannabis Regulation Fund;
- (2) the legal name of the cultivation center;
- (3) the proposed physical address of the cultivation center;
- (4) the name, address, social security number, and date of birth of each principal officer and board member of the cultivation center; each principal officer and board member shall be at least 21 years of age;
- (5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the cultivation center (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;
- (6) proposed operating bylaws that include procedures for the oversight of the cultivation center, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Department of State Police that are in accordance with the rules issued by the Department of Agriculture under this Act.

A physical inventory shall be performed of all plants and cannabis on a weekly basis by the cultivation center;
- (7) verification from the Department of State Police that all background checks of the prospective principal officers, board members, and agents of the cannabis business establishment have been conducted;
- (8) a copy of the current local zoning ordinance or permit and verification that the proposed cultivation center is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;
- (9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;
- (10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;
- (11) experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business;
- (12) a description of the enclosed, locked facility where cannabis will be grown, harvested, manufactured, processed, packaged, or otherwise prepared for distribution to a dispensing organization;
- (13) a survey of the enclosed, locked facility, including the space used for cultivation;
- (14) cultivation, processing, inventory, and packaging plans;

- (15) a description of the applicant's experience with agricultural cultivation techniques and industry standards;
- (16) a list of any academic degrees, certifications, or relevant experience of all prospective principal officers, board members, and agents of the related business;
- (17) the identity of every person having a financial or voting interest of 5% or greater in the cultivation center operation with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;
- (18) a plan describing how the cultivation center will address each of the following:
- (i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;
 - (ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and
 - (iii) waste management, including if it has or will adopt a waste reduction policy;
- (19) a diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity;
- (20) any other information required by rule;
- (21) a recycling plan:
- (A) Purchaser packaging, including cartridges, shall be accepted by the applicant and recycled.
 - (B) Any recyclable waste generated by the cannabis cultivation facility shall be recycled per applicable State and local laws, ordinances, and rules.
 - (C) Any cannabis waste, liquid waste, or hazardous waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent feasible, all cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with 8 Ill. Adm. Code 1000.460(g)(1);
- (22) commitment to comply with local waste provisions: a cultivation facility must remain in compliance with applicable State and federal environmental requirements, including, but not limited to:
- (A) storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules; and
 - (B) Disposing liquid waste containing cannabis or byproducts of cannabis processing in compliance with all applicable State and federal requirements, including, but not limited to, the cannabis cultivation facility's permits under Title X of the Environmental Protection Act; and
- (23) a commitment to a technology standard for resource efficiency of the cultivation center facility.
- (A) A cannabis cultivation facility commits to use resources efficiently, including energy and water. For the following, a cannabis cultivation facility commits to meet or exceed the technology standard identified in items (i), (ii), (iii), and (iv), which may be modified by rule:
 - (i) lighting systems, including light bulbs;
 - (ii) HVAC system;
 - (iii) water application system to the crop; and
 - (iv) filtration system for removing contaminants from wastewater.

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

(C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

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

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

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

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

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

(c) If the Department of Agriculture receives an application with missing information, the Department of Agriculture may issue a deficiency notice to the applicant.

The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information.

Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.

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

705/20–20

Conditional Adult Use License scoring applications

(a) The Department of Agriculture shall by rule develop a system to score cultivation center applications to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points based on the following categories:

(1) Suitability of the proposed facility;

- (2) Suitability of employee training plan;
- (3) Security and recordkeeping;
- (4) Cultivation plan;
- (5) Product safety and labeling plan;
- (6) Business plan;
- (7) The applicant's status as a Social Equity Applicant, which shall constitute no less than 20% of total available points;
- (8) Labor and employment practices, which shall constitute no less than 2% of total available points;
- (9) Environmental plan as described in paragraphs (18), (21), (22), and (23) of subsection (a) of Section 20–15;
- (10) The applicant is 51% or more owned and controlled by an individual or individuals who have been an Illinois resident for the past 5 years as proved by tax records;
- (11) The applicant is 51% or more controlled and owned by an individual or individuals who meet the qualifications of a veteran as defined by Section 45–57 of the Illinois Procurement Code;
- (12) a diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity; and
- (13) Any other criteria the Department of Agriculture may set by rule for points.

(b) The Department may also award bonus points for the applicant's plan to engage with the community.

Bonus points will only be awarded if the Department receives applications that receive an equal score for a particular region.

(c) Should the applicant be awarded a cultivation center license, the information and plans that an applicant provided in its application, including any plans submitted for the acquiring of bonus points, becomes a mandatory condition of the permit.

Any variation from or failure to perform such plans may result in discipline, including the revocation or nonrenewal of a license.

(d) Should the applicant be awarded a cultivation center license, it shall pay a fee of \$100,000 prior to receiving the license, to be deposited into the Cannabis Regulation Fund.

The Department of Agriculture may by rule adjust the fee in this Section after January 1, 2021.

705/20–21

Adult Use Cultivation Center License

(a) A person or entity is only eligible to receive an Adult Use Cultivation Center License if the person or entity has first been awarded a Conditional Adult Use Cultivation Center License pursuant to this Act or the person or entity has renewed its Early Approval Cultivation Center License pursuant to subsection (c) of Section 20–10.

(b) The Department of Agriculture shall not issue an Adult Use Cultivation Center License until:

- (1) the Department of Agriculture has inspected the cultivation center site and proposed operations and verified that they are in compliance with this Act and local zoning laws;
- (2) the Conditional Adult Use Cultivation Center License holder has paid a registration fee of \$100,000 or a prorated amount accounting for the difference of time between when the Adult Use Cultivation Center License is issued and March 31 of the next even-numbered year; and
- (3) The Conditional Adult Use Cultivation Center License holder has met all the requirements in the Act and rules.

705/20–25

Denial of application

An application for a cultivation center license must be denied if any of the following conditions are met:

- (1) the applicant failed to submit the materials required by this Article;
- (2) the applicant would not be in compliance with local zoning rules;
- (3) one or more of the prospective principal officers or board members causes a violation of Section 20–30;
- (4) one or more of the principal officers or board members is under 21 years of age;
- (5) the person has submitted an application for a permit under this Act that contains false information; or
- (6) the licensee, principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee, or the agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/20–30

Cultivation center requirements; prohibitions.

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

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

(c) All cultivation of cannabis by a cultivation center must take place in an enclosed, locked facility at the physical address provided to the Department of Agriculture during the licensing process.

The cultivation center location shall only be accessed by the agents working for the cultivation center, the Department of Agriculture staff performing inspections, the Department of Public Health staff performing inspections, local and State law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, individuals in a mentoring or educational program approved by the State, or other individuals as provided by rule.

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

(e) A cultivation center may not either directly or indirectly discriminate in price between different dispensing organizations, craft growers, or infuser organizations that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product.

Nothing in this subsection (e) prevents a cultivation centers from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such as volume discounts, or the way the products are delivered.

(f) All cannabis harvested by a cultivation center and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55–21, and placed into a cannabis container for transport.

All cannabis harvested by a cultivation center and intended for distribution to a craft grower or infuser organization must be packaged in a labeled cannabis container and entered into a data collection system before transport.

(g) Cultivation centers are subject to random inspections by the Department of Agriculture, the Department of Public Health, local safety or health inspectors, and the Department of State Police.

(h) A cultivation center agent shall notify local law enforcement, the Department of State Police, and the Department of Agriculture within 24 hours of the discovery of any loss or theft.

Notification shall be made by phone or in person, or by written or electronic communication.

(i) A cultivation center shall comply with all State and any applicable federal rules and regulations regarding the use of pesticides on cannabis plants.

(j) No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than 3 cultivation centers licensed under this Article.

Further, no person or entity that is employed by, an agent of, has a contract to receive payment in any form from a cultivation center, is a principal officer of a cultivation center, or entity controlled by or affiliated with a principal officer of a cultivation shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a cultivation that would result in the person or entity owning or controlling in combination with any cultivation center, principal officer of a cultivation center, or entity controlled or affiliated with a principal officer of a cultivation center by which he, she, or it is employed, is an agent of, or participates in the management of, more than 3 cultivation center licenses.

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

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

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

(n) It is unlawful for any person having a cultivation center license or any officer, associate, member, representative, or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any person connected with or in any way representing, or to any member of the family of, such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any stockholders in any corporation engaged in the retail sale of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

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

705/20-35

Cultivation center agent identification card

(a) The Department of Agriculture shall:

- (1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act and the nonrefundable fee to accompany the initial application or renewal application;
- (2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Act, and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;
- (3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;
- (4) enter the license number of the cultivation center where the agent works; and
- (5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. The Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when on the property of the cultivation center at which the agent is employed.

(c) The agent identification cards shall contain the following:

- (1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10–digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;

(4) a photograph of the cardholder; and

(5) the legal name of the cultivation center employing the agent.

(d) An agent identification card shall be immediately returned to the cultivation center of the agent upon termination of his or her employment.

(e) Any agent identification card lost by a cultivation center agent shall be reported to the Department of State Police and the Department of Agriculture immediately upon discovery of the loss.

(f) The Department of Agriculture shall not issue an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/20–40

Cultivation center background checks

(a) Through the Department of State Police, the Department of Agriculture shall conduct a background check of the prospective principal officers, board members, and agents of a cultivation center applying for a license or identification card under this Act.

The Department of State Police shall charge a fee set by rule 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.

In order to carry out this provision, each cultivation center prospective principal officer, board member, or agent shall submit a full set of fingerprints to the Department of 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 in the Department of State Police and Federal Bureau of Investigation criminal history records databases.

The Department of State Police shall furnish, following positive identification, all conviction information to the Department of Agriculture.

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the licensing or issuing agency.

705/20–45

Renewal of cultivation center licenses and agent identification cards

(a) Licenses and identification cards issued under this Act shall be renewed annually. A cultivation center shall receive written or electronic notice 90 days before the expiration of its current license that the license will expire. The Department of Agriculture shall grant a renewal within 45 days of submission of a renewal application if:

(1) the cultivation center submits a renewal application and the required nonrefundable renewal fee of \$100,000, or another amount as the Department of Agriculture may set by rule after January 1, 2021, to be deposited into the Cannabis Regulation Fund.

(2) the Department of Agriculture has not suspended the license of the cultivation center or suspended or revoked the license for violating this Act or rules adopted under this Act;

(3) the cultivation center has continued to operate in accordance with all plans submitted as part of its application and approved by the Department of Agriculture or any amendments thereto that have been approved by the Department of Agriculture;

(4) the cultivation center has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Department; and

(5) the cultivation center has submitted an environmental impact report.

(b) If a cultivation center fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If a cultivation center agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the cultivation center until his or her identification card is renewed.

(d) Any cultivation center that continues to operate, or any cultivation center agent who continues to work as an agent, after the applicable license or identification card has expired without renewal is subject to the penalties provided under Section 45-5.

705/20-50

Cultivator taxes; returns

(a) A tax is imposed upon the privilege of cultivating and processing adult use cannabis at the rate of 7% of the gross receipts from the sale of cannabis by a cultivator to a dispensing organization.

The sale of any adult use product that contains any amount of cannabis or any derivative thereof is subject to the tax under this Section on the full selling price of the product. The proceeds from this tax shall be deposited into the Cannabis Regulation Fund.

This tax shall be paid by the cultivator who makes the first sale and is not the responsibility of a dispensing organization, qualifying patient, or purchaser.

(b) In the administration of and compliance with this Section, the Department of Revenue and persons who are subject to this Section:

- (i) have the same rights, remedies, privileges, immunities, powers, and duties,
- (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and
- (iii) shall employ the same modes of procedure as are set forth in the Cannabis Cultivation Privilege Tax Law and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

(c) The tax imposed under this Act shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

ARTICLE 25.

COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM

705/25-1

Definitions In this Article:

“**Board**” means the Illinois Community College Board.

“**Career in Cannabis Certificate**” or “**Certificate**” means the certification awarded to a community college student who completes a prescribed course of study in cannabis and cannabis business industry related classes and curriculum at a community college awarded a Community College Cannabis Vocational Pilot Program license.

“**Community college**” means a public community college organized under the Public Community College Act.

“**Department**” means the Department of Agriculture.

“**Licensee**” means a community college awarded a Community College Cannabis Vocational Pilot Program license under this Article.

“**Program**” means the Community College Cannabis Vocational Pilot Program.

“**Program license**” means a Community College Cannabis Vocational Pilot Program license issued to a community college under this Article.

705/25-5

Administration.

(a) The Department shall establish and administer the Program in coordination with the Illinois Community College Board. The Department may issue up to 8 Program licenses by September 1, 2020.

(b) Beginning with the 2021–2022 academic year, and subject to subsection (h) of Section 2–12 of the Public Community College Act, community colleges awarded Program licenses may offer qualifying students a Career in Cannabis Certificate, which includes, but is not limited to, courses that allow participating students to work with, study, and grow live cannabis plants so as to prepare students for a career in the legal cannabis industry, and to instruct participating students on the best business practices, professional responsibility, and legal compliance of the cannabis business industry.

(c) The Board may issue rules pertaining to the provisions in this Act.

(d) Notwithstanding any other provision of this Act, students shall be at least 18 years old in order to enroll in a licensee's Career in Cannabis Certificate's prescribed course of study.

705/25–10

Issuance of Community College Cannabis Vocational Pilot Program licenses.

(a) The Department shall issue rules regulating the selection criteria for applicants by January 1, 2020.

The Department shall make the application for a Program license available no later than February 1, 2020, and shall require that applicants submit the completed application no later than July 1, 2020.

(b) The Department shall by rule develop a system to score Program licenses to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information.

Applicants shall be awarded points that are based on or that meet the following categories:

- (1) Geographic diversity of the applicants;
- (2) Experience and credentials of the applicant's faculty;
- (3) At least 5 Program license awardees must have a student population that is more than 50% low-income in each of the past 4 years;
- (4) Security plan, including a requirement that all cannabis plants be in an enclosed, locked facility;
- (5) Curriculum plan, including processing and testing curriculum for the Career in Cannabis Certificate;
- (6) Career advising and placement plan for participating students; and
- (7) Any other criteria the Department may set by rule.

705/25–15

Community College Cannabis Vocational Pilot Program requirements and prohibitions.

(a) Licensees shall not have more than 50 flowering cannabis plants at any one time.

(b) The agent-in-charge shall keep a vault log of the licensee's enclosed, locked facility or facilities, including but not limited to, the person entering the site location, the time of entrance, the time of exit, and any other information the Department may set by rule.

(c) Cannabis shall not be removed from the licensee's facility, except for the limited purpose of shipping a sample to a laboratory registered under this Act.

(d) The licensee shall limit keys, access cards, or an access code to the licensee's enclosed, locked facility, or facilities, to cannabis curriculum faculty and college security personnel with a bona fide need to access the facility for emergency purposes.

(e) A transporting organization may transport cannabis produced pursuant to this Article to a laboratory registered under this Act. All other cannabis produced by the licensee that was not shipped to a registered laboratory shall be destroyed within 5 weeks of being harvested.

- (f) Licensees shall subscribe to the Department of Agriculture's cannabis plant monitoring system.
- (g) Licensees shall maintain a weekly inventory system.
- (h) No student participating in the cannabis curriculum necessary to obtain a Certificate may be in the licensee's facility unless a faculty agent-in-charge is also physically present in the facility.
- (i) Licensees shall conduct post-certificate follow up surveys and record participating students' job placements within the cannabis business industry within a year of the student's completion.
- (j) The Illinois Community College Board shall report annually to the Department on the race, ethnicity, and gender of all students participating in the cannabis curriculum necessary to obtain a Certificate, and of those students who obtain a Certificate.

705/25-20

Faculty.

- (a) All faculty members shall be required to maintain registration as an agent-in-charge and have a valid agent identification card prior to teaching or participating in the licensee's cannabis curriculum that involves instruction offered in the enclosed, locked facility or facilities.
- (b) All faculty receiving an agent-in-charge or agent identification card must successfully pass a background check required by Section 5-20 prior to participating in a licensee's cannabis curriculum that involves instruction offered in the enclosed, locked facility.

705/25-25

Enforcement.

- (a) The Department has the authority to suspend or revoke any faculty agent-in-charge or agent identification card for any violation found under this Article.
- (b) The Department has the authority to suspend or revoke any Program license for any violation found under this Article.
- (c) The Board shall revoke the authority to offer the Certificate of any community college that has had its license revoked by the Department.

705/25-30

Inspection rights

- (a) A licensee's enclosed, locked facilities are subject to random inspections by the Department and the Department of State Police.
- (b) Nothing in this Section shall be construed to give the Department or the Department of State Police a right of inspection or access to any location on the licensee's premises beyond the facilities licensed under this Article.

705/25-35

Community College Cannabis Vocational Training Pilot Program faculty participant agent identification card

- (a) The Department shall:
 - (1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Article and the nonrefundable fee to accompany the initial application or renewal application;
 - (2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Article, and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;
 - (3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;
 - (4) enter the license number of the community college where the agent works; and

(5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. Each Department may by rule require prospective agents to file their applications by electronic means and to provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when in the enclosed, locked facility, or facilities for which he or she is an agent.

(c) The agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10–digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;

(4) a photograph of the cardholder; and

(5) the legal name of the community college employing the agent.

(d) An agent identification card shall be immediately returned to the community college of the agent upon termination of his or her employment.

(e) Any agent identification card lost shall be reported to the Department of State Police and the Department of Agriculture immediately upon discovery of the loss.

705/25–40
Study

By December 31, 2025, the Illinois Cannabis Regulation Oversight Officer, in coordination with the Board, must issue a report to the Governor and the General Assembly which includes, but is not limited to, the following:

(1) Number of security incidents or infractions at each licensee and any action taken or not taken;

(2) Statistics, based on race, ethnicity, gender, and participating community college of:

(A) students enrolled in career in cannabis classes;

(B) successful completion rates by community college students for the Certificate;

(C) postgraduate job placement of students who obtained a Certificate, including both cannabis business establishment jobs and non-cannabis business establishment jobs; and

(3) Any other relevant information.

705/25–45
Repeal

This Article is repealed on July 1, 2026.

ARTICLE 30.
CRAFT GROWERS

705/30
Definition.

In this Article, “**Department**” means the Department of Agriculture.

705/30–5
Issuance of licenses

(a) The Department of Agriculture shall issue up to 40 craft grower licenses by July 1, 2020. Any person or entity awarded a license pursuant to this subsection shall only hold one craft grower license and may not sell that license until after December 21, 2021.

(b) By December 21, 2021, the Department of Agriculture shall issue up to 60 additional craft grower licenses. Any person or entity awarded a license pursuant to this subsection shall not hold more than 2 craft grower licenses.

The person or entity awarded a license pursuant to this subsection or subsection (a) of this Section may sell its craft grower license subject to the restrictions of this Act or as determined by administrative rule.

Prior to issuing such licenses, the Department may adopt rules through emergency rulemaking in accordance with subsection (gg) of Section 5–45 of the Illinois Administrative Procedure Act, to modify or raise the number of craft grower licenses assigned to each region and modify or change the licensing application process to reduce or eliminate barriers.

The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

In determining whether to exercise the authority granted by this subsection, the Department of Agriculture must consider the following factors:

- (1) The percentage of cannabis sales occurring in Illinois not in the regulated market using data from the Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism data from the Illinois Office of Tourism to ascertain total cannabis consumption in Illinois compared to the amount of sales in licensed dispensing organizations;
- (2) Whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients;
- (3) Whether there is an adequate supply of cannabis and cannabis-infused products to serve purchasers;
- (4) Whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to states where the sale of cannabis is not permitted by law;
- (5) Population increases or shifts;
- (6) The density of craft growers in any area of the State;
- (7) Perceived security risks of increasing the number or location of craft growers;
- (8) The past safety record of craft growers;
- (9) The Department of Agriculture's capacity to appropriately regulate additional licensees;
- (10) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer to reduce or eliminate any identified barriers to entry in the cannabis industry; and
- (11) Any other criteria the Department of Agriculture deems relevant.

(c) After January 1, 2022, the Department of Agriculture may by rule modify or raise the number of craft grower licenses assigned to each region, and modify or change the licensing application process to reduce or eliminate barriers based on the criteria in subsection (b).

At no time may the number of craft grower licenses exceed 150.

Any person or entity awarded a license pursuant to this subsection shall not hold more than 3 craft grower licenses.

A person or entity awarded a license pursuant to this subsection or subsection (a) or subsection (b) of this Section may sell its craft grower license or licenses subject to the restrictions of this Act or as determined by administrative rule.

705/30–10
Application.

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

- (1) the nonrefundable application fee of \$5,000 to be deposited into the Cannabis Regulation Fund, or another amount as the Department of Agriculture may set by rule after January 1, 2021;
- (2) the legal name of the craft grower;
- (3) the proposed physical address of the craft grower;
- (4) the name, address, social security number, and date of birth of each principal officer and board member of the craft grower; each principal officer and board member shall be at least 21 years of age;
- (5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the craft grower (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;
- (6) proposed operating bylaws that include procedures for the oversight of the craft grower, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Department of State Police that are in accordance with the rules issued by the Department of Agriculture under this Act; a physical inventory shall be performed of all plants and on a weekly basis by the craft grower;
- (7) verification from the Department of State Police that all background checks of the prospective principal officers, board members, and agents of the cannabis business establishment have been conducted;
- (8) a copy of the current local zoning ordinance or permit and verification that the proposed craft grower is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;
- (9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;
- (10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;
- (11) experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business;
- (12) a description of the enclosed, locked facility where cannabis will be grown, harvested, manufactured, packaged, or otherwise prepared for distribution to a dispensing organization or other cannabis business establishment;
- (13) a survey of the enclosed, locked facility, including the space used for cultivation;
- (14) cultivation, processing, inventory, and packaging plans;
- (15) a description of the applicant's experience with agricultural cultivation techniques and industry standards;
- (16) a list of any academic degrees, certifications, or relevant experience of all prospective principal officers, board members, and agents of the related business;
- (17) the identity of every person having a financial or voting interest of 5% or greater in the craft grower operation, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;
- (18) a plan describing how the craft grower will address each of the following:
 - (i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;
 - (ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and

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

(19) a recycling plan:

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

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

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

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

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

(B) Disposing liquid waste containing cannabis or byproducts of cannabis processing in compliance with all applicable State and federal requirements, including, but not limited to, the cannabis cultivation facility's permits under Title X of the Environmental Protection Act.

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

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

(i) lighting systems, including light bulbs;

(ii) HVAC system;

(iii) water application system to the crop; and

(iv) filtration system for removing contaminants from wastewater.

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

(C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

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

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

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

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

(22) any other information required by rule.

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

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

705/30–15
Scoring applications

(a) The Department of Agriculture shall by rule develop a system to score craft grower applications to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points based on the following categories:

- (1) Suitability of the proposed facility;
- (2) Suitability of the employee training plan;
- (3) Security and recordkeeping;
- (4) Cultivation plan;
- (5) Product safety and labeling plan;
- (6) Business plan;
- (7) The applicant's status as a Social Equity Applicant, which shall constitute no less than 20% of total available points;
- (8) Labor and employment practices, which shall constitute no less than 2% of total available points;
- (9) Environmental plan as described in paragraphs (18), (19), (20), and (21) of subsection (a) of Section 30–10;
- (10) The applicant is 51% or more owned and controlled by an individual or individuals who have been an Illinois resident for the past 5 years as proved by tax records;
- (11) The applicant is 51% or more controlled and owned by an individual or individuals who meet the qualifications of a veteran as defined in Section 45–57 of the Illinois Procurement Code;
- (12) A diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity; and
- (13) Any other criteria the Department of Agriculture may set by rule for points.

(b) The Department may also award up to 2 bonus points for the applicant's plan to engage with the community. The applicant may demonstrate a desire to engage with its community by participating in one or more of, but not limited to, the following actions:

- (i) establishment of an incubator program designed to increase participation in the cannabis industry by persons who would qualify as Social Equity Applicants;
- (ii) providing financial assistance to substance abuse treatment centers;
- (iii) educating children and teens about the potential harms of cannabis use; or

(iv) other measures demonstrating a commitment to the applicant's community. Bonus points will only be awarded if the Department receives applications that receive an equal score for a particular region.

(c) Should the applicant be awarded a craft grower license, the information and plans that an applicant provided in its application, including any plans submitted for the acquiring of bonus points, shall be a mandatory condition of the license. Any variation from or failure to perform such plans may result in discipline, including the revocation or nonrenewal of a license.

(d) Should the applicant be awarded a craft grower license, the applicant shall pay a prorated fee of \$40,000 prior to receiving the license, to be deposited into the Cannabis Regulation Fund. The Department of Agriculture may by rule adjust the fee in this Section after January 1, 2021.

705/30-20

Issuance of license to certain persons prohibited

(a) No craft grower license issued by the Department of Agriculture shall be issued to a person who is licensed by any licensing authority as a cultivation center, or to any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or any other form of business enterprise having more than 10% legal, equitable, or beneficial interest, directly or indirectly, in a person licensed in this State as a cultivation center, or to any principal officer, agent, employee, or human being with any form of ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares of a cultivation center whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934.

(b) A person who is licensed in this State as a craft grower, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed in this State as a craft grower shall not have more than 10% legal, equitable, or beneficial interest, directly or indirectly, in a person licensed as a cultivation center, nor shall any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or any other form of business enterprise having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed in this State as a craft grower or a craft grower agent be a principal officer, agent, employee, or human being with any form of ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares of a cultivation center whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934.

705/30-25

Denial of application.

An application for a craft grower license must be denied if any of the following conditions are met:

- (1) the applicant failed to submit the materials required by this Article;
- (2) the applicant would not be in compliance with local zoning rules;
- (3) one or more of the prospective principal officers or board members causes a violation of Section 30-20 of this Article;
- (4) one or more of the principal officers or board members is under 21 years of age;
- (5) the person has submitted an application for a license under this Act that contains false information; or
- (6) the licensee; principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee; or agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/30-30

Craft grower requirements: prohibitions.

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

(b) A craft grower shall implement a security plan reviewed by the Department of State Police that includes, but is not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, and a 24-hour surveillance system to monitor the interior and exterior of the craft grower facility and that is accessible to authorized law enforcement and the Department of Agriculture in real time.

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

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

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

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

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

(h) Craft growers are subject to random inspections by the Department of Agriculture, local safety or health inspectors, and the Department of State Police.

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

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

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

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

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

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

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

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

(n) It is unlawful for any person having a craft grower license or any officer, associate, member, representative, or agent of the licensee to offer or deliver money, or anything else of value, directly or indirectly, to any person having an Early Approval Adult Use

Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any person connected with or in any way representing, or to any member of the family of, the person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any stockholders in any corporation engaged in the retail sale of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

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

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

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

705/30-35

Craft grower agent identification card.

(a) The Department of Agriculture shall:

(1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act and the nonrefundable fee to accompany the initial application or renewal application;

(2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Act and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;

(3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;

(4) enter the license number of the craft grower where the agent works; and

(5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. The Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment, including the craft grower organization for which he or she is an agent.

(c) The agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;

(4) a photograph of the cardholder; and

(5) the legal name of the craft grower organization employing the agent.

(d) An agent identification card shall be immediately returned to the cannabis business establishment of the agent upon termination of his or her employment.

(e) Any agent identification card lost by a craft grower agent shall be reported to the Department of State Police and the Department of Agriculture immediately upon discovery of the loss.

705/30-40

Craft grower background checks.

(a) Through the Department of State Police, the Department of Agriculture shall conduct a background check of the prospective principal officers, board members, and agents of a craft grower applying for a license or identification card under this Act.

The Department of State Police shall charge a fee set by rule 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.

In order to carry out this Section, each craft grower organization's prospective principal officer, board member, or agent shall submit a full set of fingerprints to the Department of 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 in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall furnish, following positive identification, all conviction information to the Department of Agriculture.

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the licensing or issuing agency.

705/30-45

Renewal of craft grower licenses and agent identification cards.

(a) Licenses and identification cards issued under this Act shall be renewed annually. A craft grower shall receive written or electronic notice 90 days before the expiration of its current license that the license will expire. The Department of Agriculture shall grant a renewal within 45 days of submission of a renewal application if:

- (1) the craft grower submits a renewal application and the required nonrefundable renewal fee of \$40,000, or another amount as the Department of Agriculture may set by rule after January 1, 2021;
- (2) the Department of Agriculture has not suspended the license of the craft grower or suspended or revoked the license for violating this Act or rules adopted under this Act;
- (3) the craft grower has continued to operate in accordance with all plans submitted as part of its application and approved by the Department of Agriculture or any amendments thereto that have been approved by the Department of Agriculture;
- (4) the craft grower has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Department; and
- (5) the craft grower has submitted an environmental impact report.

(b) If a craft grower fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If a craft grower agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the craft grower organization until his or her identification card is renewed.

(d) Any craft grower that continues to operate, or any craft grower agent who continues to work as an agent, after the applicable license or identification card has expired without renewal is subject to the penalties provided under Section 45-5.

(e) All fees or fines collected from the renewal of a craft grower license shall be deposited into the Cannabis Regulation Fund.

705/30-50

Craft grower taxes; returns.

(a) A tax is imposed upon the privilege of cultivating and processing adult use cannabis at the rate of 7% of the gross receipts from the sale of cannabis by a craft grower to a dispensing organization.

The sale of any adult use product that contains any amount of cannabis or any derivative thereof is subject to the tax under this Section on the full selling price of the product.

The proceeds from this tax shall be deposited into the Cannabis Regulation Fund. This tax shall be paid by the craft grower who makes the first sale and is not the responsibility of a dispensing organization, qualifying patient, or purchaser.

(b) In the administration of and compliance with this Section, the Department of Revenue and persons who are subject to this Section:

- (i) have the same rights, remedies, privileges, immunities, powers, and duties,
- (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and
- (iii) shall employ the same modes of procedure as are set forth in the Cannabis Cultivation Privilege Tax Law and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

(c) The tax imposed under this Act shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

ARTICLE 35. **INFUSER ORGANIZATIONS**

705/35-3

Definitions. In this Article:

“**Department**” means the Department of Agriculture.

705/35-5

Issuance of licenses.

(a) The Department of Agriculture shall issue up to 40 infuser licenses through a process provided for in this Article no later than July 1, 2020.

(b) The Department of Agriculture shall make the application for infuser licenses available on January 7, 2020, or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and every January 7 or succeeding business day thereafter, and shall receive such applications no later than March 15, 2020, or, if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and every March 15 or succeeding business day thereafter.

(c) By December 21, 2021, the Department of Agriculture may issue up to 60 additional infuser licenses. Prior to issuing such licenses, the Department may adopt rules through emergency rulemaking in accordance with subsection (gg) of Section 5–45 of the Illinois Administrative Procedure Act, to modify or raise the number of infuser licenses and modify or change the licensing application process to reduce or eliminate barriers. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare. In determining whether to exercise the authority granted by this subsection, the Department of Agriculture must consider the following factors:

- (1) the percentage of cannabis sales occurring in Illinois not in the regulated market using data from the Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism data from the Illinois Office of Tourism to ascertain total cannabis consumption in Illinois compared to the amount of sales in licensed dispensing organizations;
- (2) whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients;
- (3) whether there is an adequate supply of cannabis and cannabis-infused products to serve purchasers;
- (4) whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to any other state;
- (5) population increases or shifts;
- (6) changes to federal law;

- (7) perceived security risks of increasing the number or location of infuser organizations;
- (8) the past security records of infuser organizations;
- (9) the Department of Agriculture's capacity to appropriately regulate additional licenses;
- (10) the findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer to reduce or eliminate any identified barriers to entry in the cannabis industry; and
- (11) any other criteria the Department of Agriculture deems relevant.

(d) After January 1, 2022, the Department of Agriculture may by rule modify or raise the number of infuser licenses, and modify or change the licensing application process to reduce or eliminate barriers based on the criteria in subsection (c).

705/35-10
Application.

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

- (1) the nonrefundable application fee of \$5,000 or, after January 1, 2021, another amount as set by rule by the Department of Agriculture, to be deposited into the Cannabis Regulation Fund;
- (2) the legal name of the infuser;
- (3) the proposed physical address of the infuser;
- (4) the name, address, social security number, and date of birth of each principal officer and board member of the infuser; each principal officer and board member shall be at least 21 years of age;
- (5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the infuser (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;
- (6) proposed operating bylaws that include procedures for the oversight of the infuser, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Department of State Police that are in accordance with the rules issued by the Department of Agriculture under this Act; a physical inventory of all cannabis shall be performed on a weekly basis by the infuser;
- (7) verification from the Department of State Police that all background checks of the prospective principal officers, board members, and agents of the infuser organization have been conducted;
- (8) a copy of the current local zoning ordinance and verification that the proposed infuser is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;
- (9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;
- (10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;
- (11) experience with infusing products with cannabis concentrate;
- (12) a description of the enclosed, locked facility where cannabis will be infused, packaged, or otherwise prepared for distribution to a dispensing organization or other infuser;
- (13) processing, inventory, and packaging plans;
- (14) a description of the applicant's experience with operating a commercial kitchen or laboratory preparing products for human consumption;

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

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

(17) a plan describing how the infuser will address each of the following:

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

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

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

(18) a recycling plan:

(A) a commitment that any recyclable waste generated by the infuser shall be recycled per applicable State and local laws, ordinances, and rules; and

(B) a commitment to comply with local waste provisions. An infuser commits to remain in compliance with applicable State and federal environmental requirements, including, but not limited to, storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules; and

(19) any other information required by rule.

(b) Applicants must submit all required information, including the information required in Section 35–15, to the Department of Agriculture. Failure by an applicant to submit all required information may result in the application being disqualified.

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

705/35–15 **Issuing licenses.**

(a) The Department of Agriculture shall by rule develop a system to score infuser applications to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points based on the following categories:

(1) Suitability of the proposed facility;

(2) Suitability of the employee training plan;

(3) Security and recordkeeping plan;

(4) Infusing plan;

(5) Product safety and labeling plan;

(6) Business plan;

(7) The applicant's status as a Social Equity Applicant, which shall constitute no less than 20% of total available points;

(8) Labor and employment practices, which shall constitute no less than 2% of total available points;

(9) Environmental plan as described in paragraphs (17) and (18) of subsection (a) of Section 35–10;

(10) The applicant is 51% or more owned and controlled by an individual or individuals who have been an Illinois resident for the past 5 years as proved by tax records;

(11) The applicant is 51% or more controlled and owned by an individual or individuals who meet the qualifications of a veteran as defined by Section 45–57 of the Illinois Procurement Code; and

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

(13) Any other criteria the Department of Agriculture may set by rule for points.

(b) The Department may also award up to 2 bonus points for the applicant's plan to engage with the community. The applicant may demonstrate a desire to engage with its community by participating in one or more of, but not limited to, the following actions:

(i) establishment of an incubator program designed to increase participation in the cannabis industry by persons who would qualify as Social Equity Applicants;

(ii) providing financial assistance to substance abuse treatment centers;

(iii) educating children and teens about the potential harms of cannabis use; or

(iv) other measures demonstrating a commitment to the applicant's community. Bonus points will only be awarded if the Department receives applications that receive an equal score for a particular region.

(c) Should the applicant be awarded an infuser license, the information and plans that an applicant provided in its application, including any plans submitted for the acquiring of bonus points, becomes a mandatory condition of the permit. Any variation from or failure to perform such plans may result in discipline, including the revocation or nonrenewal of a license.

(d) Should the applicant be awarded an infuser organization license, it shall pay a fee of \$5,000 prior to receiving the license, to be deposited into the Cannabis Regulation Fund. The Department of Agriculture may by rule adjust the fee in this Section after January 1, 2021.

705/35–20

Denial of application.

An application for an infuser license shall be denied if any of the following conditions are met:

(1) the applicant failed to submit the materials required by this Article;

(2) the applicant would not be in compliance with local zoning rules or permit requirements;

(3) one or more of the prospective principal officers or board members causes a violation of Section 35–25.

(4) one or more of the principal officers or board members is under 21 years of age;

(5) the person has submitted an application for a license under this Act or this Article that contains false information; or

(6) if the licensee; principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee; or agent is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/35–25

Infuser organization requirements; prohibitions.

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

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

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

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

(e) An infuser may not either directly or indirectly discriminate in price between different cannabis business establishments that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (e) prevents an infuser from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such volume discounts, or the way the products are delivered.

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

(g) Infusers are subject to random inspections by the Department of Agriculture, the Department of Public Health, the Department of State Police, and local law enforcement.

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

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

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

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

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

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

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

(l) An infuser organization may share premises with a craft grower 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.

(m) It is unlawful for any person or entity having an infuser organization license or any officer, associate, member, representative or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any person connected with or in any way representing, or to any member of the family of, such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act, or to any stockholders in any corporation engaged the retail sales of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act to obtain

preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

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

705/35-30

Infuser agent identification card.

(a) The Department of Agriculture shall:

- (1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act and the nonrefundable fee to accompany the initial application or renewal application;
- (2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Act, and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;
- (3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;
- (4) enter the license number of the infuser where the agent works; and
- (5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted.

The Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment including the cannabis business establishment for which he or she is an agent.

(c) The agent identification cards shall contain the following:

- (1) the name of the cardholder;
- (2) the date of issuance and expiration date of the identification card;
- (3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;
- (4) a photograph of the cardholder; and
- (5) the legal name of the infuser organization employing the agent.

(d) An agent identification card shall be immediately returned to the infuser organization of the agent upon termination of his or her employment.

(e) Any agent identification card lost by a transporting agent shall be reported to the Department of State Police and the Department of Agriculture immediately upon discovery of the loss.

705/35-31

Ensuring an adequate supply of raw materials to serve infusers.

(a) As used in this Section, "raw materials" includes, but is not limited to, CO 2 hash oil, "crude", "distillate", or any other cannabis concentrate extracted from cannabis flower by use of a solvent or a mechanical process.

(b) The Department of Agriculture may by rule design a method for assessing whether licensed infusers have access to an adequate supply of reasonably affordable raw materials, which may include but not be limited to: (i) a survey of infusers; (ii) a market study on the sales trends of cannabis-infused products manufactured by infusers; and (iii) the costs cultivation centers and craft growers assume for the raw materials they use in any cannabis-infused products they manufacture.

(c) The Department of Agriculture shall perform an assessment of whether infusers have access to an adequate supply of reasonably affordable raw materials that shall start no sooner than January 1, 2022 and shall conclude no later than April 1, 2022. The Department of Agriculture may rely on data from the Illinois Cannabis Regulation Oversight Officer as part of this assessment.

(d) The Department of Agriculture shall perform an assessment of whether infusers have access to an adequate supply of reasonably affordable raw materials that shall start no sooner than January 1, 2023 and shall conclude no later than April 1, 2023. The Department of Agriculture may rely on data from the Cannabis Regulation Oversight Officer as part of this assessment.

(e) The Department of Agriculture may by rule adopt measures to ensure infusers have access to an adequate supply of reasonably affordable raw materials necessary for the manufacture of cannabis-infused products. Such measures may include, but not be limited to (i) requiring cultivation centers and craft growers to set aside a minimum amount of raw materials for the wholesale market or (ii) enabling infusers to apply for a processor license to extract raw materials from cannabis flower.

(f) If the Department of Agriculture determines processor licenses may be available to infusing organizations based upon findings made pursuant to subsection (e), infuser organizations may submit to the Department of Agriculture on forms provided by the Department of Agriculture the following information as part of an application to receive a processor license:

- (1) experience with the extraction, processing, or infusing of oils similar to those derived from cannabis, or other business practices to be performed by the infuser;
- (2) a description of the applicant's experience with manufacturing equipment and chemicals to be used in processing;
- (3) expertise in relevant scientific fields;
- (4) a commitment that any cannabis waste, liquid waste, or hazardous waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent feasible, all cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with Ill. Adm. Code 1000.460(g)(1); and
- (5) any other information the Department of Agriculture deems relevant.

(g) The Department of Agriculture may only issue an infusing organization a processor license if, based on the information pursuant to subsection (f) and any other criteria set by the Department of Agriculture, which may include but not be limited to an inspection of the site where processing would occur, the Department of Agriculture is reasonably certain the infusing organization will process cannabis in a safe and compliant manner.

705/35-35

Infuser organization background checks.

(a) Through the Department of State Police, the Department of Agriculture shall conduct a background check of the prospective principal officers, board members, and agents of an infuser applying for a license or identification card under this Act.

The Department of State Police shall charge a fee set by rule 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.

In order to carry out this provision, each infuser organization's prospective principal officer, board member, or agent shall submit a full set of fingerprints to the Department of 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 in the Department of State Police and Federal Bureau of Investigation criminal history records databases.

The Department of State Police shall furnish, following positive identification, all conviction information to the Department of Agriculture.

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the licensing or issuing agency.

705/35-40

Renewal of infuser organization licenses and agent identification cards.

(a) Licenses and identification cards issued under this Act shall be renewed annually.

An infuser organization shall receive written or electronic notice 90 days before the expiration of its current license that the license will expire.

The Department of Agriculture shall grant a renewal within 45 days of submission of a renewal application if:

- (1) the infuser organization submits a renewal application and the required nonrefundable renewal fee of \$20,000, or, after January 1, 2021, another amount set by rule by the Department of Agriculture, to be deposited into the Cannabis Regulation Fund;
- (2) the Department of Agriculture has not suspended or revoked the license of the infuser organization for violating this Act or rules adopted under this Act;
- (3) the infuser organization has continued to operate in accordance with all plans submitted as part of its application and approved by the Department of Agriculture or any amendments thereto that have been approved by the Department of Agriculture;
- (4) The infuser has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Department; and
- (5) The infuser has submitted an environmental impact report.

(b) If an infuser organization fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If an infuser organization agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the infuser organization until his or her identification card is renewed.

(d) Any infuser organization that continues to operate, or any infuser organization agent who continues to work as an agent, after the applicable license or identification card has expired without renewal is subject to the penalties provided under Section 35-25.

(e) The Department shall not renew a license or an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

ARTICLE 40.
TRANSPORTING ORGANIZATIONS

705/40-1
Definition.

In this Article, “**Department**” means the Department of Agriculture.

705/40-5

Issuance of licenses.

- (a) The Department shall issue transporting licenses through a process provided for in this Article no later than July 1, 2020.
- (b) The Department shall make the application for transporting organization licenses available on January 7, 2020 and shall receive such applications no later than March 15, 2020. Thereafter, the Department of Agriculture shall make available such applications on every January 7 thereafter or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and shall receive such applications no later than March 15 or the succeeding business day thereafter.

705/40-10 **Application.**

- (a) When applying for a transporting organization license, the applicant shall electronically submit the following in such form as the Department of Agriculture may direct:
- (1) the nonrefundable application fee of \$5,000 or, after January 1, 2021, another amount as set by rule by the Department of Agriculture, to be deposited into the Cannabis Regulation Fund;
 - (2) the legal name of the transporting organization;
 - (3) the proposed physical address of the transporting organization, if one is proposed;
 - (4) the name, address, social security number, and date of birth of each principal officer and board member of the transporting organization; each principal officer and board member shall be at least 21 years of age;
 - (5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the transporting organization (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;
 - (6) proposed operating bylaws that include procedures for the oversight of the transporting organization, including the development and implementation of an accurate recordkeeping plan, staffing plan, and security plan approved by the Department of State Police that are in accordance with the rules issued by the Department of Agriculture under this Act; a physical inventory shall be performed of all cannabis on a weekly basis by the transporting organization;
 - (7) verification from the Department of State Police that all background checks of the prospective principal officers, board members, and agents of the transporting organization have been conducted;
 - (8) a copy of the current local zoning ordinance or permit and verification that the proposed transporting organization is in compliance with the local zoning rules and distance limitations established by the local jurisdiction, if the transporting organization has a business address;
 - (9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;
 - (10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;
 - (11) the number and type of equipment the transporting organization will use to transport cannabis and cannabis-infused products;
 - (12) loading, transporting, and unloading plans;
 - (13) a description of the applicant's experience in the distribution or security business;
 - (14) the identity of every person having a financial or voting interest of 5% or more in the transporting organization with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person; and
 - (15) any other information required by rule.
- (b) Applicants must submit all required information, including the information required in Section 40-35 to the Department.

Failure by an applicant to submit all required information may result in the application being disqualified.

(c) If the Department receives an application with missing information, the Department of Agriculture may issue a deficiency notice to the applicant.

The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.

705/40-15
Issuing licenses.

(a) The Department of Agriculture shall by rule develop a system to score transporter applications to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points based on the following categories:

- (1) Suitability of employee training plan;
- (2) Security and recordkeeping plan;
- (3) Business plan;
- (4) The applicant's status as a Social Equity Applicant, which shall constitute no less than 20% of total available points;
- (5) Labor and employment practices, which shall constitute no less than 2% of total available points;
- (6) Environmental plan that demonstrates an environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the transporter, which may include, without limitation, recycling cannabis product packaging;
- (7) the applicant is 51% or more owned and controlled by an individual or individuals who have been an Illinois resident for the past 5 years as proved by tax records;
- (8) The applicant is 51% or more controlled and owned by an individual or individuals who meet the qualifications of a veteran as defined by Section 45-57 of the Illinois Procurement Code;
- (9) a diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity; and
- (10) Any other criteria the Department of Agriculture may set by rule for points.

(b) The Department may also award up to 2 bonus points for the applicant's plan to engage with the community. The applicant may demonstrate a desire to engage with its community by participating in one or more of, but not limited to, the following actions:

- (i) establishment of an incubator program designed to increase participation in the cannabis industry by persons who would qualify as Social Equity Applicants;
- (ii) providing financial assistance to substance abuse treatment centers;
- (iii) educating children and teens about the potential harms of cannabis use; or
- (iv) other measures demonstrating a commitment to the applicant's community.

Bonus points will only be awarded if the Department receives applications that receive an equal score for a particular region.

(c) Applicants for transportation organization licenses that score at least 85% of available points according to the system developed by rule and meet all other requirements for a transporter license shall be issued a license by the Department of Agriculture within 60 days of receiving the application.

Applicants that were registered as medical cannabis cultivation centers prior to January 1, 2020 and who meet all other requirements for a transporter license shall be issued a license by the Department of Agriculture within 60 days of receiving the application.

(d) Should the applicant be awarded a transportation organization license, the information and plans that an applicant provided in its application, including any plans submitted for the acquiring of bonus points, shall be a mandatory condition of the permit.

Any variation from or failure to perform such plans may result in discipline, including the revocation or nonrenewal of a license.

(e) Should the applicant be awarded a transporting organization license, the applicant shall pay a prorated fee of \$10,000 prior to receiving the license, to be deposited into the Cannabis Regulation Fund.

The Department of Agriculture may by rule adjust the fee in this Section after January 1, 2021.

705/40-20

Denial of application.

An application for a transportation organization license shall be denied if any of the following conditions are met:

- (1) the applicant failed to submit the materials required by this Article;
- (2) the applicant would not be in compliance with local zoning rules or permit requirements;
- (3) one or more of the prospective principal officers or board members causes a violation of Section 40-25;
- (4) one or more of the principal officers or board members is under 21 years of age;
- (5) the person has submitted an application for a license under this Act that contains false information; or
- (6) the licensee, 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 returns or paying any amounts owed to the State of Illinois.

705/40-25

Transporting organization requirements; prohibitions.

(a) The operating documents of a transporting organization shall include procedures for the oversight of the transporter, an inventory monitoring system including a physical inventory recorded weekly, accurate recordkeeping, and a staffing plan.

(b) A transporting organization may not transport cannabis or cannabis-infused products to any person other than a cultivation center, a craft grower, an infuser organization, a dispensing organization, a testing facility, or as otherwise authorized by rule.

(c) All cannabis transported by a transporting organization must be entered into a data collection system and placed into a cannabis container for transport.

(d) Transporters are subject to random inspections by the Department of Agriculture, the Department of Public Health, and the Department of State Police.

(e) A transporting organization agent shall notify local law enforcement, the Department of State Police, and the Department of Agriculture within 24 hours of the discovery of any loss or theft. Notification shall be made by phone, in person, or by written or electronic communication.

(f) No person under the age of 21 years shall be in a commercial vehicle or trailer transporting cannabis goods.

(g) No person or individual who is not a transporting organization agent shall be in a vehicle while transporting cannabis goods.

(h) Transporters may not use commercial motor vehicles with a weight rating of over 10,001 pounds.

(i) It is unlawful for any person to offer or deliver money, or anything else of value, directly or indirectly, to any of the following persons to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website:

- (1) a person having a transporting organization license, or any officer, associate, member, representative, or agent of the licensee;

(2) a person having an Early Applicant Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act;

(3) a person connected with or in any way representing, or a member of the family of, a person holding an Early Applicant Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act; or

(4) a stockholder, officer, manager, agent, or representative of a corporation engaged in the retail sale of cannabis, an Early Applicant Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Pilot Program Act.

(j) A transportation organization agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment and during the transportation of cannabis when acting under his or her duties as a transportation organization agent. During these times, the transporter organization agent must also provide the identification card upon request of any law enforcement officer engaged in his or her official duties.

(k) A copy of the transporting organization's registration and a manifest for the delivery shall be present in any vehicle transporting cannabis.

(l) Cannabis shall be transported so it is not visible or recognizable from outside the vehicle.

(m) A vehicle transporting cannabis must not bear any markings to indicate the vehicle contains cannabis or bear the name or logo of the cannabis business establishment.

(n) Cannabis must be transported in an enclosed, locked storage compartment that is secured or affixed to the vehicle.

(o) The Department of Agriculture may, by rule, impose any other requirements or prohibitions on the transportation of cannabis.

705/40-30

Transporting agent identification card.

(a) The Department of Agriculture shall:

(1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act and the nonrefundable fee to accompany the initial application or renewal application;

(2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Act and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;

(3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;

(4) enter the license number of the transporting organization where the agent works; and

(5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. The Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment, including the cannabis business establishment for which he or she is an agent.

(c) The agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;

(4) a photograph of the cardholder; and

(5) the legal name of the transporter organization employing the agent.

(d) An agent identification card shall be immediately returned to the transporter organization of the agent upon termination of his or her employment.

(e) Any agent identification card lost by a transporting agent shall be reported to the Department of State Police and the Department of Agriculture immediately upon discovery of the loss.

(f) An application for an agent identification card shall be denied if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

705/40-35

Transporting organization background checks.

(a) Through the Department of State Police, the Department of Agriculture shall conduct a background check of the prospective principal officers, board members, and agents of a transporter applying for a license or identification card under this Act.

The Department of State Police shall charge a fee set by rule 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. In order to carry out this provision, each transporter organization's prospective principal officer, board member, or agent shall submit a full set of fingerprints to the Department of 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 in the Department of State Police and Federal Bureau of Investigation criminal history records databases.

The Department of State Police shall furnish, following positive identification, all conviction information to the Department of Agriculture.

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the Department of Agriculture

705/40-40

Renewal of transporting organization licenses and agent identification cards.

(a) Licenses and identification cards issued under this Act shall be renewed annually. A transporting organization shall receive written or electronic notice 90 days before the expiration of its current license that the license will expire. The Department of Agriculture shall grant a renewal within 45 days of submission of a renewal application if:

(1) the transporting organization submits a renewal application and the required nonrefundable renewal fee of \$10,000, or after January 1, 2021, another amount set by rule by the Department of Agriculture, to be deposited into the Cannabis Regulation Fund;

(2) the Department of Agriculture has not suspended or revoked the license of the transporting organization for violating this Act or rules adopted under this Act;

(3) the transporting organization has continued to operate in accordance with all plans submitted as part of its application and approved by the Department of Agriculture or any amendments thereto that have been approved by the Department of Agriculture; and

(4) the transporter has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Department.

(b) If a transporting organization fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If a transporting organization agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the transporter organization until his or her identification card is renewed.

(d) Any transporting organization that continues to operate, or any transporting organization agent who continues to work as an agent, after the applicable license or identification card has expired without renewal is subject to the penalties provided under Section 45-5.

(e) The Department shall not renew a license or an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

ARTICLE 45.
ENFORCEMENT AND IMMUNITIES

705/45-5

License suspension; revocation; other penalties.

(a) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation and the Department of Agriculture may revoke, suspend, place on probation, reprimand, issue cease and desist orders, refuse to issue or renew a license, or take any other disciplinary or nondisciplinary action as each department may deem proper with regard to a cannabis business establishment or cannabis business establishment agent, including fines not to exceed:

- (1) \$50,000 for each violation of this Act or rules adopted under this Act by a cultivation center or cultivation center agent;
- (2) \$10,000 for each violation of this Act or rules adopted under this Act by a dispensing organization or dispensing organization agent;
- (3) \$15,000 for each violation of this Act or rules adopted under this Act by a craft grower or craft grower agent;
- (4) \$10,000 for each violation of this Act or rules adopted under this Act by an infuser organization or infuser organization agent; and

(5) \$10,000 for each violation of this Act or rules adopted under this Act by a transporting organization or transporting organization agent.

(b) The Department of Financial and Professional Regulation and the Department of Agriculture, as the case may be, shall consider licensee cooperation in any agency or other investigation in its determination of penalties imposed under this Section.

(c) The procedures for disciplining a cannabis business establishment or cannabis business establishment agent and for administrative hearings shall be determined by rule, and shall provide for the review of final decisions under the Administrative Review Law.

(d) The Attorney General may also enforce a violation of Section 55–20, Section 55–21, and Section 15–155 as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

705/45–10

Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(a) A cultivation center, craft grower, infuser organization, or transporting organization is not subject to:

- (i) prosecution;
- (ii) search or inspection, except by the Department of Agriculture, the Department of Public Health, or State or local law enforcement under this Act;
- (iii) seizure;
- (iv) penalty in any manner, including, but not limited to, civil penalty;
- (v) denial of any right or privilege; or
- (vi) disciplinary action by a business licensing board or entity for acting under this Act and rules adopted under this Act to acquire, possess, cultivate, manufacture, process, deliver, transfer, transport, supply, or sell cannabis or cannabis paraphernalia under this Act.

(b) A licensed cultivation center agent, licensed craft grower agent, licensed infuser organization agent, or licensed transporting organization agent is not subject to:

- (i) prosecution;
- (ii) search;
- (iii) penalty in any manner, including, but not limited to, civil penalty;
- (iv) denial of any right or privilege; or
- (v) disciplinary action by a business licensing board or entity, for engaging in cannabis-related activities authorized under this Act and rules adopted under this Act.

(c) A dispensing organization is not subject to:

- (i) prosecution;
- (ii) search or inspection, except by the Department of Financial and Professional Regulation, or State or local law enforcement under this Act;
- (iii) seizure;
- (iv) penalty in any manner, including, but not limited to, civil penalty;
- (v) denial of any right or privilege; or
- (vi) disciplinary action by a business licensing board or entity, for acting under this Act and rules adopted under this Act to acquire, possess, or dispense cannabis, cannabis-infused products, cannabis paraphernalia, or related supplies, and educational materials under this Act.

(d) A licensed dispensing organization agent is not subject to:

- (i) prosecution;
- (ii) search; or
- (iii) penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working for a dispensing organization under this Act and rules adopted under this Act.

(e) Any cannabis, cannabis-infused product, cannabis paraphernalia, legal property, or interest in legal property that is possessed, owned, or used in connection with the use of cannabis as allowed under this Act, or acts incidental to that use, may not be seized or forfeited.

This Act does not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this Act, nor does it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used under this Act.

(f) Nothing in this Act shall preclude local or State law enforcement agencies from searching a cultivation center, craft grower, infuser organization, transporting organization, or dispensing organization if there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and applicable law.

(g) Nothing in this Act shall preclude the Attorney General or other authorized government agency from investigating or bringing a civil action against a cannabis business establishment, or an agent thereof, for a violation of State law, including, but not limited to, civil rights violations and violations of the Consumer Fraud and Deceptive Business Practices Act.

705/45-15

State standards and requirements.

Any standards, requirements, and rules regarding the health and safety, environmental protection, testing, security, food safety, and worker protections established by the State shall be the minimum standards for all licensees under this Act statewide, where applicable.

Knowing violations of any State or local law, ordinance, or rule conferring worker protections or legal rights on the employees of a licensee may be grounds for disciplinary action under this Act, in addition to penalties established elsewhere.

705/45-20

Violation of tax Acts; refusal, revocation, or suspension of license or agent identification card.

(a) In addition to other grounds specified in this Act, the Department of Agriculture and Department of Financial and Professional Regulation, upon notification by the Department of Revenue, shall refuse the issuance or renewal of a license or agent identification card, or suspend or revoke the license or agent identification card, of any person, for any of the following violations of any tax Act administered by the Department of Revenue:

- (1) Failure to file a tax return.
- (2) The filing of a fraudulent return.
- (3) Failure to pay all or part of any tax or penalty finally determined to be due.
- (4) Failure to keep books and records.
- (5) Failure to secure and display a certificate or sub-certificate of registration, if required.
- (6) Willful violation of any rule or regulation of the Department relating to the administration and enforcement of tax liability.

(b) After all violations of any of items (1) through (6) of subsection (a) have been corrected or resolved, the Department shall, upon request of the applicant or, if not requested, may notify the entities listed in subsection (a) that the violations have been corrected or resolved.

Upon receiving notice from the Department that a violation of any of items (1) through (6) of subsection (a) have been corrected or otherwise resolved to the Department of Revenue's satisfaction, the Department of Agriculture and the Department of Financial and Professional Regulation may issue or renew the license or agent identification card, or vacate an order of suspension or revocation.

ARTICLE 50.
LABORATORY TESTING

705/50-5
Laboratory testing.

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

- (1) possessing, repackaging, transporting, storing, or displaying cannabis or cannabis-infused products;
 - (2) receiving or transporting cannabis or cannabis-infused products from a cannabis business establishment, a community college licensed under the Community College Cannabis Vocational Training Pilot Program, or a person 21 years of age or older; and
 - (3) returning or transporting cannabis or cannabis-infused products to a cannabis business establishment, a community college licensed under the Community College Cannabis Vocational Training Pilot Program, or a person 21 years of age or older.
- (b)(1) No laboratory shall handle, test, or analyze cannabis unless approved by the Department of Agriculture in accordance with this Section.
- (2) No laboratory shall be approved to handle, test, or analyze cannabis unless the laboratory:
- (A) is accredited by a private laboratory accrediting organization;
 - (B) is independent from all other persons involved in the cannabis industry in Illinois and no person with a direct or indirect interest in the laboratory has a direct or indirect financial, management, or other interest in an Illinois cultivation center, craft grower, dispensary, infuser, transporter, certifying physician, or any other entity in the State that may benefit from the production, manufacture, dispensing, sale, purchase, or use of cannabis; and
 - (C) has employed at least one person to oversee and be responsible for the laboratory testing who has earned, from a college or university accredited by a national or regional certifying authority, at least:
 - (i) a master's level degree in chemical or biological sciences and a minimum of 2 years' post-degree laboratory experience; or
 - (ii) a bachelor's degree in chemical or biological sciences and a minimum of 4 years' post-degree laboratory experience.
- (3) Each independent testing laboratory that claims to be accredited must provide the Department of Agriculture with a copy of the most recent annual inspection report granting accreditation and every annual report thereafter.
- (c) Immediately before manufacturing or natural processing of any cannabis or cannabis-infused product or packaging cannabis for sale to a dispensary, each batch shall be made available by the cultivation center, craft grower, or infuser for an employee of an approved laboratory to select a random sample, which shall be tested by the approved laboratory for:
- (1) microbiological contaminants;
 - (2) mycotoxins;
 - (3) pesticide active ingredients;
 - (4) residual solvent; and
 - (5) an active ingredient analysis.
- (d) The Department of Agriculture may select a random sample that shall, for the purposes of conducting an active ingredient analysis, be tested by the Department of Agriculture for verification of label information.
- (e) A laboratory shall immediately return or dispose of any cannabis upon the completion of any testing, use, or research. If cannabis is disposed of, it shall be done in compliance with Department of Agriculture rule.
- (f) If a sample of cannabis does not pass the microbiological, mycotoxin, pesticide chemical residue, or solvent residue test, based on the standards established by the Department of Agriculture, the following shall apply:
- (1) If the sample failed the pesticide chemical residue test, the entire batch from which the sample was taken shall, if applicable, be recalled as provided by rule.
 - (2) If the sample failed any other test, the batch may be used to make a CO₂-based or solvent based extract. After processing, the CO₂-based or solvent based extract must still pass all required tests.
- (g) The Department of Agriculture shall establish standards for microbial, mycotoxin, pesticide residue, solvent residue, or other standards for the presence of possible contaminants, in addition to labeling requirements for contents and potency.

- (h) The laboratory shall file with the Department of Agriculture an electronic copy of each laboratory test result for any batch that does not pass the microbiological, mycotoxin, or pesticide chemical residue test, at the same time that it transmits those results to the cultivation center. In addition, the laboratory shall maintain the laboratory test results for at least 5 years and make them available at the Department of Agriculture's request.
- (i) A cultivation center, craft grower, and infuser shall provide to a dispensing organization the laboratory test results for each batch of cannabis product purchased by the dispensing organization, if sampled. Each dispensary organization must have those laboratory results available upon request to purchasers.
- (j) The Department of Agriculture may adopt rules related to testing in furtherance of this Act.

ARTICLE 55.

GENERAL PROVISIONS

705/55-5

§ 55-5. Preparation of cannabis-infused products.

- (a) The Department of Agriculture may regulate the production of cannabis-infused products by a cultivation center, a craft grower, an infuser organization, or a dispensing organization and establish rules related to refrigeration, hot-holding, and handling of cannabis-infused products. All cannabis-infused products shall meet the packaging and labeling requirements contained in Section 55-21.
- (b) Cannabis-infused products for sale or distribution at a dispensing organization must be prepared by an approved agent of a cultivation center or infuser organization.
- (c) A cultivation center or infuser organization that prepares cannabis-infused products for sale or distribution by a dispensing organization shall be under the operational supervision of a Department of Public Health certified food service sanitation manager.
- (d) Dispensing organizations may not manufacture, process, or produce cannabis-infused products.
- (e) The Department of Public Health shall adopt and enforce rules for the manufacture and processing of cannabis-infused products, and for that purpose it may at all times enter every building, room, basement, enclosure, or premises occupied or used, or suspected of being occupied or used, for the production, preparation, manufacture for sale, storage, sale, processing, distribution, or transportation of cannabis-infused products, and to inspect the premises together with all utensils, fixtures, furniture, and machinery used for the preparation of these products.
- (f) The Department of Agriculture shall by rule establish a maximum level of THC that may be contained in each serving of cannabis-infused product, and within the product package.
- (g) If a local public health agency has a reasonable belief that a cannabis-infused product poses a public health hazard, it may refer the cultivation center, craft grower, or infuser that manufactured or processed the cannabis-infused product to the Department of Public Health. If the Department of Public Health finds that a cannabis-infused product poses a health hazard, it may bring an action for immediate injunctive relief to require that action be taken as the court may deem necessary to meet the hazard of the cultivation facility or seek other relief as provided by rule.

705/55-10

§ 55-10. Maintenance of inventory. All dispensing organizations authorized to serve both registered qualifying patients and caregivers and purchasers are required to report which cannabis and cannabis-infused products are purchased for sale under the Compassionate Use of Medical Cannabis Pilot Program Act, and which cannabis and cannabis-infused products are purchased under this Act. Nothing in this Section prohibits a registered qualifying patient under the Compassionate Use of Medical Cannabis Pilot Program Act from purchasing cannabis as a purchaser under this Act.

705/55-15

§ 55-15. Destruction of cannabis.

- (a) All cannabis byproduct, scrap, and harvested cannabis not intended for distribution to a dispensing organization must be destroyed and disposed of under rules adopted by the Department of Agriculture under this Act. Documentation of destruction and disposal shall be retained at the cultivation center, craft grower, infuser organization, transporter, or testing facility as applicable for a period of not less than 5 years.
- (b) A cultivation center, craft grower, or infuser organization shall, before destruction, notify the Department of Agriculture and the Department of State Police. A dispensing organization shall, before destruction, notify the Department of Financial and Professional Regulation and the Department of State Police. The Department of Agriculture may by rule require that an employee of the Department of Agriculture or the Department of Financial and Professional Regulation be present during the destruction of any cannabis byproduct, scrap, and harvested cannabis, as applicable.
- (c) The cultivation center, craft grower, infuser organization, or dispensing organization shall keep a record of the date of destruction and how much was destroyed.
- (d) A dispensing organization shall destroy all cannabis, including cannabis-infused products, not sold to purchasers. Documentation of destruction and disposal shall be retained at the dispensing organization for a period of not less than 5 years.

705/55-20

§ 55-20. Advertising and promotions.

(a) No cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that:

- (1) is false or misleading;
- (2) promotes overconsumption of cannabis or cannabis products;
- (3) depicts the actual consumption of cannabis or cannabis products;
- (4) depicts a person under 21 years of age consuming cannabis;
- (5) makes any health, medicinal, or therapeutic claims about cannabis or cannabis-infused products;
- (6) includes the image of a cannabis leaf or bud; or
- (7) includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed in any manner to be appealing to or encourage consumption of persons under 21 years of age.

(b) No cannabis business establishment nor any other person or entity shall place or maintain, or cause to be placed or maintained, an advertisement of cannabis or a cannabis-infused product in any form or through any medium:

- (1) within 1,000 feet of the perimeter of school grounds, a playground, a recreation center or facility, a child care center, a public park or public library, or a game arcade to which admission is not restricted to persons 21 years of age or older;
- (2) on or in a public transit vehicle or public transit shelter;
- (3) on or in publicly owned or publicly operated property; or
- (4) that contains information that:
 - (A) is false or misleading;
 - (B) promotes excessive consumption;
 - (C) depicts a person under 21 years of age consuming cannabis;
 - (D) includes the image of a cannabis leaf; or
 - (E) includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any imitation of candy packaging or labeling, or that promotes consumption of cannabis.

(c) Subsections (a) and (b) do not apply to an educational message.

(d) Sales promotions. No cannabis business establishment nor any other person or entity may encourage the sale of cannabis or cannabis products by giving away cannabis or cannabis products, by conducting games or competitions related to the consumption of cannabis or cannabis products, or by providing promotional materials or activities of a manner or type that would be appealing to children.

705/55-21

§ 55-21. Cannabis product packaging and labeling.

(a) Each cannabis product produced for sale shall be registered with the Department of Agriculture on forms provided by the Department of Agriculture. Each product registration shall include a label and the required registration fee at the rate established by the Department of Agriculture for a comparable medical cannabis product, or as established by rule. The registration fee is for the name of the product offered for sale and one fee shall be sufficient for all package sizes.

(b) All harvested cannabis intended for distribution to a cannabis enterprise must be packaged in a sealed, labeled container.

(c) Any product containing cannabis shall be packaged in a sealed, odor-proof, and child-resistant cannabis container consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act.

(d) All cannabis-infused products shall be individually wrapped or packaged at the original point of preparation. The packaging of the cannabis-infused product shall conform to the labeling requirements of the Illinois Food, Drug and Cosmetic Act, in addition to the other requirements set forth in this Section.

(e) Each cannabis product shall be labeled before sale and each label shall be securely affixed to the package and shall state in legible English and any languages required by the Department of Agriculture:

- (1) The name and post office box of the registered cultivation center or craft grower where the item was manufactured;
- (2) The common or usual name of the item and the registered name of the cannabis product that was registered with the Department of Agriculture under subsection (a);
- (3) A unique serial number that will match the product with a cultivation center or craft grower batch and lot number to facilitate any warnings or recalls the Department of Agriculture, cultivation center, or craft grower deems appropriate;
- (4) The date of final testing and packaging, if sampled, and the identification of the independent testing laboratory;
- (5) The date of harvest and "use by" date;
- (6) The quantity (in ounces or grams) of cannabis contained in the product;
- (7) A pass/fail rating based on the laboratory's microbiological, mycotoxins, and pesticide and solvent residue analyses, if sampled.

(8) Content list.

(A) A list of the following, including the minimum and maximum percentage content by weight for subdivisions (d)(8)(A)(i) through (iv):

- (i) delta-9-tetrahydrocannabinol (THC);
- (ii) tetrahydrocannabinolic acid (THCA);
- (iii) cannabidiol (CBD);
- (iv) cannabidiolic acid (CBDA); and

(v) all other ingredients of the item, including any colors, artificial flavors, and preservatives, listed in descending order by predominance of weight shown with common or usual names.

(B) The acceptable tolerances for the minimum percentage printed on the label for any of subdivisions (d)(8)(A)(i) through (iv) shall not be below 85% or above 115% of the labeled amount;

(f) Packaging must not contain information that:

(1) is false or misleading;

(2) promotes excessive consumption;

(3) depicts a person under 21 years of age consuming cannabis;

(4) includes the image of a cannabis leaf;

(5) includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any packaging or labeling that bears reasonable resemblance to any product available for consumption as a commercially available candy, or that promotes consumption of cannabis;

(6) contains any seal, flag, crest, coat of arms, or other insignia likely to mislead the purchaser to believe that the product has been endorsed, made, or used by the State of Illinois or any of its representatives except where authorized by this Act.

(g) Cannabis products produced by concentrating or extracting ingredients from the cannabis plant shall contain the following information, where applicable:

(1) If solvents were used to create the concentrate or extract, a statement that discloses the type of extraction method, including any solvents or gases used to create the concentrate or extract; and

(2) Any other chemicals or compounds used to produce or were added to the concentrate or extract.

(h) All cannabis products must contain warning statements established for purchasers, of a size that is legible and readily visible to a consumer inspecting a package, which may not be covered or obscured in any way. The Department of Public Health shall define and update appropriate health warnings for packages including specific labeling or warning requirements for specific cannabis products.

(i) Unless modified by rule to strengthen or respond to new evidence and science, the following warnings shall apply to all cannabis products unless modified by rule: "This product contains cannabis and is intended for use by adults 21 and over. Its use can impair cognition and may be habit forming. This product should not be used by pregnant or breastfeeding women. It is unlawful to sell or provide this item to any individual, and it may not be transported outside the State of Illinois. It is illegal to operate a motor vehicle while under the influence of cannabis. Possession or use of this product may carry significant legal penalties in some jurisdictions and under federal law."

(j) Warnings for each of the following product types must be present on labels when offered for sale to a purchaser:

(1) Cannabis that may be smoked must contain a statement that "Smoking is hazardous to your health."

(2) Cannabis-infused products (other than those intended for topical application) must contain a statement "CAUTION: This product contains cannabis, and intoxication following use may be delayed 2 or more hours. This product was produced in a facility that cultivates cannabis, and that may also process common food allergens."

(3) Cannabis-infused products intended for topical application must contain a statement "DO NOT EAT" in bold, capital letters.

(k) Each cannabis-infused product intended for consumption must be individually packaged, must include the total milligram content of THC and CBD, and may not include more than a total of 100 milligrams of THC per package. A package may contain multiple servings of 10 milligrams of THC, and indicated by scoring, wrapping, or by other indicators designating individual serving sizes. The Department of Agriculture may change the total amount of THC allowed for each package, or the total amount of THC allowed for each serving size, by rule.

(l) No individual other than the purchaser may alter or destroy any labeling affixed to the primary packaging of cannabis or cannabis-infused products.

(m) For each commercial weighing and measuring device used at a facility, the cultivation center or craft grower must:

(1) Ensure that the commercial device is licensed under the Weights and Measures Act and the associated administrative rules (8 Ill. Adm. Code 600);

(2) Maintain documentation of the licensure of the commercial device; and

(3) Provide a copy of the license of the commercial device to the Department of Agriculture for review upon request.

(n) It is the responsibility of the Department to ensure that packaging and labeling requirements, including product warnings, are enforced at all times for products provided to purchasers. Product registration requirements and container requirements may be modified by rule by the Department of Agriculture.

(o) Labeling, including warning labels, may be modified by rule by the Department of Agriculture.

705/55-25

§ 55-25. Local ordinances. Unless otherwise provided under this Act or otherwise in accordance with State law:

(1) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact reasonable zoning ordinances or resolutions, not in conflict with this Act or rules adopted pursuant to this Act, regulating cannabis business establishments. No unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may prohibit home cultivation or unreasonably prohibit use of cannabis authorized by this Act.

(2) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances or rules not in conflict with this Act or with rules adopted pursuant to this Act governing the time, place, manner, and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive, including colleges and universities, through the use of conditional use

permits. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place, and manner of operation of a cannabis business establishment or a conditional use permit in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home rule county within an unincorporated territory of the county, may unreasonably restrict the time, place, manner, and number of cannabis business establishment operations authorized by this Act.

(3) A unit of local government, including a home rule unit, or any non-home rule county within the unincorporated territory of the county may regulate the on-premises consumption of cannabis at or in a cannabis business establishment within its jurisdiction in a manner consistent with this Act. A cannabis business establishment or other entity authorized or permitted by a unit of local government to allow on-site consumption shall not be deemed a public place within the meaning of the Smoke Free Illinois Act.

(4) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may not regulate the activities described in paragraph (1), (2), or (3) in a manner more restrictive than the regulation of those activities by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(5) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances to prohibit or significantly limit a cannabis business establishment's location

705/55-28

§ 55-28. Restricted cannabis zones.

(a) As used in this Section:

“Legal voter” means a person:

- (1) who is duly registered to vote in a municipality with a population of over 500,000;
- (2) whose name appears on a poll list compiled by the city board of election commissioners since the last preceding election, regardless of whether the election was a primary, general, or special election;
- (3) who, at the relevant time, is a resident of the address at which he or she is registered to vote; and
- (4) whose address, at the relevant time, is located in the precinct where such person seeks to circulate or sign a petition under this Section.

As used in the definition of “legal voter”, “relevant time” means any time that:

- (i) a notice of intent is filed, pursuant to subsection (c) of this Section, to initiate the petition process under this Section;
- (ii) the petition is circulated for signature in the applicable precinct; or
- (iii) the petition is signed by registered voters in the applicable precinct.

“Petition” means the petition described in this Section.

“Precinct” means the smallest constituent territory within a municipality with a population of over 500,000 in which electors vote as a unit at the same polling place in any election governed by the Election Code.

“Restricted cannabis zone” means a precinct within which home cultivation, one or more types of cannabis business establishments, or both has been prohibited pursuant to an ordinance initiated by a petition under this Section.

(b) The legal voters of any precinct within a municipality with a population of over 500,000 may petition their local alderman, using a petition form made available online by the city clerk, to introduce an ordinance establishing the precinct as a restricted zone. Such petition shall specify whether it seeks an ordinance to prohibit, within the precinct: (i) home cultivation; (ii) one or more types of cannabis business establishments; or (iii) home cultivation and one or more types of cannabis business establishments.

Upon receiving a petition containing the signatures of at least 25% of the registered voters of the precinct, and concluding that the petition is legally sufficient following the posting and review process in subsection (c) of this Section, the city clerk shall notify the local alderman of the ward in which the precinct is located. Upon being notified, that alderman, following an assessment of relevant factors within the precinct, including but not limited to, its geography, density and character, the prevalence of residentially zoned property, current licensed cannabis business establishments in the precinct, the current amount of home cultivation in the precinct, and the prevailing viewpoint with regard to the issue raised in the petition, may introduce an ordinance to the municipality's governing body creating a restricted cannabis zone in that precinct.

(c) A person seeking to initiate the petition process described in this Section shall first submit to the city clerk notice of intent to do so, on a form made available online by the city clerk. That notice shall include a description of the potentially affected area and the scope of the restriction sought. The city clerk shall publicly post the submitted notice online.

To be legally sufficient, a petition must contain the requisite number of valid signatures and all such signatures must be obtained within 90 days of the date that the city clerk publicly posts the notice of intent. Upon receipt, the city clerk shall post the petition on the municipality's website for a 30-day comment period. The city clerk is authorized to take all necessary and appropriate steps to verify the legal sufficiency of a submitted petition. Following the petition review and comment period, the city clerk shall publicly post online the status of the petition as accepted or rejected, and if rejected, the reasons therefor. If the city clerk rejects a petition as legally insufficient, a minimum of 12 months must elapse from the time the city clerk posts the rejection notice before a new notice of intent for that same precinct may be submitted.

(d) Notwithstanding any law to the contrary, the municipality may enact an ordinance creating a restricted cannabis zone. The ordinance shall:

- (1) identify the applicable precinct boundaries as of the date of the petition;
- (2) state whether the ordinance prohibits within the defined boundaries of the precinct, and in what combination: (A) one or more types of cannabis business establishments; or (B) home cultivation;
- (3) be in effect for 4 years, unless repealed earlier; and

(4) once in effect, be subject to renewal by ordinance at the expiration of the 4-year period without the need for another supporting petition.

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05/55-30

§ 55-30. Confidentiality.

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

(b) The following information received and records kept by the Department of Agriculture, the Department of Public Health, the Department of State Police, and the Department of Financial and Professional Regulation for purposes of administering this Article are subject to all applicable federal privacy laws, are confidential and exempt from disclosure under the Freedom of Information Act, except as provided in this Act, and not subject to disclosure to any individual or public or private entity, except to the Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Public Health, and the Department of State Police as necessary to perform official duties under this Article. The following information received and kept by the Department of Financial and Professional Regulation or the Department of Agriculture, excluding any existing or non-existing Illinois or national criminal history record information, may be disclosed to the Department of Public Health, the Department of Agriculture, the Department of Revenue, or the Department of State Police upon request:

(1) Applications and renewals, their contents, and supporting information submitted by or on behalf of dispensing organizations in compliance with this Article, including their physical addresses;

(2) Any plans, procedures, policies, or other records relating to dispensing organization security;

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

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

(d) All information collected by the Department of Financial and Professional Regulation in the course of an examination, inspection, or investigation of a licensee or applicant, including, but not limited to, any complaint against a licensee or applicant filed with the Department and information collected to investigate any such complaint, shall be maintained for the confidential use of the Department and shall not be disclosed, except as otherwise provided in the Act. A formal complaint against a licensee by the Department or any disciplinary order issued by the Department against a licensee or applicant shall be a public record, except as otherwise prohibited by law, as required by law, or as necessary to enforce the provisions of this Act. Complaints from consumers or members of the general public received regarding a specific, named licensee or complaints regarding conduct by unlicensed entities shall be subject to disclosure under the Freedom of Information Act.

(e) The Department of Agriculture, the Department of State Police, and the Department of Financial and Professional Regulation shall not share or disclose any existing or non-existing Illinois or national criminal history record information to any person or entity not expressly authorized by this Act. As used in this Section, "any existing or non-existing Illinois or national criminal history record information" means any Illinois or national criminal history record information, including but not limited to the lack of or non-existence of these records.

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

705/55-35

§ 55-35. Administrative rulemaking.

(a) No later than 180 days after the effective date of this Act, the Department of Agriculture, the Department of State Police, the Department of Financial and Professional Regulation, the Department of Revenue, the Department of Commerce and Economic Opportunity, and the Treasurer's Office shall adopt permanent rules in accordance with their responsibilities under this Act. The Department of Agriculture, the Department of State Police, the Department of Financial and Professional Regulation, the Department of Revenue, and the Department of Commerce and Economic Opportunity may adopt rules necessary to regulate personal cannabis use through the use of emergency rulemaking in accordance with subsection (gg) of Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, 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;
 - (7) standards concerning the testing, quality, cultivation, and processing of cannabis; and
 - (8) any other matters under oversight by the Department of Agriculture as are necessary for the fair, impartial, stringent, and comprehensive administration of this Act.
- (c) The Department of Financial and Professional Regulation rules may address, but are not limited to, the following matters related to dispensing organizations, with the goal of protecting against diversion and theft, without imposing an undue burden on the dispensing organizations:
- (1) oversight requirements for dispensing organizations;
 - (2) recordkeeping requirements for dispensing organizations;
 - (3) security requirements for dispensing organizations, which shall include that each dispensing organization location must be protected by a fully operational security alarm system;
 - (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;
 - (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
 - (4) any other matter under the oversight of the 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 record.
- (f) The Department of State Police rules may address enforcement of its authority under this Act. The Department of State Police shall not make rules that infringe on the exclusive authority of the Department of Financial and Professional Regulation or the Department of Agriculture over licensees under this Act.
- (g) The Department of Public Health shall develop and disseminate:
- (1) educational information about the health risks associated with the use of cannabis; and
 - (2) one or more public education campaigns in 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 health risks associated with intentional or unintentional cannabis use.

705/55-40

§ 55-40. Enforcement.

- (a) If the Department of Agriculture, Department of State Police, Department of Financial and Professional Regulation, Department of Commerce and Economic Opportunity, or Department of Revenue fails to adopt rules to implement this Act within the times provided in this Act, any citizen may commence a mandamus action in the circuit court to compel the agencies to perform the actions mandated under Section 55-35.
- (b) If the Department of Agriculture or the Department of Financial and Professional Regulation fails to issue a valid agent identification card in response to a valid initial application or renewal application submitted under this Act or fails to issue a verbal or written notice of denial of the application within 30 days of its submission, the agent identification card is deemed granted and a copy of the agent identification initial application or renewal application shall be deemed a valid agent identification card.
- (c) Authorized employees of State or local law enforcement agencies shall immediately notify the Department of Agriculture and the Department of Financial and Professional Regulation when any person in possession of an agent identification card has been convicted of or pled guilty to violating this Act.

705/55-45

§ 55-45. Administrative hearings.

- (a) Administrative hearings related to the duties and responsibilities assigned to the Department of Public Health shall be conducted under the Department of Public Health's rules governing administrative hearings.
- (b) Administrative hearings related to the duties and responsibilities assigned to the Department of Financial and Professional Regulation and dispensing organization agents shall be conducted under the Department of Financial and Professional Regulation's rules governing administrative hearings.

(c) Administrative hearings related to the duties and responsibilities assigned to the Department of Agriculture, cultivation centers, or cultivation center agents shall be conducted under the Department of Agriculture's rules governing administrative hearings.

705/55-50

§ 55-50. Petition for rehearing. Within 20 days after the service of any order or decision of the Department of Public Health, the Department of Agriculture, the Department of Financial and Professional Regulation, or the Department of State Police upon any party to the proceeding, the party may apply for a rehearing in respect to any matters determined by them under this Act, except for decisions made under the Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser Excise Tax Law, the County Cannabis Retailers' Occupation Tax Law, and the Municipal Cannabis Retailers' Occupation Tax Law, which shall be governed by the provisions of those Laws. If a rehearing is granted, an agency shall hold the rehearing and render a decision within 30 days from the filing of the application for rehearing with the agency. The time for holding such rehearing and rendering a decision may be extended for a period not to exceed 30 days, for good cause shown, and by notice in writing to all parties of interest. If an agency fails to act on the application for rehearing within 30 days, or the date the time for rendering a decision was extended for good cause shown, the order or decision of the agency is final. No action for the judicial review of any order or decision of an agency shall be allowed unless the party commencing such action has first filed an application for a rehearing and the agency has acted or failed to act upon the application. Only one rehearing may be granted by an agency on application of any one party.

705/55-55

§ 55-55. Review of administrative decisions. All final administrative decisions of the Department of Public Health, the Department of Agriculture, the Department of Financial and Professional Regulation, and the Department of State Police are subject to judicial review under the Administrative Review Law and the rules adopted under that Law. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

705/55-60

§ 55-60. Suspension or revocation of a license.

(a) The Department of Financial and Professional Regulation or the Department of Agriculture may suspend or revoke a license for a violation of this Act or a rule adopted in accordance with this Act by the Department of Agriculture and the Department of Financial and Professional Regulation.

(b) The Department of Agriculture and the Department of Financial and Professional Regulation may suspend or revoke an agent identification card for a violation of this Act or a rule adopted in accordance with this Act.

705/55-65

§ 55-65. Financial institutions.

(a) A financial institution that provides financial services customarily provided by financial institutions to a cannabis business establishment authorized under this Act or the Compassionate Use of Medical Cannabis Pilot Program Act, or to a person that is affiliated with such cannabis business establishment, is exempt from any criminal law of this State as it relates to cannabis-related conduct authorized under State law.

(b) Upon request of a financial institution, a cannabis business establishment or proposed cannabis business establishment may provide to the financial institution the following information:

(1) Whether a cannabis business establishment with which the financial institution is doing or is considering doing business holds a license under this Act or the Compassionate Use of Medical Cannabis Pilot Program Act;

(2) The name of any other business or individual affiliate with the cannabis business establishment;

(3) A copy of the application, and any supporting documentation submitted with the application, for a license or a permit submitted on behalf of the proposed cannabis business establishment;

(4) If applicable, data relating to sales and the volume of product sold by the cannabis business establishment;

(5) Any past or pending violation by the person of this Act, the Compassionate Use of Medical Cannabis Pilot Program Act, or the rules adopted under these Acts where applicable; and

(6) Any penalty imposed upon the person for violating this Act, the Compassionate Use of Medical Cannabis Pilot Program Act, or the rules adopted under these Acts.

(c) (Blank).

(d) (Blank).

(e) Information received by a financial institution under this Section is confidential. Except as otherwise required or permitted by this Act, State law or rule, or federal law or regulation, a financial institution may not make the information available to any person other than:

(1) the customer to whom the information applies;

(2) a trustee, conservator, guardian, personal representative, or agent of the customer to whom the information applies; a federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with federal or State law;

(3) a federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with federal or State law; and

(4) a third party performing services for the financial institution, provided the third party is performing such services under a written agreement that expressly or by operation of law prohibits the third party's sharing and use of such confidential information for any purpose other than as provided in its agreement to provide services to the financial institution.

705/55-75

§ 55-75. Contracts enforceable. It is the public policy of this State that contracts related to the operation of a lawful cannabis business establishment under this Act are enforceable. It is the public policy of this State that no contract entered into by a lawful cannabis business establishment or its agents on behalf of a cannabis business establishment, or by those who allow property to be used by a cannabis business establishment, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, processing, distributing, dispensing, transporting, selling, possessing, or using cannabis or hemp is prohibited by federal law.

705/55-80

§ 55-80. Annual reports.

(a) The Department of Financial and Professional Regulation shall submit to the General Assembly and Governor a report, by September 30 of each year, that does not disclose any information identifying information about cultivation centers, craft growers, infuser organizations, transporting organizations, or dispensing organizations, but does contain, at a minimum, all of the following information for the previous fiscal year:

- (1) The number of licenses issued to dispensing organizations by county, or, in counties with greater than 3,000,000 residents, by zip code;
- (2) The total number of dispensing organization owners that are Social Equity Applicants or minority persons, women, or persons with disabilities as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act;
- (3) The total number of revenues received from dispensing organizations, segregated from revenues received from dispensing organizations under the Compassionate Use of Medical Cannabis Pilot Program Act by county, separated by source of revenue;
- (4) The total amount of revenue received from dispensing organizations that share a premises or majority ownership with a craft grower;
- (5) The total amount of revenue received from dispensing organizations that share a premises or majority ownership with an infuser; and
- (6) An analysis of revenue generated from taxation, licensing, and other fees for the State, including recommendations to change the tax rate applied.

(b) The Department of Agriculture shall submit to the General Assembly and Governor a report, by September 30 of each year, that does not disclose any information identifying information about cultivation centers, craft growers, infuser organizations, transporting organizations, or dispensing organizations, but does contain, at a minimum, all of the following information for the previous fiscal year:

- (1) The number of licenses issued to cultivation centers, craft growers, infusers, and transporters by license type, and, in counties with more than 3,000,000 residents, by zip code;
- (2) The total number of cultivation centers, craft growers, infusers, and transporters by license type that are Social Equity Applicants or minority persons, women, or persons with disabilities as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act;
- (3) The total amount of revenue received from cultivation centers, craft growers, infusers, and transporters, separated by license types and source of revenue;
- (4) The total amount of revenue received from craft growers and infusers that share a premises or majority ownership with a dispensing organization;
- (5) The total amount of revenue received from craft growers that share a premises or majority ownership with an infuser, but do not share a premises or ownership with a dispensary;
- (6) The total amount of revenue received from infusers that share a premises or majority ownership with a craft grower, but do not share a premises or ownership with a dispensary;
- (7) The total amount of revenue received from craft growers that share a premises or majority ownership with a dispensing organization, but do not share a premises or ownership with an infuser;
- (8) The total amount of revenue received from infusers that share a premises or majority ownership with a dispensing organization, but do not share a premises or ownership with a craft grower;
- (9) The total amount of revenue received from transporters; and
- (10) An analysis of revenue generated from taxation, licensing, and other fees for the State, including recommendations to change the tax rate applied.

(c) The Department of State Police shall submit to the General Assembly and Governor a report, by September 30 of each year that contains, at a minimum, all of the following information for the previous fiscal year:

- (1) The effect of regulation and taxation of cannabis on law enforcement resources;
- (2) The impact of regulation and taxation of cannabis on highway safety and rates of impaired driving, where impairment was determined based on failure of a field sobriety test;
- (3) The available and emerging methods for detecting the metabolites for delta-9-tetrahydrocannabinol in bodily fluids, including, without limitation, blood and saliva;
- (4) The effectiveness of current DUI laws and recommendations for improvements to policy to better ensure safe highways and fair laws.

(d) The Adult Use Cannabis Health Advisory Committee shall submit to the General Assembly and Governor a report, by September 30 of each year, that does not disclose any identifying information about any individuals, but does contain, at a minimum:

- (1) Self-reported youth cannabis use, as published in the most recent Illinois Youth Survey available;
 - (2) Self-reported adult cannabis use, as published in the most recent Behavioral Risk Factor Surveillance Survey available;
 - (3) Hospital room admissions and hospital utilization rates caused by cannabis consumption, including the presence or detection of other drugs;
 - (4) Overdoses of cannabis and poison control data, including the presence of other drugs that may have contributed;
 - (5) Incidents of impaired driving caused by the consumption of cannabis or cannabis products, including the presence of other drugs or alcohol that may have contributed to the impaired driving;
 - (6) Prevalence of infants born testing positive for cannabis or delta-9-tetrahydrocannabinol, including demographic and racial information on which infants are tested;
 - (7) Public perceptions of use and risk of harm;
 - (8) Revenue collected from cannabis taxation and how that revenue was used;
 - (9) Cannabis retail licenses granted and locations;
 - (10) Cannabis-related arrests; and
 - (11) The number of individuals completing required bud tender training.
- (e) Each agency or committee submitting reports under this Section may consult with one another in the preparation of each report.

705/55-85

§ 55-85. Medical cannabis.

(a) Nothing in this Act shall be construed to limit any privileges or rights of a medical cannabis patient including minor patients, primary caregiver, medical cannabis cultivation center, or medical cannabis dispensing organization under the Compassionate Use of Medical Cannabis Pilot Program Act, and where there is conflict between this Act and the Compassionate Use of Medical Cannabis Pilot Program Act as they relate to medical cannabis patients, the Compassionate Use of Medical Cannabis Pilot Program Act shall prevail.

(b) Dispensary locations that obtain an Early Approval Adult Use Dispensary Organization License or an Adult Use Dispensary Organization License in accordance with this Act at the same location as a medical cannabis dispensing organization registered under the Compassionate Use of Medical Cannabis Pilot Program Act shall maintain an inventory of medical cannabis and medical cannabis products on a monthly basis that is substantially similar in variety and quantity to the products offered at the dispensary during the 6-month period immediately before the effective date of this Act.

(c) Beginning June 30, 2020, the Department of Agriculture shall make a quarterly determination whether inventory requirements established for dispensaries in subsection (b) should be adjusted due to changing patient need.

705/55-90

§ 55-90. Home rule preemption. Except as otherwise provided in this Act, the regulation and licensing of the activities described in this Act are exclusive powers and functions of the State. Except as otherwise provided in this Act, a unit of local government, including a home rule unit, may not regulate or license the activities described in this Act. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

705/55-95

§ 55-95. Conflict of interest. A person is ineligible to apply for, hold, or own financial or voting interest in any cannabis business license under this Act if, within a 2-year period from the effective date of this Act, the person or his or her spouse or immediately family member was a member of the General Assembly or a State employee at an agency that regulates cannabis business establishment license holders who participated personally and substantially in the award of licenses under this Act. A person who violates this Section shall be guilty under subsection (b) of Section 50-5 of the State Officials and Employees Ethics Act.

ARTICLE 60. **CANNABIS CULTIVATION PRIVILEGE TAX**

705/60-1

§ 60-1. Short title. This Article may be referred to as the Cannabis Cultivation Privilege Tax Law.

705/60-5

§ 60-5. Definitions. In this Article:

“Cannabis” has the meaning given to that term in Article 1 of this Act, except that it does not include cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act.

“Craft grower” has the meaning given to that term in Article 1 of this Act.

“Cultivation center” has the meaning given to that term in Article 1 of this Act.

“Cultivator” or “taxpayer” means a cultivation center or craft grower who is subject to tax under this Article.

“Department” means the Department of Revenue.

“Director” means the Director of Revenue.

“Dispensing organization” or “dispensary” has the meaning given to that term in Article 1 of this Act.

“Gross receipts” from the sales of cannabis by a cultivator means the total selling price or the amount of such sales, as defined in this Article. In the case of charges and time sales, the amount thereof shall be included only when payments are received by the cultivator.

“Person” means a natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

“Infuser” means “infuser organization” or “infuser” as defined in Article 1 of this Act.

“Selling price” or “amount of sale” means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, and services, and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost, or any other expense whatsoever, but does not include separately stated charges identified on the invoice by cultivators to reimburse themselves for their tax liability under this Article.

705/60-10

§ 60-10. Tax imposed.

(a) Beginning September 1, 2019, a tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the first sale of cannabis by a cultivator. The sale of any product that contains any amount of cannabis or any derivative thereof is subject to the tax under this Section on the full selling price of the product. The Department may determine the selling price of the cannabis when the seller and purchaser are affiliated persons, when the sale and purchase of cannabis is not an arm's length transaction, or when cannabis is transferred by a craft grower to the craft grower's dispensing organization or infuser or processing organization and a value is not established for the cannabis. The value determined by the Department shall be commensurate with the actual price received for products of like quality, character, and use in the area. If there are no sales of cannabis of like quality, character, and use in the same area, then the Department shall establish a reasonable value based on sales of products of like quality, character, and use in other areas of the State, taking into consideration any other relevant factors.

(b) The Cannabis Cultivation Privilege Tax imposed under this Article is solely the responsibility of the cultivator who makes the first sale and is not the responsibility of a subsequent purchaser, a dispensing organization, or an infuser. Persons subject to the tax imposed under this Article may, however, reimburse themselves for their tax liability hereunder by separately stating reimbursement for their tax liability as an additional charge.

(c) The tax imposed under this Article shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any unit of local government.

705/60-15

§ 60-15. Registration of cultivators. Every cultivator and craft grower subject to the tax under this Article shall apply to the Department of Revenue for a certificate of registration under this Article. All applications for registration under this Article shall be made by electronic means in the form and manner required by the Department. For that purpose, the provisions of Section 2a of the Retailers' Occupation Tax Act are incorporated into this Article to the extent not inconsistent with this Article. In addition, no certificate of registration shall be issued under this Article unless the applicant is licensed under this Act.

705/60-20

§ 60-20. Return and payment of cannabis cultivation privilege tax. Each person who is required to pay the tax imposed by this Article shall make a return to the Department on or before the 20th day of each month for the preceding calendar month stating the following:

- (1) the taxpayer's name;
- (2) the address of the taxpayer's principal place of business and the address of the principal place of business (if that is a different address) from which the taxpayer is engaged in the business of cultivating cannabis subject to tax under this Article;
- (3) the total amount of receipts received by the taxpayer during the preceding calendar month from sales of cannabis subject to tax under this Article by the taxpayer during the preceding calendar month;
- (4) the total amount received by the taxpayer during the preceding calendar month on charge and time sales of cannabis subject to tax imposed under this Article by the taxpayer before the month for which the return is filed;
- (5) deductions allowed by law;
- (6) gross receipts that were received by the taxpayer during the preceding calendar month and upon the basis of which the tax is imposed;
- (7) the amount of tax due;
- (8) the signature of the taxpayer; and
- (9) any other information as the Department may reasonably require.

All returns required to be filed and payments required to be made under this Article shall be by electronic means. Taxpayers who demonstrate hardship in paying electronically may petition the Department to waive the electronic payment requirement. The Department may require a separate return for the tax under this Article or combine the return for the tax under this Article with the return for the tax under the Compassionate Use of Medical Cannabis Pilot Program Act. If the return for the tax under this Article is combined with the return for tax under the Compassionate Use of Medical Cannabis Pilot Program Act, then the vendor's discount allowed under this Section and any cap on that discount shall apply to the combined return. The taxpayer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of tax imposed by this Article, less a discount of 1.75%, but not to exceed \$1,000 per return period, which is allowed to reimburse the taxpayer for the expenses incurred in keeping records, collecting tax, preparing and filing returns, remitting the tax, and supplying data to the Department upon request. No discount may be claimed by a taxpayer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a

taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under this Section. Any amount that is required to be shown or reported on any return or other document under this Article shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is \$0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than \$0.50. If a total amount of less than \$1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than \$0.50 and shall be increased to \$1 if it is \$0.50 or more. Notwithstanding any other provision of this Article concerning the time within which a taxpayer may file a return, any such taxpayer who ceases to engage in the kind of business that makes the person responsible for filing returns under this Article shall file a final return under this Article with the Department within one month after discontinuing such business.

Each taxpayer under this Article shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which tax liability to the Department is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the taxpayer's actual tax liability for the month or 25% of the taxpayer's actual tax liability for the same calendar month of the preceding year. The amount of the quarter-monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. If any quarter-monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of the quarter-monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Article, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by the credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, in accordance with reasonable rules to be prescribed by the Department. If no such request is made, the taxpayer may credit the excess payment against tax liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the taxpayer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

705/60-25

§ 60-25. Infuser information returns. If it is deemed necessary for the administration of this Article, the Department may adopt rules that require infusers to file information returns regarding the sale of cannabis by infusers to dispensaries. The Department may require infusers to file all information returns by electronic means.

705/60-30

§ 60-30. Deposit of proceeds. All moneys received by the Department under this Article shall be deposited into the Cannabis Regulation Fund.

705/60-35

§ 60-35. Department administration and enforcement. The Department shall have full power to administer and enforce this Article, to collect all taxes, penalties, and interest due hereunder, to dispose of taxes, penalties and interest so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax, penalty, or interest hereunder. In the administration of, and compliance with, this Article, the Department and persons who are subject to this Article shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all of the provisions of the Uniform Penalty and Interest Act, which are not inconsistent with this Article, as fully as if those provisions were set forth herein. For purposes of this Section, references in the Retailers' Occupation Tax Act to a "sale of tangible personal property at retail" mean the "sale of cannabis by a cultivator".

705/60-40

§ 60-40. Invoices. Every sales invoice for cannabis issued by a cultivator to a cannabis business establishment shall contain the cultivator's certificate of registration number assigned under this Article, date, invoice number, purchaser's name and address, selling price, amount of cannabis, concentrate, or cannabis-infused product, and any other reasonable information as the Department may provide by rule is necessary for the administration of this Article. Cultivators shall retain the invoices for inspection by the Department.

705/60-45

§ 60-45. Rules. The Department may adopt rules related to the enforcement of this Article.

ARTICLE 65. **CANNABIS PURCHASER EXCISE TAX**

705/65-1

§ 65-1. Short title. This Article may be referred to as the Cannabis Purchaser Excise Tax Law.

705/65-5

§ 65-5. Definitions. In this Article:

“Adjusted delta-9-tetrahydrocannabinol level” means, for a delta-9-tetrahydrocannabinol dominant product, the sum of the percentage of delta-9-tetrahydrocannabinol plus .877 multiplied by the percentage of tetrahydrocannabinolic acid.

“Cannabis” has the meaning given to that term in Article 1 of this Act, except that it does not include cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act.

“Cannabis-infused product” means beverage food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

“Cannabis retailer” means a dispensing organization that sells cannabis for use and not for resale.

“Craft grower” has the meaning given to that term in Article 1 of this Act.

“Department” means the Department of Revenue.

“Director” means the Director of Revenue.

“Dispensing organization” or “dispensary” has the meaning given to that term in Article 1 of this Act.

“Person” means a natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

“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.

“Purchase price” means the consideration paid for a purchase of cannabis, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever. However, “purchase price” does not include consideration paid for:

- (1) any charge for a payment that is not honored by a financial institution;
- (2) any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and
- (3) any amounts added to a purchaser's bill because of charges made under the tax imposed by this Article, the Municipal Cannabis Retailers' Occupation Tax Law, the County Cannabis Retailers' Occupation Tax Law, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, or any locally imposed occupation or use tax.

“Purchaser” means a person who acquires cannabis for a valuable consideration.

“Taxpayer” means a cannabis retailer who is required to collect the tax imposed under this Article.

705/65-10

§ 65-10. Tax imposed.

(a) Beginning January 1, 2020, a tax is imposed upon purchasers for the privilege of using cannabis at the following rates:

(1) Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level at or below 35% shall be taxed at a rate of 10% of the purchase price;

(2) Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level above 35% shall be taxed at a rate of 25% of the purchase price; and

(3) A cannabis-infused product shall be taxed at a rate of 20% of the purchase price.

(b) The purchase of any product that contains any amount of cannabis or any derivative thereof is subject to the tax under subsection (a) of this Section on the full purchase price of the product.

(c) The tax imposed under this Section is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act. The tax imposed by this Section is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

(d) The tax imposed under this Article shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

(e) The tax imposed under this Article shall not be imposed on any purchase by a purchaser if the cannabis retailer is prohibited by federal or State Constitution, treaty, convention, statute, or court decision from collecting the tax from the purchaser.

705/65-11

§ 65-11. Bundling of taxable and nontaxable items; prohibition; taxation. If a cannabis retailer sells cannabis, concentrate, or cannabis-infused products in combination or bundled with items that are not subject to tax under this Act for one price in violation of the prohibition on this activity under Section 15-70, then the tax under this Act is imposed on the purchase price of the entire bundled product.

705/65-15

§ 65-15. Collection of tax.

(a) The tax imposed by this Article shall be collected from the purchaser by the cannabis retailer at the rate stated in Section 65-10 with respect to cannabis sold by the cannabis retailer to the purchaser, and shall be remitted to the Department as provided in Section 65-30. All sales to a purchaser who is not a cardholder under the Compassionate Use of Medical Cannabis Pilot Program Act are

presumed subject to tax collection. Cannabis retailers shall collect the tax from purchasers by adding the tax to the amount of the purchase price received from the purchaser for selling cannabis to the purchaser. The tax imposed by this Article shall, when collected, be stated as a distinct item separate and apart from the purchase price of the cannabis.

(b) If a cannabis retailer collects Cannabis Purchaser Excise Tax measured by a purchase price that is not subject to Cannabis Purchaser Excise Tax, or if a cannabis retailer, in collecting Cannabis Purchaser Excise Tax measured by a purchase price that is subject to tax under this Act, collects more from the purchaser than the required amount of the Cannabis Purchaser Excise Tax on the transaction, the purchaser shall have a legal right to claim a refund of that amount from the cannabis retailer. If, however, that amount is not refunded to the purchaser for any reason, the cannabis retailer is liable to pay that amount to the Department.

(c) Any person purchasing cannabis subject to tax under this Article as to which there has been no charge made to him or her of the tax imposed by Section 65–10 shall make payment of the tax imposed by Section 65–10 in the form and manner provided by the Department not later than the 20th day of the month following the month of purchase of the cannabis.

705/65–20

§ 65–20. Registration of cannabis retailers. Every cannabis retailer required to collect the tax under this Article shall apply to the Department for a certificate of registration under this Article. All applications for registration under this Article shall be made by electronic means in the form and manner required by the Department. For that purpose, the provisions of Section 2a of the Retailers' Occupation Tax Act are incorporated into this Article to the extent not inconsistent with this Article. In addition, no certificate of registration shall be issued under this Article unless the applicant is licensed under this Act.

705/65–25

§ 65–25. Tax collected as debt owed to State. Any cannabis retailer required to collect the tax imposed by this Article shall be liable to the Department for the tax, whether or not the tax has been collected by the cannabis retailer, and any such tax shall constitute a debt owed by the cannabis retailer to this State. To the extent that a cannabis retailer required to collect the tax imposed by this Act has actually collected that tax, the tax is held in trust for the benefit of the Department.

705/65–30

§ 65–30. Return and payment of tax by cannabis retailer. Each cannabis retailer that is required or authorized to collect the tax imposed by this Article shall make a return to the Department, by electronic means, on or before the 20th day of each month for the preceding calendar month stating the following:

- (1) the cannabis retailer's name;
- (2) the address of the cannabis retailer's principal place of business and the address of the principal place of business (if that is a different address) from which the cannabis retailer engaged in the business of selling cannabis subject to tax under this Article;
- (3) the total purchase price received by the cannabis retailer for cannabis subject to tax under this Article;
- (4) the amount of tax due at each rate;
- (5) the signature of the cannabis retailer; and
- (6) any other information as the Department may reasonably require.

All returns required to be filed and payments required to be made under this Article shall be by electronic means. Cannabis retailers who demonstrate hardship in paying electronically may petition the Department to waive the electronic payment requirement.

Any amount that is required to be shown or reported on any return or other document under this Article shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is \$0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than \$0.50. If a total amount of less than \$1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

The cannabis retailer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of tax imposed by this Article, less a discount of 1.75%, but not to exceed \$1,000 per return period, which is allowed to reimburse the cannabis retailer for the expenses incurred in keeping records, collecting tax, preparing and filing returns, remitting the tax, and supplying data to the Department upon request. No discount may be claimed by a cannabis retailer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under this Section. Notwithstanding any other provision of this Article concerning the time within which a cannabis retailer may file a return, any such cannabis retailer who ceases to engage in the kind of business that makes the person responsible for filing returns under this Article shall file a final return under this Article with the Department within one month after discontinuing the business.

Each cannabis retailer shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which tax liability to the Department is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the cannabis retailer's actual tax liability for the month or 25% of the cannabis retailer's actual tax liability for the same calendar month of the preceding year. The amount of the quarter-monthly payments shall be credited against the final tax liability of the cannabis retailer's return for that month. If any such quarter-monthly payment is not paid at the time or in the amount required by this Section, then the cannabis retailer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of the quarter-monthly payment actually and timely paid, except insofar as the cannabis retailer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Article, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the

date of payment. The credit evidenced by the credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Article, in accordance with reasonable rules to be prescribed by the Department. If no such request is made, the taxpayer may credit the excess payment against tax liability subsequently to be remitted to the Department under this Article, in accordance with reasonable rules prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference. If a cannabis retailer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the cannabis retailer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

705/65-35

§ 65-35. Deposit of proceeds. All moneys received by the Department under this Article shall be paid into the Cannabis Regulation Fund.

705/65-36

§ 65-36. Recordkeeping; books and records.

(a) Every retailer of cannabis, whether or not the retailer has obtained a certificate of registration under Section 65-20, shall keep complete and accurate records of cannabis held, purchased, sold, or otherwise disposed of, and shall preserve and keep all invoices, bills of lading, sales records, and copies of bills of sale, returns, and other pertinent papers and documents relating to the purchase, sale, or disposition of cannabis. Such records need not be maintained on the licensed premises but must be maintained in the State of Illinois. However, all original invoices or copies thereof covering purchases of cannabis must be retained on the licensed premises for a period of 90 days after such purchase, unless the Department has granted a waiver in response to a written request in cases where records are kept at a central business location within the State of Illinois. The Department shall adopt rules regarding the eligibility for a waiver, revocation of a waiver, and requirements and standards for maintenance and accessibility of records located at a central location under a waiver provided under this Section.

(b) Books, records, papers, and documents that are required by this Article to be kept shall, at all times during the usual business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The books, records, papers, and documents for any period with respect to which the Department is authorized to issue a notice of tax liability shall be preserved until the expiration of that period.

705/65-38

§ 65-38. Violations and penalties.

(a) When the amount due is under \$300, any retailer of cannabis who fails to file a return, willfully fails or refuses to make any payment to the Department of the tax imposed by this Article, or files a fraudulent return, or any officer or agent of a corporation engaged in the business of selling cannabis to purchasers located in this State who signs a fraudulent return filed on behalf of the corporation, or any accountant or other agent who knowingly enters false information on the return of any taxpayer under this Article is guilty of a Class 4 felony.

(b) When the amount due is \$300 or more, any retailer of cannabis who files, or causes to be filed, a fraudulent return, or any officer or agent of a corporation engaged in the business of selling cannabis to purchasers located in this State who files or causes to be filed or signs or causes to be signed a fraudulent return filed on behalf of the corporation, or any accountant or other agent who knowingly enters false information on the return of any taxpayer under this Article is guilty of a Class 3 felony.

(c) Any person who violates any provision of Section 65-20, fails to keep books and records as required under this Article, or willfully violates a rule of the Department for the administration and enforcement of this Article is guilty of a Class 4 felony. A person commits a separate offense on each day that he or she engages in business in violation of Section 65-20 or a rule of the Department for the administration and enforcement of this Article. If a person fails to produce the books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under this Article. A person who is unable to rebut this presumption is in violation of this Article and is subject to the penalties provided in this Section.

(d) Any person who violates any provision of Sections 65-20, fails to keep books and records as required under this Article, or willfully violates a rule of the Department for the administration and enforcement of this Article, is guilty of a business offense and may be fined up to \$5,000. If a person fails to produce books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under this Article. A person who is unable to rebut this presumption is in violation of this Article and is subject to the penalties provided in this Section. A person commits a separate offense on each day that he or she engages in business in violation of Section 65-20.

(e) Any taxpayer or agent of a taxpayer who with the intent to defraud purports to make a payment due to the Department by issuing or delivering a check or other order upon a real or fictitious depository for the payment of money, knowing that it will not be paid by the depository, is guilty of a deceptive practice in violation of Section 17-1 of the Criminal Code of 2012.

(f) Any person who fails to keep books and records or fails to produce books and records for inspection, as required by Section 65-36, is liable to pay to the Department, for deposit in the Tax Compliance and Administration Fund, a penalty of \$1,000 for the first failure to keep books and records or failure to produce books and records for inspection, as required by Section 65-36, and \$3,000 for each subsequent failure to keep books and records or failure to produce books and records for inspection, as required by Section 65-36.

(g) Any person who knowingly acts as a retailer of cannabis in this State without first having obtained a certificate of registration to do so in compliance with Section 65-20 of this Article shall be guilty of a Class 4 felony.

(h) A person commits the offense of tax evasion under this Article when he or she knowingly attempts in any manner to evade or defeat the tax imposed on him or her or on any other person, or the payment thereof, and he or she commits an affirmative act in furtherance of the evasion. As used in this Section, “affirmative act in furtherance of the evasion” means an act designed in whole or in part to (i) conceal, misrepresent, falsify, or manipulate any material fact or (ii) tamper with or destroy documents or materials related to a person's tax liability under this Article. Two or more acts of sales tax evasion may be charged as a single count in any indictment, information, or complaint and the amount of tax deficiency may be aggregated for purposes of determining the amount of tax that is attempted to be or is evaded and the period between the first and last acts may be alleged as the date of the offense.

(1) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is less than \$500, a person is guilty of a Class 4 felony.

(2) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is \$500 or more but less than \$10,000, a person is guilty of a Class 3 felony.

(3) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is \$10,000 or more but less than \$100,000, a person is guilty of a Class 2 felony.

(4) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is \$100,000 or more, a person is guilty of a Class 1 felony.

Any person who knowingly sells, purchases, installs, transfers, possesses, uses, or accesses any automated sales suppression device, zapper, or phantom-ware in this State is guilty of a Class 3 felony.

As used in this Section:

“Automated sales suppression device” or “zapper” means a software program that falsifies the electronic records of an electronic cash register or other point-of-sale system, including, but not limited to, transaction data and transaction reports. The term includes the software program, any device that carries the software program, or an Internet link to the software program.

“Phantom-ware” means a hidden programming option embedded in the operating system of an electronic cash register or hardwired into an electronic cash register that can be used to create a second set of records or that can eliminate or manipulate transaction records in an electronic cash register.

“Electronic cash register” means a device that keeps a register or supporting documents through the use of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in any manner.

“Transaction data” includes: items purchased by a purchaser; the price of each item; a taxability determination for each item; a segregated tax amount for each taxed item; the amount of cash or credit tendered; the net amount returned to the customer in change; the date and time of the purchase; the name, address, and identification number of the vendor; and the receipt or invoice number of the transaction.

“Transaction report” means a report that documents, without limitation, the sales, taxes, or fees collected, media totals, and discount voids at an electronic cash register and that is printed on a cash register tape at the end of a day or shift, or a report that documents every action at an electronic cash register and is stored electronically.

A prosecution for any act in violation of this Section may be commenced at any time within 5 years of the commission of that act.

(i) The Department may adopt rules to administer the penalties under this Section.

(j) Any person whose principal place of business is in this State and who is charged with a violation under this Section shall be tried in the county where his or her principal place of business is located unless he or she asserts a right to be tried in another venue.

(k) Except as otherwise provided in subsection (h), a prosecution for a violation described in this Section may be commenced within 3 years after the commission of the act constituting the violation.

705/65-40

§ 65-40. Department administration and enforcement. The Department shall have full power to administer and enforce this Article, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of, and compliance with, this Article, the Department and persons who are subject to this Article shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11, 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Sections 1, 2-12, 2b, 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers' Occupation Tax Act and all of the provisions of the Uniform Penalty and Interest Act, which are not inconsistent with this Article, as fully as if those provisions were set forth herein. References in the incorporated Sections of the Retailers' Occupation Tax Act and the Use Tax Act to retailers, to sellers, or to persons engaged in the business of selling tangible personal property mean cannabis retailers when used in this Article. References in the incorporated Sections to sales of tangible personal property mean sales of cannabis subject to tax under this Article when used in this Article.

705/65-41

§ 65–41. Arrest; search and seizure without warrant. Any duly authorized employee of the Department: (i) may arrest without warrant any person committing in his or her presence a violation of any of the provisions of this Article; (ii) may without a search warrant inspect all cannabis located in any place of business; (iii) may seize any cannabis in the possession of the retailer in violation of this Act; and (iv) may seize any cannabis on which the tax imposed by Article 60 of this Act has not been paid. The cannabis so seized is subject to confiscation and forfeiture as provided in Sections 65–42 and 65–43.

705/65–42

§ 65–42. Seizure and forfeiture. After seizing any cannabis as provided in Section 65–41, the Department must hold a hearing and determine whether the retailer was properly registered to sell the cannabis at the time of its seizure by the Department. The Department shall give not less than 20 days' notice of the time and place of the hearing to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department must cause publication of the time and place of the hearing to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing is to be held.

If, as the result of the hearing, the Department determines that the retailer was not properly registered at the time the cannabis was seized, the Department must enter an order declaring the cannabis confiscated and forfeited to the State, to be held by the Department for disposal by it as provided in Section 65–43. The Department must give notice of the order to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department must cause publication of the order to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing was held.

705/65–43

§ 65–43. Search warrant; issuance and return; process; confiscation of cannabis; forfeitures.

(a) If a peace officer of this State or any duly authorized officer or employee of the Department has reason to believe that any violation of this Article or a rule of the Department for the administration and enforcement of this Article has occurred and that the person violating this Article or rule has in that person's possession any cannabis in violation of this Article or a rule of the Department for the administration and enforcement of this Article, that peace officer or officer or employee of the Department may file or cause to be filed his or her complaint in writing, verified by affidavit, with any court within whose jurisdiction the premises to be searched are situated, stating the facts upon which the belief is founded, the premises to be searched, and the property to be seized, and procure a search warrant and execute that warrant. Upon the execution of the search warrant, the peace officer, or officer or employee of the Department, executing the search warrant shall make due return of the warrant to the court issuing the warrant, together with an inventory of the property taken under the warrant. The court must then issue process against the owner of the property if the owner is known; otherwise, process must be issued against the person in whose possession the property is found, if that person is known. In case of inability to serve process upon the owner or the person in possession of the property at the time of its seizure, notice of the proceedings before the court must be given in the same manner as required by the law governing cases of attachment. Upon the return of the process duly served or upon the posting or publishing of notice made, as appropriate, the court or jury, if a jury is demanded, shall proceed to determine whether the property so seized was held or possessed in violation of this Article or a rule of the Department for the administration and enforcement of this Article. If a violation is found, judgment shall be entered confiscating the property and forfeiting it to the State and ordering its delivery to the Department. In addition, the court may tax and assess the costs of the proceedings.

(b) When any cannabis has been declared forfeited to the State by the Department, as provided in Section 65–42 and this Section, and when all proceedings for the judicial review of the Department's decision have terminated, the Department shall, to the extent that its decision is sustained on review, destroy or maintain and use such cannabis in an undercover capacity.

(c) The Department may, before any destruction of cannabis, permit the true holder of trademark rights in the cannabis to inspect such cannabis in order to assist the Department in any investigation regarding such cannabis.

705/65–45

§ 65–45. Cannabis retailers; purchase and possession of cannabis. Cannabis retailers shall purchase cannabis for resale only from cannabis business establishments as authorized by this Act.

705/65–50

§ 65–50. Rulemaking. The Department may adopt rules in accordance with the Illinois Administrative Procedure Act and prescribe forms relating to the administration and enforcement of this Article as it deems appropriate.

PART II: AMENDATORY PROVISIONS

5 ILCS 100/5–45] (5 ILCS 100/5–45) (from Ch. 127, par. 1005–45)

§ 5–45. Emergency rulemaking.

(a) “Emergency” means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5–40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5–70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5–65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5–40 is not precluded. No emergency rule may be adopted more than once in any 24–month period, except that this limitation on the number of emergency rules that may be adopted in a 24–month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5–5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c–5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c–5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90–587 or 90–588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24–month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91–24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91–712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92–10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92–597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93–20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94–48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5–115 and 5–125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96–45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that

provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96–958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96–958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97–689, emergency rules to implement any provision of Public Act 97–689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150–day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24–month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98–104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98–104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24–month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98–651, emergency rules to implement Public Act 98–651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24–month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5–5b.1 and 5A–2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5–5b.1 or Section 5A–2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99–6, emergency rules to implement the changes made by Article II of Public Act 99–6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24–month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99–516, emergency rules to implement Public Act 99–516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24–month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99–796, emergency rules to implement the changes made by Public Act 99–796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99–906, emergency rules to implement subsection (i) of Section 16–115D, subsection (g) of Section 16–128A, and subsection (a) of Section 16–128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99–906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100–23, emergency rules to implement the changes made by Public Act 100–23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5–5.4i of the Illinois Public Aid Code, Section 55–30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100–554, emergency rules to implement the changes made by Public Act 100–554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance

with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100–581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100–587, emergency rules to implement the changes made by Public Act 100–587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5–5.4i of the Illinois Public Aid Code, subsection (b) of Section 55–30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5–104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100–587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100–587 to: Sections 14–147.5 and 14–147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15–185.5 and 15–185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16–190.5 and 16–190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100–864, emergency rules to implement the changes made by Public Act 100–864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection (ff) to implement the changes made by this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (ff) is deemed to be necessary for the public interest, safety, and welfare.

(gg) In order to provide for the expeditious and timely implementation of the Cannabis Regulation and Tax Act and this amendatory Act of the 101st General Assembly, the Department of Revenue, the Department of Public Health, the Department of Agriculture, the Department of State Police, and the Department of Financial and Professional Regulation may adopt emergency rules in accordance with this subsection (gg). The rulemaking authority granted in this subsection (gg) shall apply only to rules adopted before December 31, 2021. Notwithstanding the provisions of subsection (c), emergency rules adopted under this subsection (gg) shall be effective for 180 days. The adoption of emergency rules authorized by this subsection (gg) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100–23, eff. 7–6–17; 100–554, eff. 11–16–17; 100–581, eff. 3–12–18; 100–587, Article 95, Section 95–5, eff. 6–4–18; 100–587, Article 110, Section 110–5, eff. 6–4–18; 100–864, eff. 8–14–18; 100–1172, eff. 1–4–19; 101–1, eff. 2–19–19.)

The Freedom of Information Act

is amended by changing Section 7.5 as follows:

5 ILCS 140/7.5

§ 7.5. Statutory exemptions. To the extent provided for by the statutes referenced below, the following shall be exempt from inspection and copying:

- (a) All information determined to be confidential under Section 4002 of the Technology Advancement and Development Act.
- (b) Library circulation and order records identifying library users with specific materials under the Library Records Confidentiality Act.
- (c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.
- (d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.
- (e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.
- (f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.
- (g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.

(h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and records of any lawfully created State or local inspector general's office that would be exempt if created or obtained by an Executive Inspector General's office under that Act.

(i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11–21.5–5 of the Illinois Municipal Code.

(j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.

(k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11–212 of the Illinois Vehicle Code.

(l) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.

(n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital Crimes Litigation Act. This subsection (n) shall apply until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior to trial or sentencing.

(o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.

(p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.

(q) Information prohibited from being disclosed by the Personnel [Record](#), Review Act.

(r) Information prohibited from being disclosed by the Illinois School Student Records Act.

(s) Information the disclosure of which is restricted under Section 5–108 of the Public Utilities Act.

(t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information Exchange in the possession of the Illinois Health Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms “identified” and “deidentified” shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104–191, or any subsequent amendments thereto, and any regulations promulgated thereunder.

(u) Records and information provided to an independent team of experts under [the Developmental Disability and Mental Health Safety Act \(also known as Brian's Law\)](#).

(v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.

(w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.

(x) Information which is exempted from disclosure under Section 5–1014.3 of the Counties Code or Section 8–11–21 of the Illinois Municipal Code.

(y) Confidential information under the Adult Protective Services Act and its predecessor enabling statute, the Elder Abuse and Neglect Act, including information about the identity and administrative finding against any caregiver of a verified and substantiated decision of abuse, neglect, or financial exploitation of an eligible adult maintained in the Registry established under Section 7.5 of the Adult Protective Services Act.

(z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.

(aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.

(bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.

(cc) Recordings made under the Law Enforcement Officer–Worn Body Camera Act, except to the extent authorized under that Act.

(dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.

(ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.

(ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed Property Act.

(gg) Information that is prohibited from being disclosed under Section 7–603.5 of the Illinois Vehicle Code.

(hh) Records that are exempt from disclosure under Section 1A–16.7 of the Election Code.

(ii) Information which is exempted from disclosure under Section 2505–800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(jj) Information and reports that are required to be submitted to the Department of Labor by registering day and temporary labor service agencies but are exempt from disclosure under subsection (a–1) of Section 45 of the Day and Temporary Labor Services Act.

(kk) Information prohibited from disclosure under the Seizure and Forfeiture Reporting Act.

(ll) Information the disclosure of which is restricted and exempted under Section 5–30.8 of the Illinois Public Aid Code.

[\(mm\)](#) Records that are exempt from disclosure under Section 4.2 of the Crime Victims Compensation Act.

Deleted: Records

Deleted: (ll)

(nn) Information that is exempt from disclosure under Section 70 of the Higher Education Student Assistance Act.

(oo) Information that is exempt from disclosure under the Cannabis Regulation and Tax Act.

(Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352, eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16; 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18; 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff. 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517, eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19; 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised 10-12-18.)

Section 900-10. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-210 as follows:

Deleted: (//)

[S.H.A. 20 ILCS 2505/2505-210] (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

§ 2505-210. Electronic funds transfer.

(a) The Department may provide means by which persons having a tax liability under any Act administered by the Department may use electronic funds transfer to pay the tax liability.

(b) Mandatory payment by electronic funds transfer. Except as otherwise provided in a tax Act administered by the Department, a taxpayer (other than an individual taxpayer) who has an annual tax liability of \$20,000 or more and an individual taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. Before August 1 of each year, beginning in 2002, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1. For purposes of this subsection (b), the term "annual tax liability" means, except as provided in subsections (c) and (d) of this Section, the sum of the taxpayer's liabilities under a tax Act administered by the Department for the immediately preceding calendar year.

(c) For purposes of subsection (b), the term "annual tax liability" means, for a taxpayer that incurs a tax liability under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, Service Use Tax Act, or any other State or local occupation or use tax law that is administered by the Department, the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, Service Use Tax Act, and all other State and local occupation and use tax laws administered by the Department for the immediately preceding calendar year.

(d) For purposes of subsection (b), the term "annual tax liability" means, for a taxpayer that incurs an Illinois income tax liability, the greater of:

(1) the amount of the taxpayer's tax liability under Article 7 of the Illinois Income Tax Act for the immediately preceding calendar year; or

(2) the taxpayer's estimated tax payment obligation under Article 8 of the Illinois Income Tax Act for the immediately preceding calendar year.

(e) The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

(Source: P.A. 100-1171, eff. 1-4-19.)

Section 900-12. The Criminal Identification Act is amended by changing Section 5.2 as follows:

Deleted: Beginning on October 1, 2002, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. Beginning October 1, 2010

[S.H.A. 20 ILCS 2630/5.2] (20 ILCS 2630/5.2)

§ 5.2. Expungement, sealing, and immediate sealing.

(a) General Provisions.

(1) Definitions. In this Act, words and phrases have the meanings set forth in this subsection, except when a particular context clearly requires a different meaning.

(A) The following terms shall have the meanings ascribed to them in the Unified Code of Corrections, 730 ILCS 5/5–1–2 through 5/5–1–22:

- (i) Business Offense (730 ILCS 5/5–1–2),
- (ii) Charge (730 ILCS 5/5–1–3),
- (iii) Court (730 ILCS 5/5–1–6),
- (iv) Defendant (730 ILCS 5/5–1–7),
- (v) Felony (730 ILCS 5/5–1–9),
- (vi) Imprisonment (730 ILCS 5/5–1–10),
- (vii) Judgment (730 ILCS 5/5–1–12),
- (viii) Misdemeanor (730 ILCS 5/5–1–14),
- (ix) Offense (730 ILCS 5/5–1–15),
- (x) Parole (730 ILCS 5/5–1–16),
- (xi) Petty Offense (730 ILCS 5/5–1–17),
- (xii) Probation (730 ILCS 5/5–1–18),
- (xiii) Sentence (730 ILCS 5/5–1–19),
- (xiv) Supervision (730 ILCS 5/5–1–21), and
- (xv) Victim (730 ILCS 5/5–1–22).

(B) As used in this Section, “charge not initiated by arrest” means a charge (as defined by 730 ILCS 5/5–1–3) brought against a defendant where the defendant is not arrested prior to or as a direct result of the charge.

(C) “Conviction” means a judgment of conviction or sentence entered upon a plea of guilty or upon a verdict or finding of guilty of an offense, rendered by a legally constituted jury or by a court of competent jurisdiction authorized to try the case without a jury. An order of supervision successfully completed by the petitioner is not a conviction. An order of qualified probation (as defined in subsection (a)(1)(J)) successfully completed by the petitioner is not a conviction. An order of supervision or an order of qualified probation that is terminated unsatisfactorily is a conviction, unless the unsatisfactory termination is reversed, vacated, or modified and the judgment of conviction, if any, is reversed or vacated.

(D) “Criminal offense” means a petty offense, business offense, misdemeanor, felony, or municipal ordinance violation (as defined in subsection (a)(1)(H)). As used in this Section, a minor traffic offense (as defined in subsection (a)(1)(G)) shall not be considered a criminal offense.

(E) “Expunge” means to physically destroy the records or return them to the petitioner and to obliterate the petitioner’s name from any official index or public record, or both. Nothing in this Act shall require the physical destruction of the circuit court file, but such records relating to arrests or charges, or both, ordered expunged shall be impounded as required by subsections (d)(9)(A)(ii) and (d)(9)(B)(ii).

(F) As used in this Section, “last sentence” means the sentence, order of supervision, or order of qualified probation (as defined by subsection (a)(1)(J)), for a criminal offense (as defined by subsection (a)(1)(D)) that terminates last in time in any jurisdiction, regardless of whether the petitioner has included the criminal offense for which the sentence or order of supervision or qualified probation was imposed in his or her petition. If multiple sentences, orders of supervision, or orders of qualified probation terminate on the same day and are last in time, they shall be collectively considered the “last sentence” regardless of whether they were ordered to run concurrently.

(G) “Minor traffic offense” means a petty offense, business offense, or Class C misdemeanor under the Illinois Vehicle Code or a similar provision of a municipal or local ordinance.

(G–5) “Minor Cannabis Offense” means a violation of Section 4 or 5 of the Cannabis Control Act concerning not more than 30 grams of any substance containing cannabis, provided the violation did not include a penalty enhancement under Section 7 of the Cannabis Control Act and is not associated with an arrest, conviction or other disposition for a violent crime as defined in subsection (c) of Section 3 of the Rights of Crime Victims and Witnesses Act.

(H) “Municipal ordinance violation” means an offense defined by a municipal or local ordinance that is criminal in nature and with which the petitioner was charged or for which the petitioner was arrested and released without charging.

(I) “Petitioner” means an adult or a minor prosecuted as an adult who has applied for relief under this Section.

(J) “Qualified probation” means an order of probation under Section 10 of the Cannabis Control Act, Section 410 of the Illinois Controlled Substances Act, Section 70 of the Methamphetamine Control and Community Protection Act, Section 5–6–3.3 or 5–6–3.4

of the Unified Code of Corrections, Section 12–4.3(b)(1) and (2) of the Criminal Code of 1961 (as those provisions existed before their deletion by Public Act 89–313), Section 10–102 of the Illinois Alcoholism and Other Drug Dependency Act, Section 40–10 of the Substance Use Disorder Act, or Section 10 of the Steroid Control Act. For the purpose of this Section, “successful completion” of an order of qualified probation under Section 10–102 of the Illinois Alcoholism and Other Drug Dependency Act and Section 40–10 of the Substance Use Disorder Act means that the probation was terminated satisfactorily and the judgment of conviction was vacated. (K) “Seal” means to physically and electronically maintain the records, unless the records would otherwise be destroyed due to age, but to make the records unavailable without a court order, subject to the exceptions in Sections 12 and 13 of this Act. The petitioner’s name shall also be obliterated from the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but any index issued by the circuit court clerk before the entry of the order to seal shall not be affected.

(L) “Sexual offense committed against a minor” includes but is not limited to the offenses of indecent solicitation of a child or criminal sexual abuse when the victim of such offense is under 18 years of age.

(M) “Terminate” as it relates to a sentence or order of supervision or qualified probation includes either satisfactory or unsatisfactory termination of the sentence, unless otherwise specified in this Section. A sentence is terminated notwithstanding any outstanding financial legal obligation.

(2) Minor Traffic Offenses. Orders of supervision or convictions for minor traffic offenses shall not affect a petitioner’s eligibility to expunge or seal records pursuant to this Section.

(2.5) Commencing 180 days after July 29, 2016 (the effective date of Public Act 99–697), the law enforcement agency issuing the citation shall automatically expunge, on or before January 1 and July 1 of each year, the law enforcement records of a person found to have committed a civil law violation of subsection (a) of Section 4 of the Cannabis Control Act or subsection (c) of Section 3.5 of the Drug Paraphernalia Control Act in the law enforcement agency’s possession or control and which contains the final satisfactory disposition which pertain to the person issued a citation for that offense. The law enforcement agency shall provide by rule the process for access, review, and to confirm the automatic expungement by the law enforcement agency issuing the citation. Commencing 180 days after July 29, 2016 (the effective date of Public Act 99–697), the clerk of the circuit court shall expunge, upon order of the court, or in the absence of a court order on or before January 1 and July 1 of each year, the court records of a person found in the circuit court to have committed a civil law violation of subsection (a) of Section 4 of the Cannabis Control Act or subsection (c) of Section 3.5 of the Drug Paraphernalia Control Act in the clerk’s possession or control and which contains the final satisfactory disposition which pertain to the person issued a citation for any of those offenses.

(3) Exclusions. Except as otherwise provided in subsections (b)(5), (b)(6), (b)(8), (e), (e–5), and (e–6) of this Section, the court shall not order:

(A) the sealing or expungement of the records of arrests or charges not initiated by arrest that result in an order of supervision for or conviction of: (i) any sexual offense committed against a minor; (ii) Section 11–501 of the Illinois Vehicle Code or a similar provision of a local ordinance; or (iii) Section 11–503 of the Illinois Vehicle Code or a similar provision of a local ordinance, unless the arrest or charge is for a misdemeanor violation of subsection (a) of Section 11–503 or a similar provision of a local ordinance, that occurred prior to the offender reaching the age of 25 years and the offender has no other conviction for violating Section 11–501 or 11–503 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(B) the sealing or expungement of records of minor traffic offenses (as defined in subsection (a)(1)(G)), unless the petitioner was arrested and released without charging.

(C) the sealing of the records of arrests or charges not initiated by arrest which result in an order of supervision or a conviction for the following offenses:

(i) offenses included in Article 11 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar provision of a local ordinance, except Section 11–14 and a misdemeanor violation of Section 11–30 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance;

(ii) Section 11–1.50, 12–3.4, 12–15, 12–30, 26–5, or 48–1 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance;

(iii) Sections 12–3.1 or 12–3.2 of the Criminal Code of 1961 or the Criminal Code of 2012, or Section 125 of the Stalking No Contact Order Act, or Section 219 of the Civil No Contact Order Act, or a similar provision of a local ordinance;

(iv) Class A misdemeanors or felony offenses under the Humane Care for Animals Act; or

(v) any offense or attempted offense that would subject a person to registration under the Sex Offender Registration Act.

(D) (blank).

(b) Expungement.

(1) A petitioner may petition the circuit court to expunge the records of his or her arrests and charges not initiated by arrest when each arrest or charge not initiated by arrest sought to be expunged resulted in: (i) acquittal, dismissal, or the petitioner’s release without charging, unless excluded by subsection (a)(3)(B); (ii) a conviction which was vacated or reversed, unless excluded by subsection (a)(3)(B); (iii) an order of supervision and such supervision was successfully completed by the petitioner, unless excluded by subsection (a)(3)(A) or (a)(3)(B); or (iv) an order of qualified probation (as defined in subsection (a)(1)(J)) and such probation was successfully completed by the petitioner.

(1.5) When a petitioner seeks to have a record of arrest expunged under this Section, and the offender has been convicted of a criminal offense, the State’s Attorney may object to the expungement on the grounds that the records contain specific relevant information aside from the mere fact of the arrest.

(2) Time frame for filing a petition to expunge.

(A) When the arrest or charge not initiated by arrest sought to be expunged resulted in an acquittal, dismissal, the petitioner's release without charging, or the reversal or vacation of a conviction, there is no waiting period to petition for the expungement of such records.

(B) When the arrest or charge not initiated by arrest sought to be expunged resulted in an order of supervision, successfully completed by the petitioner, the following time frames will apply:

(i) Those arrests or charges that resulted in orders of supervision under Section 3–707, 3–708, 3–710, or 5–401.3 of the Illinois Vehicle Code or a similar provision of a local ordinance, or under Section 11–1.50, 12–3.2, or 12–15 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance, shall not be eligible for expungement until 5 years have passed following the satisfactory termination of the supervision.

(i–5) Those arrests or charges that resulted in orders of supervision for a misdemeanor violation of subsection (a) of Section 11–503 of the Illinois Vehicle Code or a similar provision of a local ordinance, that occurred prior to the offender reaching the age of 25 years and the offender has no other conviction for violating Section 11–501 or 11–503 of the Illinois Vehicle Code or a similar provision of a local ordinance shall not be eligible for expungement until the petitioner has reached the age of 25 years.

(ii) Those arrests or charges that resulted in orders of supervision for any other offenses shall not be eligible for expungement until 2 years have passed following the satisfactory termination of the supervision.

(C) When the arrest or charge not initiated by arrest sought to be expunged resulted in an order of qualified probation, successfully completed by the petitioner, such records shall not be eligible for expungement until 5 years have passed following the satisfactory termination of the probation.

(3) Those records maintained by the Department for persons arrested prior to their 17th birthday shall be expunged as provided in Section 5–915 of the Juvenile Court Act of 1987.

(4) Whenever a person has been arrested for or convicted of any offense, in the name of a person whose identity he or she has stolen or otherwise come into possession of, the aggrieved person from whom the identity was stolen or otherwise obtained without authorization, upon learning of the person having been arrested using his or her identity, may, upon verified petition to the chief judge of the circuit wherein the arrest was made, have a court order entered nunc pro tunc by the Chief Judge to correct the arrest record, conviction record, if any, and all official records of the arresting authority, the Department, other criminal justice agencies, the prosecutor, and the trial court concerning such arrest, if any, by removing his or her name from all such records in connection with the arrest and conviction, if any, and by inserting in the records the name of the offender, if known or ascertainable, in lieu of the aggrieved's name. The records of the circuit court clerk shall be sealed until further order of the court upon good cause shown and the name of the aggrieved person obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order. Nothing in this Section shall limit the Department of State Police or other criminal justice agencies or prosecutors from listing under an offender's name the false names he or she has used.

(5) Whenever a person has been convicted of criminal sexual assault, aggravated criminal sexual assault, predatory criminal sexual assault of a child, criminal sexual abuse, or aggravated criminal sexual abuse, the victim of that offense may request that the State's Attorney of the county in which the conviction occurred file a verified petition with the presiding trial judge at the petitioner's trial to have a court order entered to seal the records of the circuit court clerk in connection with the proceedings of the trial court concerning that offense. However, the records of the arresting authority and the Department of State Police concerning the offense shall not be sealed. The court, upon good cause shown, shall make the records of the circuit court clerk in connection with the proceedings of the trial court concerning the offense available for public inspection.

(6) If a conviction has been set aside on direct review or on collateral attack and the court determines by clear and convincing evidence that the petitioner was factually innocent of the charge, the court that finds the petitioner factually innocent of the charge shall enter an expungement order for the conviction for which the petitioner has been determined to be innocent as provided in subsection (b) of Section 5–5–4 of the Unified Code of Corrections.

(7) Nothing in this Section shall prevent the Department of State Police from maintaining all records of any person who is admitted to probation upon terms and conditions and who fulfills those terms and conditions pursuant to Section 10 of the Cannabis Control Act, Section 410 of the Illinois Controlled Substances Act, Section 70 of the Methamphetamine Control and Community Protection Act, Section 5–6–3.3 or 5–6–3.4 of the Unified Code of Corrections, Section 12–4.3 or subdivision (b)(1) of Section 12–3.05 of the Criminal Code of 1961 or the Criminal Code of 2012, Section 10–102 of the Illinois Alcoholism and Other Drug Dependency Act, Section 40–10 of the Substance Use Disorder Act, or Section 10 of the Steroid Control Act.

(8) If the petitioner has been granted a certificate of innocence under Section 2–702 of the Code of Civil Procedure, the court that grants the certificate of innocence shall also enter an order expunging the conviction for which the petitioner has been determined to be innocent as provided in subsection (h) of Section 2–702 of the Code of Civil Procedure.

(c) Sealing.

(1) Applicability. Notwithstanding any other provision of this Act to the contrary, and cumulative with any rights to expungement of criminal records, this subsection authorizes the sealing of criminal records of adults and of minors prosecuted as adults. Subsection (g) of this Section provides for immediate sealing of certain records.

(2) Eligible Records. The following records may be sealed:

(A) All arrests resulting in release without charging;

(B) Arrests or charges not initiated by arrest resulting in acquittal, dismissal, or conviction when the conviction was reversed or vacated, except as excluded by subsection (a)(3)(B);

(C) Arrests or charges not initiated by arrest resulting in orders of supervision, including orders of supervision for municipal ordinance violations, successfully completed by the petitioner, unless excluded by subsection (a)(3);

(D) Arrests or charges not initiated by arrest resulting in convictions, including convictions on municipal ordinance violations, unless excluded by subsection (a)(3);

(E) Arrests or charges not initiated by arrest resulting in orders of first offender probation under Section 10 of the Cannabis Control Act, Section 410 of the Illinois Controlled Substances Act, Section 70 of the Methamphetamine Control and Community Protection Act, or Section 5–6–3.3 of the Unified Code of Corrections; and

(F) Arrests or charges not initiated by arrest resulting in felony convictions unless otherwise excluded by subsection (a) paragraph (3) of this Section.

(3) When Records Are Eligible to Be Sealed. Records identified as eligible under subsection (c)(2) may be sealed as follows:

(A) Records identified as eligible under subsections (c)(2)(A) and (c)(2)(B) may be sealed at any time.

(B) Except as otherwise provided in subparagraph (E) of this paragraph (3), records identified as eligible under subsection (c)(2)(C) may be sealed 2 years after the termination of petitioner's last sentence (as defined in subsection (a)(1)(F)).

(C) Except as otherwise provided in subparagraph (E) of this paragraph (3), records identified as eligible under subsections (c)(2)(D), (c)(2)(E), and (c)(2)(F) may be sealed 3 years after the termination of the petitioner's last sentence (as defined in subsection (a)(1)(F)). Convictions requiring public registration under the Arsonist Registration Act, the Sex Offender Registration Act, or the Murderer and Violent Offender Against Youth Registration Act may not be sealed until the petitioner is no longer required to register under that relevant Act.

(D) Records identified in subsection (a)(3)(A)(iii) may be sealed after the petitioner has reached the age of 25 years.

(E) Records identified as eligible under subsections (c)(2)(C), (c)(2)(D), (c)(2)(E), or (c)(2)(F) may be sealed upon termination of the petitioner's last sentence if the petitioner earned a high school diploma, associate's degree, career certificate, vocational technical certification, or bachelor's degree, or passed the high school level Test of General Educational Development, during the period of his or her sentence, aftercare release, or mandatory supervised release. This subparagraph shall apply only to a petitioner who has not completed the same educational goal prior to the period of his or her sentence, aftercare release, or mandatory supervised release. If a petition for sealing eligible records filed under this subparagraph is denied by the court, the time periods under subparagraph (B) or (C) shall apply to any subsequent petition for sealing filed by the petitioner.

(4) Subsequent felony convictions. A person may not have subsequent felony conviction records sealed as provided in this subsection (c) if he or she is convicted of any felony offense after the date of the sealing of prior felony convictions as provided in this subsection (c). The court may, upon conviction for a subsequent felony offense, order the unsealing of prior felony conviction records previously ordered sealed by the court.

(5) Notice of eligibility for sealing. Upon entry of a disposition for an eligible record under this subsection (c), the petitioner shall be informed by the court of the right to have the records sealed and the procedures for the sealing of the records.

(d) Procedure. The following procedures apply to expungement under subsections (b), (e), and (e–6) and sealing under subsections (c) and (e–5):

(1) Filing the petition. Upon becoming eligible to petition for the expungement or sealing of records under this Section, the petitioner shall file a petition requesting the expungement or sealing of records with the clerk of the court where the arrests occurred or the charges were brought, or both. If arrests occurred or charges were brought in multiple jurisdictions, a petition must be filed in each such jurisdiction. The petitioner shall pay the applicable fee, except no fee shall be required if the petitioner has obtained a court order waiving fees under Supreme Court Rule 298 or it is otherwise waived.

(1.5) County fee waiver pilot program. In a county of 3,000,000 or more inhabitants, no fee shall be required to be paid by a petitioner if the records sought to be expunged or sealed were arrests resulting in release without charging or arrests or charges not initiated by arrest resulting in acquittal, dismissal, or conviction when the conviction was reversed or vacated, unless excluded by subsection

(a)(3)(B). The provisions of this paragraph (1.5), other than this sentence, are inoperative on and after January 1, 2019.

(2) Contents of petition. The petition shall be verified and shall contain the petitioner's name, date of birth, current address and, for each arrest or charge not initiated by arrest sought to be sealed or expunged, the case number, the date of arrest (if any), the identity of the arresting authority, and such other information as the court may require. During the pendency of the proceeding, the petitioner shall promptly notify the circuit court clerk of any change of his or her address. If the petitioner has received a certificate of eligibility for sealing from the Prisoner Review Board under paragraph (10) of subsection (a) of Section 3–3–2 of the Unified Code of Corrections, the certificate shall be attached to the petition.

(3) Drug test. The petitioner must attach to the petition proof that the petitioner has passed a test taken within 30 days before the filing of the petition showing the absence within his or her body of all illegal substances as defined by the Illinois Controlled Substances Act, the Methamphetamine Control and Community Protection Act, and the Cannabis Control Act if he or she is petitioning to:

(A) seal felony records under clause (c)(2)(E);

(B) seal felony records for a violation of the Illinois Controlled Substances Act, the Methamphetamine Control and Community Protection Act, or the Cannabis Control Act under clause (c)(2)(F);

(C) seal felony records under subsection (e–5); or

(D) expunge felony records of a qualified probation under clause (b)(1)(iv).

(4) Service of petition. The circuit court clerk shall promptly serve a copy of the petition and documentation to support the petition under subsection (e–5) or (e–6) on the State's Attorney or prosecutor charged with the duty of prosecuting the offense, the Department of State Police, the arresting agency and the chief legal officer of the unit of local government effecting the arrest.

(5) Objections.

(A) Any party entitled to notice of the petition may file an objection to the petition. All objections shall be in writing, shall be filed with the circuit court clerk, and shall state with specificity the basis of the objection. Whenever a person who has been convicted of an offense is granted a pardon by the Governor which specifically authorizes expungement, an objection to the petition may not be filed.

(B) Objections to a petition to expunge or seal must be filed within 60 days of the date of service of the petition.

(6) Entry of order.

(A) The Chief Judge of the circuit wherein the charge was brought, any judge of that circuit designated by the Chief Judge, or in counties of less than 3,000,000 inhabitants, the presiding trial judge at the petitioner's trial, if any, shall rule on the petition to expunge or seal as set forth in this subsection (d)(6).

(B) Unless the State's Attorney or prosecutor, the Department of State Police, the arresting agency, or the chief legal officer files an objection to the petition to expunge or seal within 60 days from the date of service of the petition, the court shall enter an order granting or denying the petition.

(C) Notwithstanding any other provision of law, the court shall not deny a petition for sealing under this Section because the petitioner has not satisfied an outstanding legal financial obligation established, imposed, or originated by a court, law enforcement agency, or a municipal, State, county, or other unit of local government, including, but not limited to, any cost, assessment, fine, or fee. An outstanding legal financial obligation does not include any court ordered restitution to a victim under Section 5-5-6 of the Unified Code of Corrections, unless the restitution has been converted to a civil judgment. Nothing in this subparagraph (C) waives, rescinds, or abrogates a legal financial obligation or otherwise eliminates or affects the right of the holder of any financial obligation to pursue collection under applicable federal, State, or local law.

Nothing in this subparagraph (C) waives, rescinds, or abrogates a legal financial obligation or otherwise eliminates or affects the right of the holder of any financial obligation to pursue collection under applicable federal, State, or local law.

(7) Hearings. If an objection is filed, the court shall set a date for a hearing and notify the petitioner and all parties entitled to notice of the petition of the hearing date at least 30 days prior to the hearing. Prior to the hearing, the State's Attorney shall consult with the Department as to the appropriateness of the relief sought in the petition to expunge or seal. At the hearing, the court shall hear evidence on whether the petition should or should not be granted, and shall grant or deny the petition to expunge or seal the records based on the evidence presented at the hearing. The court may consider the following:

(A) the strength of the evidence supporting the defendant's conviction;

(B) the reasons for retention of the conviction records by the State;

(C) the petitioner's age, criminal record history, and employment history;

(D) the period of time between the petitioner's arrest on the charge resulting in the conviction and the filing of the petition under this Section; and

(E) the specific adverse consequences the petitioner may be subject to if the petition is denied.

(8) Service of order. After entering an order to expunge or seal records, the court must provide copies of the order to the Department, in a form and manner prescribed by the Department, to the petitioner, to the State's Attorney or prosecutor charged with the duty of prosecuting the offense, to the arresting agency, to the chief legal officer of the unit of local government effecting the arrest, and to such other criminal justice agencies as may be ordered by the court.

(9) Implementation of order.

(A) Upon entry of an order to expunge records pursuant to (b)(2)(A) or (b)(2)(B)(ii), or both:

(i) the records shall be expunged (as defined in subsection (a)(1)(E)) by the arresting agency, the Department, and any other agency as ordered by the court, within 60 days of the date of service of the order, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(ii) the records of the circuit court clerk shall be impounded until further order of the court upon good cause shown and the name of the petitioner obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order; and

(iii) in response to an inquiry for expunged records, the court, the Department, or the agency receiving such inquiry, shall reply as it does in response to inquiries when no records ever existed.

(B) Upon entry of an order to expunge records pursuant to (b)(2)(B)(i) or (b)(2)(C), or both:

(i) the records shall be expunged (as defined in subsection (a)(1)(E)) by the arresting agency and any other agency as ordered by the court, within 60 days of the date of service of the order, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(ii) the records of the circuit court clerk shall be impounded until further order of the court upon good cause shown and the name of the petitioner obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order;

(iii) the records shall be impounded by the Department within 60 days of the date of service of the order as ordered by the court, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(iv) records impounded by the Department may be disseminated by the Department only as required by law or to the arresting authority, the State's Attorney, and the court upon a later arrest for the same or a similar offense or for the purpose of sentencing for any subsequent felony, and to the Department of Corrections upon conviction for any offense; and

(v) in response to an inquiry for such records from anyone not authorized by law to access such records, the court, the Department, or the agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed.

(B-5) Upon entry of an order to expunge records under subsection (e-6):

(i) the records shall be expunged (as defined in subsection (a)(1)(E)) by the arresting agency and any other agency as ordered by the court, within 60 days of the date of service of the order, unless a motion to vacate, modify, or reconsider the order is filed under paragraph (12) of subsection (d) of this Section;

(ii) the records of the circuit court clerk shall be impounded until further order of the court upon good cause shown and the name of the petitioner obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order;

(iii) the records shall be impounded by the Department within 60 days of the date of service of the order as ordered by the court, unless a motion to vacate, modify, or reconsider the order is filed under paragraph (12) of subsection (d) of this Section;

(iv) records impounded by the Department may be disseminated by the Department only as required by law or to the arresting authority, the State's Attorney, and the court upon a later arrest for the same or a similar offense or for the purpose of sentencing for any subsequent felony, and to the Department of Corrections upon conviction for any offense; and

(v) in response to an inquiry for these records from anyone not authorized by law to access the records, the court, the Department, or the agency receiving the inquiry shall reply as it does in response to inquiries when no records ever existed.

(C) Upon entry of an order to seal records under subsection (c), the arresting agency, any other agency as ordered by the court, the Department, and the court shall seal the records (as defined in subsection (a)(1)(K)). In response to an inquiry for such records, from anyone not authorized by law to access such records, the court, the Department, or the agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed.

(D) The Department shall send written notice to the petitioner of its compliance with each order to expunge or seal records within 60 days of the date of service of that order or, if a motion to vacate, modify, or reconsider is filed, within 60 days of service of the order resolving the motion, if that order requires the Department to expunge or seal records. In the event of an appeal from the circuit court order, the Department shall send written notice to the petitioner of its compliance with an Appellate Court or Supreme Court judgment to expunge or seal records within 60 days of the issuance of the court's mandate. The notice is not required while any motion to vacate, modify, or reconsider, or any appeal or petition for discretionary appellate review, is pending.

(E) Upon motion, the court may order that a sealed judgment or other court record necessary to demonstrate the amount of any legal financial obligation due and owing be made available for the limited purpose of collecting any legal financial obligations owed by the petitioner that were established, imposed, or originated in the criminal proceeding for which those records have been sealed. The records made available under this subparagraph (E) shall not be entered into the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act and shall be immediately re-impounded upon the collection of the outstanding financial obligations. The records made available under this subparagraph (E) shall not be entered into the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act and shall be immediately re-impounded upon the collection of the outstanding financial obligations.

(F) Notwithstanding any other provision of this Section, a circuit court clerk may access a sealed record for the limited purpose of collecting payment for any legal financial obligations that were established, imposed, or originated in the criminal proceedings for which those records have been sealed.

(10) Fees. The Department may charge the petitioner a fee equivalent to the cost of processing any order to expunge or seal records. Notwithstanding any provision of the Clerks of Courts Act to the contrary, the circuit court clerk may charge a fee equivalent to the cost associated with the sealing or expungement of records by the circuit court clerk. From the total filing fee collected for the petition to seal or expunge, the circuit court clerk shall deposit \$10 into the Circuit Court Clerk Operation and Administrative Fund, to be used to offset the costs incurred by the circuit court clerk in performing the additional duties required to serve the petition to seal or expunge on all parties. The circuit court clerk shall collect and forward the Department of State Police portion of the fee to the Department and it shall be deposited in the State Police Services Fund. If the record brought under an expungement petition was previously sealed under this Section, the fee for the expungement petition for that same record shall be waived.

(11) Final Order. No court order issued under the expungement or sealing provisions of this Section shall become final for purposes of appeal until 30 days after service of the order on the petitioner and all parties entitled to notice of the petition.

(12) Motion to Vacate, Modify, or Reconsider. Under Section 2–1203 of the Code of Civil Procedure, the petitioner or any party entitled to notice may file a motion to vacate, modify, or reconsider the order granting or denying the petition to expunge or seal within 60 days of service of the order. If filed more than 60 days after service of the order, a petition to vacate, modify, or reconsider shall comply with subsection (c) of Section 2–1401 of the Code of Civil Procedure. Upon filing of a motion to vacate, modify, or reconsider, notice of the motion shall be served upon the petitioner and all parties entitled to notice of the petition.

(13) Effect of Order. An order granting a petition under the expungement or sealing provisions of this Section shall not be considered void because it fails to comply with the provisions of this Section or because of any error asserted in a motion to vacate, modify, or reconsider. The circuit court retains jurisdiction to determine whether the order is voidable and to vacate, modify, or reconsider its terms based on a motion filed under paragraph (12) of this subsection (d).

(14) Compliance with Order Granting Petition to Seal Records. Unless a court has entered a stay of an order granting a petition to seal, all parties entitled to notice of the petition must fully comply with the terms of the order within 60 days of service of the order even if a party is seeking relief from the order through a motion filed under paragraph (12) of this subsection (d) or is appealing the order.

(15) Compliance with Order Granting Petition to Expunge Records. While a party is seeking relief from the order granting the petition to expunge through a motion filed under paragraph (12) of this subsection (d) or is appealing the order, and unless a court has entered a stay of that order, the parties entitled to notice of the petition must seal, but need not expunge, the records until there is a final order on the motion for relief or, in the case of an appeal, the issuance of that court's mandate.

(16) The changes to this subsection (d) made by Public Act 98–163 apply to all petitions pending on August 5, 2013 (the effective date of Public Act 98–163) and to all orders ruling on a petition to expunge or seal on or after August 5, 2013 (the effective date of Public Act 98–163).

(c) Whenever a person who has been convicted of an offense is granted a pardon by the Governor which specifically authorizes expungement, he or she may, upon verified petition to the Chief Judge of the circuit where the person had been convicted, any judge

of the circuit designated by the Chief Judge, or in counties of less than 3,000,000 inhabitants, the presiding trial judge at the defendant's trial, have a court order entered expunging the record of arrest from the official records of the arresting authority and order that the records of the circuit court clerk and the Department be sealed until further order of the court upon good cause shown or as otherwise provided herein, and the name of the defendant obliterated from the official index requested to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act in connection with the arrest and conviction for the offense for which he or she had been pardoned but the order shall not affect any index issued by the circuit court clerk before the entry of the order. All records sealed by the Department may be disseminated by the Department only to the arresting authority, the State's Attorney, and the court upon a later arrest for the same or similar offense or for the purpose of sentencing for any subsequent felony. Upon conviction for any subsequent offense, the Department of Corrections shall have access to all sealed records of the Department pertaining to that individual. Upon entry of the order of expungement, the circuit court clerk shall promptly mail a copy of the order to the person who was pardoned.

(e-5) Whenever a person who has been convicted of an offense is granted a certificate of eligibility for sealing by the Prisoner Review Board which specifically authorizes sealing, he or she may, upon verified petition to the Chief Judge of the circuit where the person had been convicted, any judge of the circuit designated by the Chief Judge, or in counties of less than 3,000,000 inhabitants, the presiding trial judge at the petitioner's trial, have a court order entered sealing the record of arrest from the official records of the arresting authority and order that the records of the circuit court clerk and the Department be sealed until further order of the court upon good cause shown or as otherwise provided herein, and the name of the petitioner obliterated from the official index requested to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act in connection with the arrest and conviction for the offense for which he or she had been granted the certificate but the order shall not affect any index issued by the circuit court clerk before the entry of the order. All records sealed by the Department may be disseminated by the Department only as required by this Act or to the arresting authority, a law enforcement agency, the State's Attorney, and the court upon a later arrest for the same or similar offense or for the purpose of sentencing for any subsequent felony. Upon conviction for any subsequent offense, the Department of Corrections shall have access to all sealed records of the Department pertaining to that individual. Upon entry of the order of sealing, the circuit court clerk shall promptly mail a copy of the order to the person who was granted the certificate of eligibility for sealing.

(e-6) Whenever a person who has been convicted of an offense is granted a certificate of eligibility for expungement by the Prisoner Review Board which specifically authorizes expungement, he or she may, upon verified petition to the Chief Judge of the circuit where the person had been convicted, any judge of the circuit designated by the Chief Judge, or in counties of less than 3,000,000 inhabitants, the presiding trial judge at the petitioner's trial, have a court order entered expunging the record of arrest from the official records of the arresting authority and order that the records of the circuit court clerk and the Department be sealed until further order of the court upon good cause shown or as otherwise provided herein, and the name of the petitioner obliterated from the official index requested to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act in connection with the arrest and conviction for the offense for which he or she had been granted the certificate but the order shall not affect any index issued by the circuit court clerk before the entry of the order. All records sealed by the Department may be disseminated by the Department only as required by this Act or to the arresting authority, a law enforcement agency, the State's Attorney, and the court upon a later arrest for the same or similar offense or for the purpose of sentencing for any subsequent felony. Upon conviction for any subsequent offense, the Department of Corrections shall have access to all expunged records of the Department pertaining to that individual. Upon entry of the order of expungement, the circuit court clerk shall promptly mail a copy of the order to the person who was granted the certificate of eligibility for expungement.

(f) Subject to available funding, the Illinois Department of Corrections shall conduct a study of the impact of sealing, especially on employment and recidivism rates, utilizing a random sample of those who apply for the sealing of their criminal records under Public Act 93-211. At the request of the Illinois Department of Corrections, records of the Illinois Department of Employment Security shall be utilized as appropriate to assist in the study. The study shall not disclose any data in a manner that would allow the identification of any particular individual or employing unit. The study shall be made available to the General Assembly no later than September 1, 2010.

(g) Immediate Sealing.

(1) Applicability. Notwithstanding any other provision of this Act to the contrary, and cumulative with any rights to expungement or sealing of criminal records, this subsection authorizes the immediate sealing of criminal records of adults and of minors prosecuted as adults.

(2) Eligible Records. Arrests or charges not initiated by arrest resulting in acquittal or dismissal with prejudice, except as excluded by subsection (a)(3)(B), that occur on or after January 1, 2018 (the effective date of Public Act 100-282), may be sealed immediately if the petition is filed with the circuit court clerk on the same day and during the same hearing in which the case is disposed.

(3) When Records are Eligible to be Immediately Sealed. Eligible records under paragraph (2) of this subsection (g) may be sealed immediately after entry of the final disposition of a case, notwithstanding the disposition of other charges in the same case.

(4) Notice of Eligibility for Immediate Sealing. Upon entry of a disposition for an eligible record under this subsection (g), the defendant shall be informed by the court of his or her right to have eligible records immediately sealed and the procedure for the immediate sealing of these records.

(5) Procedure. The following procedures apply to immediate sealing under this subsection (g).

(A) Filing the Petition. Upon entry of the final disposition of the case, the defendant's attorney may immediately petition the court, on behalf of the defendant, for immediate sealing of eligible records under paragraph (2) of this subsection (g) that are entered on or after January 1, 2018 (the effective date of Public Act 100-282). The immediate sealing petition may be filed with the circuit court clerk during the hearing in which the final disposition of the case is entered. If the defendant's attorney does not file the petition for

immediate sealing during the hearing, the defendant may file a petition for sealing at any time as authorized under subsection (c)(3)(A).

(B) Contents of Petition. The immediate sealing petition shall be verified and shall contain the petitioner's name, date of birth, current address, and for each eligible record, the case number, the date of arrest if applicable, the identity of the arresting authority if applicable, and other information as the court may require.

(C) Drug Test. The petitioner shall not be required to attach proof that he or she has passed a drug test.

(D) Service of Petition. A copy of the petition shall be served on the State's Attorney in open court. The petitioner shall not be required to serve a copy of the petition on any other agency.

(E) Entry of Order. The presiding trial judge shall enter an order granting or denying the petition for immediate sealing during the hearing in which it is filed. Petitions for immediate sealing shall be ruled on in the same hearing in which the final disposition of the case is entered.

(F) Hearings. The court shall hear the petition for immediate sealing on the same day and during the same hearing in which the disposition is rendered.

(G) Service of Order. An order to immediately seal eligible records shall be served in conformance with subsection (d)(8).

(H) Implementation of Order. An order to immediately seal records shall be implemented in conformance with subsections (d)(9)(C) and (d)(9)(D).

(I) Fees. The fee imposed by the circuit court clerk and the Department of State Police shall comply with paragraph (1) of subsection (d) of this Section.

(J) Final Order. No court order issued under this subsection (g) shall become final for purposes of appeal until 30 days after service of the order on the petitioner and all parties entitled to service of the order in conformance with subsection (d)(8).

(K) Motion to Vacate, Modify, or Reconsider. Under Section 2–1203 of the Code of Civil Procedure, the petitioner, State's Attorney, or the Department of State Police may file a motion to vacate, modify, or reconsider the order denying the petition to immediately seal within 60 days of service of the order. If filed more than 60 days after service of the order, a petition to vacate, modify, or reconsider shall comply with subsection (c) of Section 2–1401 of the Code of Civil Procedure.

(L) Effect of Order. An order granting an immediate sealing petition shall not be considered void because it fails to comply with the provisions of this Section or because of an error asserted in a motion to vacate, modify, or reconsider. The circuit court retains jurisdiction to determine whether the order is voidable, and to vacate, modify, or reconsider its terms based on a motion filed under subparagraph (L) of this subsection (g).

(M) Compliance with Order Granting Petition to Seal Records. Unless a court has entered a stay of an order granting a petition to immediately seal, all parties entitled to service of the order must fully comply with the terms of the order within 60 days of service of the order.

(h) Sealing; trafficking victims.

(1) A trafficking victim as defined by paragraph (10) of subsection (a) of Section 10–9 of the Criminal Code of 2012 shall be eligible to petition for immediate sealing of his or her criminal record upon the completion of his or her last sentence if his or her participation in the underlying offense was a direct result of human trafficking under Section 10–9 of the Criminal Code of 2012 or a severe form of trafficking under the federal Trafficking Victims Protection Act.

(2) A petitioner under this subsection (h), in addition to the requirements provided under paragraph (4) of subsection (d) of this Section, shall include in his or her petition a clear and concise statement that: (A) he or she was a victim of human trafficking at the time of the offense; and (B) that his or her participation in the offense was a direct result of human trafficking under Section 10–9 of the Criminal Code of 2012 or a severe form of trafficking under the federal Trafficking Victims Protection Act.

(3) If an objection is filed alleging that the petitioner is not entitled to immediate sealing under this subsection (h), the court shall conduct a hearing under paragraph (7) of subsection (d) of this Section and the court shall determine whether the petitioner is entitled to immediate sealing under this subsection (h). A petitioner is eligible for immediate relief under this subsection (h) if he or she shows, by a preponderance of the evidence, that: (A) he or she was a victim of human trafficking at the time of the offense; and (B) that his or her participation in the offense was a direct result of human trafficking under Section 10–9 of the Criminal Code of 2012 or a severe form of trafficking under the federal Trafficking Victims Protection Act.

(i) Minor Cannabis Offenses under the Cannabis Control Act.

(1) Expungement of Arrest Records of Minor Cannabis Offenses.

(A) The Department of State Police and all law enforcement agencies within the State shall automatically expunge all criminal history records of an arrest, charge not initiated by arrest, order of supervision, or order of qualified probation for a Minor Cannabis Offense committed prior to the effective date of this amendatory Act of the 101st General Assembly if:

(i) One year or more has elapsed since the date of the arrest or law enforcement interaction documented in the records; and
(ii) No criminal charges were filed relating to the arrest or law enforcement interaction or criminal charges were filed and subsequently dismissed or vacated or the arrestee was acquitted.

(B) If the law enforcement agency is unable to verify satisfaction of condition (ii) in paragraph (A), records that satisfy condition (i) in paragraph (A) shall be automatically expunged.

(C) Records shall be expunged pursuant to the procedures set forth in subdivision (d)(9)(A) under the following timelines:

(i) Records created prior to the effective date of this amendatory Act of the 101st General Assembly, but on or after January 1, 2013, shall be automatically expunged prior to January 1, 2021;

(ii) Records created prior to January 1, 2013, but on or after January 1, 2000, shall be automatically expunged prior to January 1, 2023;

(iii) Records created prior to January 1, 2000 shall be automatically expunged prior to January 1, 2025.

(D) Nothing in this Section shall be construed to restrict or modify an individual's right to have that individual's records expunged except as otherwise may be provided in this Act, or diminish or abrogate any rights or remedies otherwise available to the individual.

(2) Pardons Authorizing Expungement of Minor Cannabis Offenses.

(A) Upon the effective date of this amendatory Act of the 101st General Assembly, the Department of State Police shall review all criminal history record information and identify all records that meet all of the following criteria:

(i) one or more convictions for a Minor Cannabis Offense;

(ii) the conviction identified in paragraph (2)(A)(i) did not include a penalty enhancement under Section 7 of the Cannabis Control Act; and

(iii) The conviction identified in paragraph (2)(A)(i) is not associated with an arrest, conviction or other disposition for a violent crime as defined in subsection (c) of Section 3 of the Rights of Crime Victims and Witnesses Act.

(B) Within 180 days after the effective date of this amendatory Act of the 101st General Assembly, the Department of State Police shall notify the Prisoner Review Board of all such records that meet the criteria established in paragraph (2)(A).

(i) The Prisoner Review Board shall notify the State's Attorney of the county of conviction of each record identified by State Police in paragraph (2)(A) that is classified as a Class 4 felony. The State's Attorney may provide a written objection to the Prisoner Review Board on the sole basis that the record identified does not meet the criteria established in paragraph (2)(A). Such an objection must be filed within 60 days or by such later date set by Prisoner Review Board in the notice after the State's Attorney received notice from the Prisoner Review Board.

(ii) In response to a written objection from a State's Attorney, the Prisoner Review Board is authorized to conduct a non-public hearing to evaluate the information provided in the objection.

(iii) The Prisoner Review Board shall make a confidential and privileged recommendation to the Governor as to whether to grant a pardon authorizing expungement for each of the records identified by the Department of State Police as described in paragraph (2)(A).

(C) If an individual has been granted a pardon authorizing expungement as described in this Section, the Prisoner Review Board, through the Attorney General, shall file a petition for expungement with the Chief Judge of the circuit or any judge of the circuit designated by the Chief Judge where the individual had been convicted. Such petition may include more than one individual. Whenever an individual who has been convicted of an offense is granted a pardon by the Governor that specifically authorizes expungement, an objection to the petition may not be filed. Petitions to expunge under this subsection (i) may include more than one individual. Within 90 days of the filing of such a petition, the court shall enter an order expunging the records of arrest from the official records of the arresting authority and order that the records of the circuit court clerk and the Department of State Police be expunged and the name of the defendant obliterated from the official index requested to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act in connection with the arrest and conviction for the offense for which the individual had received a pardon but the order shall not affect any index issued by the circuit court clerk before the entry of the order. Upon entry of the order of expungement, the circuit court clerk shall promptly provide a copy of the order to the individual who was pardoned to the individual's last known address or otherwise make available to the individual upon request.

(D) Nothing in this Section is intended to diminish or abrogate any rights or remedies otherwise available to the individual.

(3) Any individual may file a motion to vacate and expunge a conviction for a misdemeanor or Class 4 felony violation of Section 4 or Section 5 of the Cannabis Control Act. Motions to vacate and expunge under this subsection (i) may be filed with the circuit court, Chief Judge of a judicial circuit or any judge of the circuit designated by the Chief Judge. When considering such a motion to vacate and expunge, a court shall consider the following: the reasons to retain the records provided by law enforcement, the petitioner's age, the petitioner's age at the time of offense, the time since the conviction, and the specific adverse consequences if denied. An individual may file such a petition after the completion of any sentence or condition imposed by the conviction. Within 60 days of the filing of such motion, a State's Attorney may file an objection to such a petition along with supporting evidence. If a motion to vacate and expunge is granted, the records shall be expunged in accordance with subparagraph (d)(9)(A) of this Section. An agency providing civil legal aid, as defined by Section 15 of the Public Interest Attorney Assistance Act, assisting individuals seeking to file a motion to vacate and expunge under this subsection may file motions to vacate and expunge with the Chief Judge of a judicial circuit or any judge of the circuit designated by the Chief Judge, and the motion may include more than one individual.

(4) Any State's Attorney may file a motion to vacate and expunge a conviction for a misdemeanor or Class 4 felony violation of Section 4 or Section 5 of the Cannabis Control Act. Motions to vacate and expunge under this subsection (i) may be filed with the circuit court, Chief Judge of a judicial circuit or any judge of the circuit designated by the Chief Judge, and may include more than one individual. When considering such a motion to vacate and expunge, a court shall consider the following: the reasons to retain the records provided by law enforcement, the individual's age, the individual's age at the time of offense, the time since the conviction, and the specific adverse consequences if denied. If the State's Attorney files a motion to vacate and expunge records for Minor Cannabis Offenses pursuant to this Section, the State's Attorney shall notify the Prisoner Review Board within 30 days of such filing. If a motion to vacate and expunge is granted, the records shall be expunged in accordance with subparagraph (d)(9)(A) of this Section.

(5) In the public interest, the State's Attorney of a county has standing to file motions to vacate and expunge pursuant to this Section in the circuit court with jurisdiction over the underlying conviction.

(6) If a person is arrested for a Minor Cannabis Offense as defined in this Section before the effective date of this amendatory Act of the 101st General Assembly and the person's case is still pending but a sentence has not been imposed, the person may

petition the court in which the charges are pending for an order to summarily dismiss those charges against him or her, and expunge all official records of his or her arrest, plea, trial, conviction, incarceration, supervision, or expungement. If the court determines, upon review, that: (A) the person was arrested before the effective date of this amendatory Act of the 101st General Assembly for an offense that has been made eligible for expungement; (B) the case is pending at the time; and (C) the person has not been sentenced of the minor cannabis violation eligible for expungement under this subsection, the court shall consider the following: the reasons to retain the records provided by law enforcement, the petitioner's age, the petitioner's age at the time of offense, the time since the conviction, and the specific adverse consequences if denied. If a motion to dismiss and expunge is granted, the records shall be expunged in accordance with subparagraph (d)(9)(A) of this Section.

(7) A person imprisoned solely as a result of one or more convictions for Minor Cannabis Offenses under this subsection (i) shall be released from incarceration upon the issuance of an order under this subsection.

(8) The Department of State Police shall allow a person to use the access and review process, established in the Department of State Police, for verifying that his or her records relating to Minor Cannabis Offenses of the Cannabis Control Act eligible under this Section have been expunged.

(9) No conviction vacated pursuant to this Section shall serve as the basis for damages for time unjustly served as provided in the Court of Claims Act.

(10) Effect of Expungement. A person's right to expunge an expungeable offense shall not be limited under this Section. The effect of an order of expungement shall be to restore the person to the status he or she occupied before the arrest, charge, or conviction.

(11) Information. The Department of State Police shall post general information on its website about the expungement process described in this subsection (i).

(Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385, eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16; 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff. 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692, eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18; 100-863, eff. 8-14-18; revised 8-30-18.)

Section 900-15. The State Finance Act is amended by adding Sections 5.891, 5.892, 5.893, 5.894, and 6z-107 as follows:

[S.H.A. 30 ILCS 105/5.891] (30 ILCS 105/5.891 new)
§ 5.891. The Cannabis Regulation Fund.

[S.H.A. 30 ILCS 105/5.892] (30 ILCS 105/5.892 new)
§ 5.892. The Cannabis Business Development Fund.

[S.H.A. 30 ILCS 105/5.893] (30 ILCS 105/5.893 new)
§ 5.893. Local Cannabis Consumer Excise Tax Trust Fund.

[S.H.A. 30 ILCS 105/5.894] (30 ILCS 105/5.894 new)
§ 5.894. Cannabis Expungement Fund.

[S.H.A. 30 ILCS 105/6z-107] (30 ILCS 105/6z-107 new)
§ 6z-107. The Cannabis Regulation Fund.

(a) There is created the Cannabis Regulation Fund in the State treasury, subject to appropriations unless otherwise provided in this Section. All moneys collected under the Cannabis Regulation and Tax Act shall be deposited into the Cannabis Regulation Fund, consisting of taxes, license fees, other fees, and any other amounts required to be deposited or transferred into the Fund.

(b) Whenever the Department of Revenue determines that a refund should be made under the Cannabis Regulation and Tax Act to a claimant, the Department of Revenue shall submit a voucher for payment to the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department of Revenue. This subsection (b) shall constitute an irrevocable and continuing appropriation of all amounts necessary for the payment of refunds out of the Fund as authorized under this subsection (b).

(c) On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the State Comptroller the transfer and allocations of stated sums of money from the Cannabis Regulation Fund to other named funds in the State treasury. The amount subject to transfer shall be the amount of the taxes, license fees, other fees, and any other amounts paid into the Fund during the second preceding calendar month, minus the refunds made under subsection (b) during the second preceding calendar month by the Department. The transfers shall be certified as follows:

(1) The Department of Revenue shall first determine the allocations which shall remain in the Cannabis Regulation Fund, subject to appropriations, to pay for the direct and indirect costs associated with the implementation, administration, and enforcement of the Cannabis Regulation and Tax Act by the Department of Revenue, the Department of State Police, the Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Public Health, the Department of Commerce and Economic Opportunity, and the Illinois Criminal Justice Information Authority.

(2) After the allocations have been made as provided in paragraph (1) of this subsection (c), of the remainder of the amount subject to transfer for the month as determined in this subsection (c), the Department shall certify the transfer into the Cannabis Expungement Fund 1/12 of the fiscal year amount appropriated from the Cannabis Expungement Fund for payment of costs incurred by State courts, the Attorney General, State's Attorneys, civil legal aid, as defined by Section 15 of the Public Interest Attorney Assistance Act, and the Department of State Police to facilitate petitions for expungement of Minor Cannabis Offenses pursuant to this amendatory Act of the 101st General Assembly, as adjusted by any supplemental appropriation, plus cumulative deficiencies in such transfers for prior months.

(3) After the allocations have been made as provided in paragraphs (1) and (2) of this subsection (c), the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer the amounts that the Department of Revenue determines shall be transferred into the following named funds according to the following:

(A) 2% shall be transferred to the Drug Treatment Fund to be used by the Department of Human Services for: (i) developing and administering a scientifically and medically accurate public education campaign educating youth and adults about the health and safety risks of alcohol, tobacco, illegal drug use (including prescription drugs), and cannabis, including use by pregnant women; and (ii) data collection and analysis of the public health impacts of legalizing the recreational use of cannabis. Expenditures for these purposes shall be subject to appropriations.

(B) 8% shall be transferred to the Local Government Distributive Fund and allocated as provided in Section 2 of the State Revenue Sharing Act. The moneys shall be used to fund crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.

(C) 25% shall be transferred to the Criminal Justice Information Projects Fund to be used for the purposes of the Restore, Reinvest, and Renew Program to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid, as defined by Section 15 of the Public Interest Attorney Assistance Act. The Restore, Reinvest, and Renew Program shall address these issues through targeted investments and intervention programs and promotion of an employment infrastructure and capacity building related to the social determinants of health in impacted community areas. Expenditures for these purposes shall be subject to appropriations.

(D) 20% shall be transferred to the Department of Human Services Community Services Fund, to be used to address substance abuse and prevention and mental health concerns, including treatment, education, and prevention to address the negative impacts of substance abuse and mental health issues, including concentrated poverty, violence, and the historical overuse of criminal justice responses in certain communities, on the individual, family, and community, including federal, State, and local governments, health care institutions and providers, and correctional facilities. Expenditures for these purposes shall be subject to appropriations.

(E) 10% shall be transferred to the Budget Stabilization Fund.

(F) 35%, or any remaining balance, shall be transferred to the General Revenue Fund.

As soon as may be practical, but no later than 10 days after receipt, by the State Comptroller of the transfer certification provided for in this subsection (c) to be given to the State Comptroller by the Department of Revenue, the State Comptroller shall direct and the State Treasurer shall transfer the respective amounts in accordance with the directions contained in such certification.

(d) On July 1, 2019 the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer \$5,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Regulation Fund.

(e) Notwithstanding any other law to the contrary and except as otherwise provided in this Section, this Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from this Fund into any other fund of the State.

(f) The Cannabis Regulation Fund shall retain a balance of \$1,000,000 for the purposes of administrative costs.

(g) In Fiscal Year 2024 the allocations in subsection (c) of this Section shall be reviewed and adjusted if the General Assembly finds there is a greater need for funding for a specific purpose in the State as it relates to this amendatory Act of the 101st General Assembly.

Section 900–15.5. The Illinois Procurement Code is amended by changing Section 1–10 as follows:

[S.H.A. 30 ILCS 500/1–10] (30 ILCS 500/1–10)

§ 1–10. Application.

(a) This Code applies only to procurements for which bidders, offerors, potential contractors, or contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

- (1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies, except as specifically provided in this Code.
- (2) Grants, except for the filing requirements of Section 20–80.
- (3) Purchase of care, except as provided in Section 5–30.6 of the Illinois Public Aid Code and this Section.
- (4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.
- (5) Collective bargaining contracts.
- (6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 10 calendar days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.
- (7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.
- (8) (Blank).
- (9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.
- (10) (Blank).
- (11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public–Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public–Private Partnerships for Transportation Act.
- (12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5–30, 20–160, 50–13, 50–20, 50–35, and 50–37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.
- (13) Contracts for services, commodities, and equipment to support the delivery of timely forensic science services in consultation with and subject to the approval of the Chief Procurement Officer as provided in subsection (d) of Section 5–4–3a of the Unified Code of Corrections, except for the requirements of Sections 20–60, 20–65, 20–70, and 20–160 and Article 50 of this Code; however, the Chief Procurement Officer may, in writing with justification, waive any certification required under Article 50 of this Code. For any

contracts for services which are currently provided by members of a collective bargaining agreement, the applicable terms of the collective bargaining agreement concerning subcontracting shall be followed.

On and after January 1, 2019, this paragraph (13), except for this sentence, is inoperative.

(14) Contracts for participation expenditures required by a domestic or international trade show or exhibition of an exhibitor, member, or sponsor.

(15) Contracts with a railroad or utility that requires the State to reimburse the railroad or utilities for the relocation of utilities for construction or other public purpose. Contracts included within this paragraph (15) shall include, but not be limited to, those associated with: relocations, crossings, installations, and maintenance. For the purposes of this paragraph (15), "railroad" means any form of non-highway ground transportation that runs on rails or electromagnetic guideways and "utility" means: (1) public utilities as defined in Section 3-105 of the Public Utilities Act, (2) telecommunications carriers as defined in Section 13-202 of the Public Utilities Act, (3) electric cooperatives as defined in Section 3.4 of the Electric Supplier Act, (4) telephone or telecommunications cooperatives as defined in Section 13-212 of the Public Utilities Act, (5) rural water or waste water systems with 10,000 connections or less, (6) a holder as defined in Section 21-201 of the Public Utilities Act, and (7) municipalities owning or operating utility systems consisting of public utilities as that term is defined in Section 11-117-2 of the Illinois Municipal Code.

(16) Procurement expenditures necessary for the Department of Public Health to provide the delivery of timely newborn screening services in accordance with the Newborn Metabolic Screening Act.

(17) Procurement expenditures necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, and the Department of Public Health to implement the Compassionate Use of Medical Cannabis Pilot Program and Opioid Alternative Pilot Program requirements and ensure access to medical cannabis for patients with debilitating medical conditions in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act.

Deleted: (16)

(18) This Code does not apply to any procurements necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, the Department of Commerce and Economic Opportunity, and the Department of Public Health to implement the Cannabis Regulation and Tax Act if the applicable agency has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption and if the process is conducted in a manner substantially in accordance with the requirements of Sections 20-160, 25-60, 30-22, 50-5, 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35, 50-36, 50-37, 50-38, and 50-50 of this Code; however, for Section 50-35, compliance applies only to contracts or subcontracts over \$100,000. Notice of each contract entered into under this paragraph (18) that is related to the procurement of goods and services identified in paragraph (1) through (9) of this subsection shall be published in the Procurement Bulletin within 14 calendar days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice. Each agency shall provide the Chief Procurement Officer, on a monthly basis, in the form and content prescribed by the Chief Procurement Officer, a report of contracts that are related to the procurement of goods and services identified in this subsection. At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to this Code utilized. A copy of any or all of these contracts shall be made available to the Chief Procurement Officer immediately upon request. The Chief Procurement Officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that includes, at a minimum, an annual summary of the monthly information reported to the Chief Procurement Officer. This exemption becomes inoperative 5 years after the effective date of this amendatory Act of the 101st General Assembly.

Notwithstanding any other provision of law, for contracts entered into on or after October 1, 2017 under an exemption provided in any paragraph of this subsection (b), except paragraph (1), (2), or (5), each State agency shall post to the appropriate procurement bulletin the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) (Blank).

(g) (Blank).

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(j) This Code does not apply to the process used by the Capital Development Board to retain an artist or work or works of art as required in Section 14 of the Capital Development Board Act.

(k) This Code does not apply to the process to procure contracts, or contracts entered into, by the State Board of Elections or the State Electoral Board for hearing officers appointed pursuant to the Election Code.

(l) This Code does not apply to the processes used by the Illinois Student Assistance Commission to procure supplies and services paid for from the private funds of the Illinois Prepaid Tuition Fund. As used in this subsection (l), "private funds" means funds derived from deposits paid into the Illinois Prepaid Tuition Trust Fund and the earnings thereon.

(Source: P.A. 99-801, eff. 1-1-17; 100-43, eff. 8-9-17; 100-580, eff. 3-12-18; 100-757, eff. 8-10-18; 100-1114, eff. 8-28-18; revised 10-18-18.)

Section 900-16. The Use Tax Act is amended by changing Section 9 as follows:

[S.H.A. 35 ILCS 105/9] (35 ILCS 105/9) (from Ch. 120, par. 439.9)

§ 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction

by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Notwithstanding any other provision of this Act to the contrary, retailers subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more

during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis. If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference. If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year. If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year. Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns. Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3–55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, “watercraft” means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3–2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5–402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5–402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasoline. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%. Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified

Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act. Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000

2030
2031
2032
and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2. of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

338,000,000
350,000,000
350,000,000

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 900-17. The Service Use Tax Act is amended by changing Section 9 as follows:

[S.H.A. 35 ILCS 110/9] (35 ILCS 110/9) (from Ch. 120, par. 439.39)

§ 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement. The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Notwithstanding any other provision of this Act to the contrary, servicemen subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the

Department, for the immediately preceding calendar year. The term “average monthly tax liability” means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505–210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the “average monthly deficit” shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000

2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	
each fiscal year	
thereafter that bonds	
are outstanding under	
Section 13.2. of the	
Metropolitan Pier and	
Exposition Authority Act,	
but not after fiscal year 2060.	

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of

80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 900-18. The Service Occupation Tax Act is amended by changing Section 9 as follows:

[S.H.A. 35 ILCS 115/9] (35 ILCS 115/9) (from Ch. 120, par. 439.109)

§ 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement. The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Notwithstanding any other provision of this Act to the contrary, servicemen subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3–70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3–70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3–70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505–210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000

2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	
each fiscal year	
thereafter that bonds	
are outstanding under	
Section 13.2. of the	
Metropolitan Pier and	
Exposition Authority Act,	
but not after fiscal year 2060.	

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax

Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice.

Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 900-19. The Retailers' Occupation Tax Act is amended by changing Section 3 as follows:

[S.H.A. 35 ILCS 120/3] (35 ILCS 120/3) (from Ch. 120, par. 442)

§ 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;

3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Notwithstanding any other provision of this Act to the contrary, retailers subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar

quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1,

2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the “average monthly deficit” shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the “Tax Acts” and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the “Tax Act Amount”, and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the “Annual Specified Amount” means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts

to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	
each fiscal year	
thereafter that bonds	
are outstanding under	
Section 13.2. of the	
Metropolitan Pier and	
Exposition Authority Act,	
but not after fiscal year 2060.	

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax

accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

[S.H.A. 35 ILCS 520/Act rep.] (35 ILCS 520/Act rep.)

Section 900-20. The Cannabis and Controlled Substances Tax Act is repealed.

Section 900-22. The Illinois Police Training Act is amended by changing Sections 9 and 10.12 as follows:

[S.H.A. 50 ILCS 705/9] (50 ILCS 705/9) (from Ch. 85, par. 509)

(Text of Section before amendment by P.A. 100-987)

§ 9. A special fund is hereby established in the State Treasury to be known as the Traffic and Criminal Conviction Surcharge Fund and shall be financed as provided in Section 9.1 of this Act and Section 5-9-1 of the Unified Code of Corrections, unless the fines, costs, or additional amounts imposed are subject to disbursement by the circuit clerk under Section 27.5 of the Clerks of Courts Act. Moneys in this Fund shall be expended as follows:

- (1) a portion of the total amount deposited in the Fund may be used, as appropriated by the General Assembly, for the ordinary and contingent expenses of the Illinois Law Enforcement Training Standards Board;
- (2) a portion of the total amount deposited in the Fund shall be appropriated for the reimbursement of local governmental agencies participating in training programs certified by the Board, in an amount equaling 1/2 of the total sum paid by such agencies during the State's previous fiscal year for mandated training for probationary police officers or probationary county corrections officers and for optional advanced and specialized law enforcement or county corrections training; these reimbursements may include the costs for tuition at training schools, the salaries of trainees while in schools, and the necessary travel and room and board expenses for each trainee; if the appropriations under this paragraph (2) are not sufficient to fully reimburse the participating local governmental agencies, the available funds shall be apportioned among such agencies, with priority first given to repayment of the costs of mandatory training given to law enforcement officer or county corrections officer recruits, then to repayment of costs of advanced or specialized training for permanent police officers or permanent county corrections officers;
- (3) a portion of the total amount deposited in the Fund may be used to fund the Intergovernmental Law Enforcement Officer's In-Service Training Act, veto overridden October 29, 1981, as now or hereafter amended, at a rate and method to be determined by the board;
- (4) a portion of the Fund also may be used by the Illinois Department of State Police for expenses incurred in the training of employees from any State, county or municipal agency whose function includes enforcement of criminal or traffic law;
- (5) a portion of the Fund may be used by the Board to fund grant-in-aid programs and services for the training of employees from any county or municipal agency whose functions include corrections or the enforcement of criminal or traffic law;
- (6) for fiscal years 2013 through 2017 only, a portion of the Fund also may be used by the Department of State Police to finance any of its lawful purposes or functions;
- (7) a portion of the Fund may be used by the Board, subject to appropriation, to administer grants to local law enforcement agencies for the purpose of purchasing bulletproof vests under the Law Enforcement Officer Bulletproof Vest Act; **and,**
- (8) a portion of the Fund may be used by the Board to create a law enforcement grant program available for units of local government to fund crime prevention programs, training, and interdiction efforts, including enforcement and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.**

All payments from the Traffic and Criminal Conviction Surcharge Fund shall be made each year from moneys appropriated for the purposes specified in this Section. No more than 50% of any appropriation under this Act shall be spent in any city having a

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population of more than 500,000. The State Comptroller and the State Treasurer shall from time to time, at the direction of the Governor, transfer from the Traffic and Criminal Conviction Surcharge Fund to the General Revenue Fund in the State Treasury such amounts as the Governor determines are in excess of the amounts required to meet the obligations of the Traffic and Criminal Conviction Surcharge Fund.

(Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff. 6-30-16.)

<< IL ST CH 50 § 705/9 >>

(Text of Section after amendment by P.A. 100-987)

§ 9. A special fund is hereby established in the State Treasury to be known as the Traffic and Criminal Conviction Surcharge Fund. Moneys in this Fund shall be expended as follows:

- (1) a portion of the total amount deposited in the Fund may be used, as appropriated by the General Assembly, for the ordinary and contingent expenses of the Illinois Law Enforcement Training Standards Board;
 - (2) a portion of the total amount deposited in the Fund shall be appropriated for the reimbursement of local governmental agencies participating in training programs certified by the Board, in an amount equaling 1/2 of the total sum paid by such agencies during the State's previous fiscal year for mandated training for probationary police officers or probationary county corrections officers and for optional advanced and specialized law enforcement or county corrections training; these reimbursements may include the costs for tuition at training schools, the salaries of trainees while in schools, and the necessary travel and room and board expenses for each trainee; if the appropriations under this paragraph (2) are not sufficient to fully reimburse the participating local governmental agencies, the available funds shall be apportioned among such agencies, with priority first given to repayment of the costs of mandatory training given to law enforcement officer or county corrections officer recruits, then to repayment of costs of advanced or specialized training for permanent police officers or permanent county corrections officers;
 - (3) a portion of the total amount deposited in the Fund may be used to fund the Intergovernmental Law Enforcement Officer's In-Service Training Act, veto overridden October 29, 1981, as now or hereafter amended, at a rate and method to be determined by the board;
 - (4) a portion of the Fund also may be used by the Illinois Department of State Police for expenses incurred in the training of employees from any State, county or municipal agency whose function includes enforcement of criminal or traffic law;
 - (5) a portion of the Fund may be used by the Board to fund grant-in-aid programs and services for the training of employees from any county or municipal agency whose functions include corrections or the enforcement of criminal or traffic law;
 - (6) for fiscal years 2013 through 2017 only, a portion of the Fund also may be used by the Department of State Police to finance any of its lawful purposes or functions;
 - (7) a portion of the Fund may be used by the Board, subject to appropriation, to administer grants to local law enforcement agencies for the purpose of purchasing bulletproof vests under the Law Enforcement Officer Bulletproof Vest Act; **and,**
 - (8) a portion of the Fund may be used by the Board to create a law enforcement grant program available for units of local government to fund crime prevention programs, training, and interdiction efforts, including enforcement and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.**
- All payments from the Traffic and Criminal Conviction Surcharge Fund shall be made each year from moneys appropriated for the purposes specified in this Section. No more than 50% of any appropriation under this Act shall be spent in any city having a population of more than 500,000. The State Comptroller and the State Treasurer shall from time to time, at the direction of the Governor, transfer from the Traffic and Criminal Conviction Surcharge Fund to the General Revenue Fund in the State Treasury such amounts as the Governor determines are in excess of the amounts required to meet the obligations of the Traffic and Criminal Conviction Surcharge Fund.
- (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16; 100-987, eff. 7-1-19.)

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[S.H.A. 50 ILCS 705/10.12] (50 ILCS 705/10.12)

§ 10.12. Police dog training standards. **All** police dogs used by State and local law enforcement agencies for drug enforcement purposes pursuant to the Cannabis Control Act, the Illinois Controlled Substances Act, **or** the Methamphetamine Control and Community Protection Act, shall be trained by programs that meet the minimum certification requirements set by the Board.

(Source: P.A. 97-469, eff. 7-1-12.)

Section 900-25. The Counties Code is amended by adding Section 5-1006.8 and changing Section 5-1009 as follows:

Deleted: Beginning July 1, 2012, all

Deleted: (720 ILCS 550/)

Deleted: (720 ILCS 570/)

Deleted: and

Deleted: (720 ILCS 646/)

[S.H.A. 55 ILCS 5/5-1006.8] (55 ILCS 5/5-1006.8 new)

§ 5-1006.8. County Cannabis Retailers' Occupation Tax Law.

(a) This Section may be referred to as the County Cannabis Retailers' Occupation Tax Law. On and after January 1, 2020, the corporate authorities of any county may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the county on the gross receipts from these sales made in the course of that business. If imposed, the tax shall be imposed only in 0.25% increments. The tax rate may not exceed: (i) 3.75% of the gross receipts of sales made in unincorporated areas of the county and (ii) 0.75% of the gross receipts of sales made in a municipality located in a non-home rule county; and (iii) 3% of gross sales receipts made in a municipality located in a home rule county. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department of Revenue shall have full power to administer and enforce this Section; to collect all taxes and penalties due

hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of and compliance with this Section, the Department of Revenue and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d, 8, 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth in this Section.

(b) Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

(c) Whenever the Department of Revenue determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department of Revenue shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department of Revenue.

(d) The Department of Revenue shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Local Cannabis Consumer Excise Tax Trust Fund.

(e) On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller the amount of money to be disbursed from the Local Cannabis Consumer Excise Tax Trust Fund to counties from which retailers have paid taxes or penalties under this Section during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected under this Section from sales made in the county during the second preceding calendar month, plus an amount the Department of Revenue determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

(f) An ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing.

[S.H.A. 55 ILCS 5/5-1009] (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

§ 5-1009. Limitation on home rule powers. Except as provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1007 and 5-1008, on and after September 1, 1990, no home rule county has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of cigarettes or tobacco products; (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule county from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility. This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax.

(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

Section 900-30. The Illinois Municipal Code is amended by changing Section 8-11-6a and adding Section 8-11-22 as follows:

[S.H.A. 65 ILCS 5/8-11-6a] (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

§ 8-11-6a. Home rule municipalities; preemption of certain taxes. Except as provided in Sections 8-11-1, 8-11-5, 8-11-6, 8-11-6b, 8-11-6c, 8-11-22, and 11-74.3-6 on and after September 1, 1990, no home rule municipality has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of

cigarettes or tobacco products (provided, however, that a home rule municipality that has not imposed a tax based on the number of units of cigarettes or tobacco products before July 1, 1993, shall not impose such a tax after that date); (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule municipality with a population of more than 2,000,000 from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility. This Section is not intended to affect any existing tax on food and beverages prepared for immediate consumption on the premises where the sale occurs, or any existing tax on alcoholic beverages, or any existing tax imposed on the charge for renting a hotel or motel room, which was in effect January 15, 1988, or any extension of the effective date of such an existing tax by ordinance of the municipality imposing the tax, which extension is hereby authorized, in any non-home rule municipality in which the imposition of such a tax has been upheld by judicial determination, nor is this Section intended to preempt the authority granted by Public Act 85-1006. This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax.
(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

[S.H.A. 65 ILCS 5/8-11-22] (65 ILCS 5/8-11-22 new)

§ 8-11-22. Municipal Cannabis Retailers' Occupation Tax Law.

(a) This Section may be referred to as the Municipal Cannabis Retailers' Occupation Tax Law. On and after January 1, 2020, the corporate authorities of any municipality may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the municipality on the gross receipts from these sales made in the course of that business. If imposed, the tax may not exceed 3% of the gross receipts from these sales and shall only be imposed in 1/4% increments. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department of Revenue shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

(b) Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

(c) Whenever the Department of Revenue determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department of Revenue shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department of Revenue.

(d) The Department of Revenue shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Cannabis Regulation Fund.

(e) On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller the amount of money to be disbursed from the Local Cannabis Consumer Excise Tax Trust Fund to municipalities from which retailers have paid taxes or penalties under this Section during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected under this Section from sales made in the municipality during the second preceding calendar month, plus an amount the Department of Revenue determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and

Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

(f) An ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing.

Section 900–32. The Illinois Banking Act is amended by changing Section 48 as follows:

[S.H.A. 205 ILCS 5/48] (205 ILCS 5/48)

§ 48. Secretary's powers; duties. The Secretary shall have the powers and authority, and is charged with the duties and responsibilities designated in this Act, and a State bank shall not be subject to any other visitatorial power other than as authorized by this Act, except those vested in the courts, or upon prior consultation with the Secretary, a foreign bank regulator with an appropriate supervisory interest in the parent or affiliate of a state bank. In the performance of the Secretary's duties:

(1) The Commissioner shall call for statements from all State banks as provided in Section 47 at least one time during each calendar quarter.

(2)(a) The Commissioner, as often as the Commissioner shall deem necessary or proper, and no less frequently than 18 months following the preceding examination, shall appoint a suitable person or persons to make an examination of the affairs of every State bank, except that for every eligible State bank, as defined by regulation, the Commissioner in lieu of the examination may accept on an alternating basis the examination made by the eligible State bank's appropriate federal banking agency pursuant to Section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991, provided the appropriate federal banking agency has made such an examination. A person so appointed shall not be a stockholder or officer or employee of any bank which that person may be directed to examine, and shall have powers to make a thorough examination into all the affairs of the bank and in so doing to examine any of the officers or agents or employees thereof on oath and shall make a full and detailed report of the condition of the bank to the Commissioner. In making the examination the examiners shall include an examination of the affairs of all the affiliates of the bank, as defined in subsection (b) of Section 35.2 of this Act, or subsidiaries of the bank as shall be necessary to disclose fully the conditions of the subsidiaries or affiliates, the relations between the bank and the subsidiaries or affiliates and the effect of those relations upon the affairs of the bank, and in connection therewith shall have power to examine any of the officers, directors, agents, or employees of the subsidiaries or affiliates on oath. After May 31, 1997, the Commissioner may enter into cooperative agreements with state regulatory authorities of other states to provide for examination of State bank branches in those states, and the Commissioner may accept reports of examinations of State bank branches from those state regulatory authorities. These cooperative agreements may set forth the manner in which the other state regulatory authorities may be compensated for examinations prepared for and submitted to the Commissioner.

(b) After May 31, 1997, the Commissioner is authorized to examine, as often as the Commissioner shall deem necessary or proper, branches of out-of-state banks. The Commissioner may establish and may assess fees to be paid to the Commissioner for examinations under this subsection (b). The fees shall be borne by the out-of-state bank, unless the fees are borne by the state regulatory authority that chartered the out-of-state bank, as determined by a cooperative agreement between the Commissioner and the state regulatory authority that chartered the out-of-state bank.

(2.1) Pursuant to paragraph (a) of subsection (6) of this Section, the Secretary shall adopt rules that ensure consistency and due process in the examination process. The Secretary may also establish guidelines that (i) define the scope of the examination process and (ii) clarify examination items to be resolved. The rules, formal guidance, interpretive letters, or opinions furnished to State banks by the Secretary may be relied upon by the State banks.

(2.5) Whenever any State bank, any subsidiary or affiliate of a State bank, or after May 31, 1997, any branch of an out-of-state bank causes to be performed, by contract or otherwise, any bank services for itself, whether on or off its premises:

(a) that performance shall be subject to examination by the Commissioner to the same extent as if services were being performed by the bank or, after May 31, 1997, branch of the out-of-state bank itself on its own premises; and

(b) the bank or, after May 31, 1997, branch of the out-of-state bank shall notify the Commissioner of the existence of a service relationship. The notification shall be submitted with the first statement of condition (as required by Section 47 of this Act) due after the making of the service contract or the performance of the service, whichever occurs first. The Commissioner shall be notified of each subsequent contract in the same manner.

For purposes of this subsection (2.5), the term "bank services" means services such as sorting and posting of checks and deposits, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or any other clerical, bookkeeping, accounting, statistical, or similar functions performed for a State bank, including but not limited to electronic data processing related to those bank services.

(3) The expense of administering this Act, including the expense of the examinations of State banks as provided in this Act, shall to the extent of the amounts resulting from the fees provided for in paragraphs (a), (a–2), and (b) of this subsection (3) be assessed against and borne by the State banks:

(a) Each bank shall pay to the Secretary a Call Report Fee which shall be paid in quarterly installments equal to one-fourth of the sum of the annual fixed fee of \$800, plus a variable fee based on the assets shown on the quarterly statement of condition delivered to the Secretary in accordance with Section 47 for the preceding quarter according to the following schedule: 16¢ per \$1,000 of the first \$5,000,000 of total assets, 15¢ per \$1,000 of the next \$20,000,000 of total assets, 13¢ per \$1,000 of the next \$75,000,000 of total assets, 9¢ per \$1,000 of the next \$400,000,000 of total assets, 7¢ per \$1,000 of the next \$500,000,000 of total assets, and 5¢ per \$1,000 of all assets in excess of \$1,000,000,000, of the State bank. The Call Report Fee shall be calculated by the Secretary and billed to the banks for remittance at the time of the quarterly statements of condition provided for in Section 47. The Secretary may require payment of the fees provided in this Section by an electronic transfer of funds or an automatic debit of an account of each of the State banks. In case more than one examination of any bank is deemed by the Secretary to be necessary in any examination frequency cycle specified in subsection 2(a) of this Section, and is performed at his direction, the Secretary may assess a reasonable additional fee to recover the cost of the additional examination. In lieu of the method and amounts set forth in this paragraph (a) for the calculation of the Call Report Fee, the Secretary may specify by rule that the Call Report Fees provided by this Section may be assessed semiannually or some other period and may provide in the rule the formula to be used for calculating and assessing the periodic Call Report Fees to be paid by State banks.

(a-1) If in the opinion of the Commissioner an emergency exists or appears likely, the Commissioner may assign an examiner or examiners to monitor the affairs of a State bank with whatever frequency he deems appropriate, including but not limited to a daily basis. The reasonable and necessary expenses of the Commissioner during the period of the monitoring shall be borne by the subject bank. The Commissioner shall furnish the State bank a statement of time and expenses if requested to do so within 30 days of the conclusion of the monitoring period.

(a-2) On and after January 1, 1990, the reasonable and necessary expenses of the Commissioner during examination of the performance of electronic data processing services under subsection (2.5) shall be borne by the banks for which the services are provided. An amount, based upon a fee structure prescribed by the Commissioner, shall be paid by the banks or, after May 31, 1997, branches of out-of-state banks receiving the electronic data processing services along with the Call Report Fee assessed under paragraph (a) of this subsection (3).

(a-3) After May 31, 1997, the reasonable and necessary expenses of the Commissioner during examination of the performance of electronic data processing services under subsection (2.5) at or on behalf of branches of out-of-state banks shall be borne by the out-of-state banks, unless those expenses are borne by the state regulatory authorities that chartered the out-of-state banks, as determined by cooperative agreements between the Commissioner and the state regulatory authorities that chartered the out-of-state banks.

(b) "Fiscal year" for purposes of this Section 48 is defined as a period beginning July 1 of any year and ending June 30 of the next year. The Commissioner shall receive for each fiscal year, commencing with the fiscal year ending June 30, 1987, a contingent fee equal to the lesser of the aggregate of the fees paid by all State banks under paragraph (a) of subsection (3) for that year, or the amount, if any, whereby the aggregate of the administration expenses, as defined in paragraph (c), for that fiscal year exceeds the sum of the aggregate of the fees payable by all State banks for that year under paragraph (a) of subsection (3), plus any amounts transferred into the Bank and Trust Company Fund from the State Pensions Fund for that year, plus all other amounts collected by the Commissioner for that year under any other provision of this Act, plus the aggregate of all fees collected for that year by the Commissioner under the Corporate Fiduciary Act, excluding the receivership fees provided for in Section 5-10 of the Corporate Fiduciary Act, and the Foreign Banking Office Act. The aggregate amount of the contingent fee thus arrived at for any fiscal year shall be apportioned amongst, assessed upon, and paid by the State banks and foreign banking corporations, respectively, in the same proportion that the fee of each under paragraph (a) of subsection (3), respectively, for that year bears to the aggregate for that year of the fees collected under paragraph (a) of subsection (3). The aggregate amount of the contingent fee, and the portion thereof to be assessed upon each State bank and foreign banking corporation, respectively, shall be determined by the Commissioner and shall be paid by each, respectively, within 120 days of the close of the period for which the contingent fee is computed and is payable, and the Commissioner shall give 20 days' advance notice of the amount of the contingent fee payable by the State bank and of the date fixed by the Commissioner for payment of the fee.

(c) The "administration expenses" for any fiscal year shall mean the ordinary and contingent expenses for that year incident to making the examinations provided for by, and for otherwise administering, this Act, the Corporate Fiduciary Act, excluding the expenses paid from the Corporate Fiduciary Receivership account in the Bank and Trust Company Fund, the Foreign Banking Office Act, the Electronic Fund Transfer Act, and the Illinois Bank Examiners' Education Foundation Act, including all salaries and other compensation paid for personal services rendered for the State by officers or employees of the State, including the Commissioner and the Deputy Commissioners, communication equipment and services, office furnishings, surety bond premiums, and travel expenses of those officers and employees, employees, expenditures or charges for the acquisition, enlargement or improvement of, or for the use of, any office space, building, or structure, or expenditures for the maintenance thereof or for furnishing heat, light, or power with respect thereto, all to the extent that those expenditures are directly incidental to such examinations or administration. The Commissioner shall not be required by paragraphs (c) or (d-1) of this subsection (3) to maintain in any fiscal year's budget appropriated reserves for accrued vacation and accrued sick leave that is required to be paid to employees of the Commissioner upon termination of their service with the Commissioner in an amount that is more than is reasonably anticipated to be necessary for any anticipated turnover in employees, whether due to normal attrition or due to layoffs, terminations, or resignations.

(d) The aggregate of all fees collected by the Secretary under this Act, the Corporate Fiduciary Act, or the Foreign Banking Office Act on and after July 1, 1979, shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the State treasury and shall be set apart in a special fund to be known as the "Bank and Trust Company Fund", except as provided in paragraph (c) of subsection (11) of this Section. All earnings received from investments of funds in the Bank and Trust Company Fund shall be deposited in the Bank and Trust Company Fund and may be used for the same purposes as fees deposited in that Fund. The amount

from time to time deposited into the Bank and Trust Company Fund shall be used: (i) to offset the ordinary administrative expenses of the Secretary as defined in this Section or (ii) as a credit against fees under paragraph (d-1) of this subsection (3). Nothing in this amendatory Act of 1979 shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance premiums of State officers by appropriations from the General Revenue Fund. However, the General Revenue Fund shall be reimbursed for those payments made on and after July 1, 1979, by an annual transfer of funds from the Bank and Trust Company Fund. Moneys in the Bank and Trust Company Fund may be transferred to the Professions Indirect Cost Fund, as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

Notwithstanding provisions in the State Finance Act, as now or hereafter amended, or any other law to the contrary, the sum of \$18,788,847 shall be transferred from the Bank and Trust Company Fund to the Financial Institutions Settlement of 2008 Fund on the effective date of this amendatory Act of the 95th General Assembly, or as soon thereafter as practical.

Notwithstanding provisions in the State Finance Act, as now or hereafter amended, or any other law to the contrary, the Governor may, during any fiscal year through January 10, 2011, from time to time direct the State Treasurer and Comptroller to transfer a specified sum not exceeding 10% of the revenues to be deposited into the Bank and Trust Company Fund during that fiscal year from that Fund to the General Revenue Fund in order to help defray the State's operating costs for the fiscal year. Notwithstanding provisions in the State Finance Act, as now or hereafter amended, or any other law to the contrary, the total sum transferred during any fiscal year through January 10, 2011, from the Bank and Trust Company Fund to the General Revenue Fund pursuant to this provision shall not exceed during any fiscal year 10% of the revenues to be deposited into the Bank and Trust Company Fund during that fiscal year. The State Treasurer and Comptroller shall transfer the amounts designated under this Section as soon as may be practicable after receiving the direction to transfer from the Governor.

(d-1) Adequate funds shall be available in the Bank and Trust Company Fund to permit the timely payment of administration expenses. In each fiscal year the total administration expenses shall be deducted from the total fees collected by the Commissioner and the remainder transferred into the Cash Flow Reserve Account, unless the balance of the Cash Flow Reserve Account prior to the transfer equals or exceeds one-fourth of the total initial appropriations from the Bank and Trust Company Fund for the subsequent year, in which case the remainder shall be credited to State banks and foreign banking corporations and applied against their fees for the subsequent year. The amount credited to each State bank and foreign banking corporation shall be in the same proportion as the Call Report Fees paid by each for the year bear to the total Call Report Fees collected for the year. If, after a transfer to the Cash Flow Reserve Account is made or if no remainder is available for transfer, the balance of the Cash Flow Reserve Account is less than one-fourth of the total initial appropriations for the subsequent year and the amount transferred is less than 5% of the total Call Report Fees for the year, additional amounts needed to make the transfer equal to 5% of the total Call Report Fees for the year shall be apportioned amongst, assessed upon, and paid by the State banks and foreign banking corporations in the same proportion that the Call Report Fees of each, respectively, for the year bear to the total Call Report Fees collected for the year. The additional amounts assessed shall be transferred into the Cash Flow Reserve Account. For purposes of this paragraph (d-1), the calculation of the fees collected by the Commissioner shall exclude the receivership fees provided for in Section 5-10 of the Corporate Fiduciary Act.

(e) The Commissioner may upon request certify to any public record in his keeping and shall have authority to levy a reasonable charge for issuing certifications of any public record in his keeping.

(f) In addition to fees authorized elsewhere in this Act, the Commissioner may, in connection with a review, approval, or provision of a service, levy a reasonable charge to recover the cost of the review, approval, or service.

(4) Nothing contained in this Act shall be construed to limit the obligation relative to examinations and reports of any State bank, deposits in which are to any extent insured by the United States or any agency thereof, nor to limit in any way the powers of the Commissioner with reference to examinations and reports of that bank.

(5) The nature and condition of the assets in or investment of any bonus, pension, or profit sharing plan for officers or employees of every State bank or, after May 31, 1997, branch of an out-of-state bank shall be deemed to be included in the affairs of that State bank or branch of an out-of-state bank subject to examination by the Commissioner under the provisions of subsection (2) of this Section, and if the Commissioner shall find from an examination that the condition of or operation of the investments or assets of the plan is unlawful, fraudulent, or unsafe, or that any trustee has abused his trust, the Commissioner shall, if the situation so found by the Commissioner shall not be corrected to his satisfaction within 60 days after the Commissioner has given notice to the board of directors of the State bank or out-of-state bank of his findings, report the facts to the Attorney General who shall thereupon institute proceedings against the State bank or out-of-state bank, the board of directors thereof, or the trustees under such plan as the nature of the case may require.

(6) The Commissioner shall have the power:

(a) To promulgate reasonable rules for the purpose of administering the provisions of this Act.

(a-5) To impose conditions on any approval issued by the Commissioner if he determines that the conditions are necessary or appropriate. These conditions shall be imposed in writing and shall continue in effect for the period prescribed by the Commissioner.

(b) To issue orders against any person, if the Commissioner has reasonable cause to believe that an unsafe or unsound banking practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Commissioner, or for the purpose of administering the provisions of this Act and any rule promulgated in accordance with this Act.

(b-1) To enter into agreements with a bank establishing a program to correct the condition of the bank or its practices.

(c) To appoint hearing officers to execute any of the powers granted to the Commissioner under this Section for the purpose of administering this Act and any rule promulgated in accordance with this Act and otherwise to authorize, in writing, an officer or employee of the Office of Banks and Real Estate to exercise his powers under this Act.

(d) To subpoena witnesses, to compel their attendance, to administer an oath, to examine any person under oath, and to require the production of any relevant books, papers, accounts, and documents in the course of and pursuant to any investigation being conducted, or any action being taken, by the Commissioner in respect of any matter relating to the duties imposed upon, or the powers vested in, the Commissioner under the provisions of this Act or any rule promulgated in accordance with this Act.

(e) To conduct hearings.

(7) Whenever, in the opinion of the Secretary, any director, officer, employee, or agent of a State bank or any subsidiary or bank holding company of the bank or, after May 31, 1997, of any branch of an out-of-state bank or any subsidiary or bank holding company of the bank shall have violated any law, rule, or order relating to that bank or any subsidiary or bank holding company of the bank, shall have obstructed or impeded any examination or investigation by the Secretary, shall have engaged in an unsafe or unsound practice in conducting the business of that bank or any subsidiary or bank holding company of the bank, or shall have violated any law or engaged or participated in any unsafe or unsound practice in connection with any financial institution or other business entity such that the character and fitness of the director, officer, employee, or agent does not assure reasonable promise of safe and sound operation of the State bank, the Secretary may issue an order of removal. If, in the opinion of the Secretary, any former director, officer, employee, or agent of a State bank or any subsidiary or bank holding company of the bank, prior to the termination of his or her service with that bank or any subsidiary or bank holding company of the bank, violated any law, rule, or order relating to that State bank or any subsidiary or bank holding company of the bank, obstructed or impeded any examination or investigation by the Secretary, engaged in an unsafe or unsound practice in conducting the business of that bank or any subsidiary or bank holding company of the bank, or violated any law or engaged or participated in any unsafe or unsound practice in connection with any financial institution or other business entity such that the character and fitness of the director, officer, employee, or agent would not have assured reasonable promise of safe and sound operation of the State bank, the Secretary may issue an order prohibiting that person from further service with a bank or any subsidiary or bank holding company of the bank as a director, officer, employee, or agent. An order issued pursuant to this subsection shall be served upon the director, officer, employee, or agent. A copy of the order shall be sent to each director of the bank affected by registered mail. A copy of the order shall also be served upon the bank of which he is a director, officer, employee, or agent, whereupon he shall cease to be a director, officer, employee, or agent of that bank. The Secretary may institute a civil action against the director, officer, or agent of the State bank or, after May 31, 1997, of the branch of the out-of-state bank against whom any order provided for by this subsection (7) of this Section 48 has been issued, and against the State bank or, after May 31, 1997, out-of-state bank, to enforce compliance with or to enjoin any violation of the terms of the order. Any person who has been the subject of an order of removal or an order of prohibition issued by the Secretary under this subsection or Section 5-6 of the Corporate Fiduciary Act may not thereafter serve as director, officer, employee, or agent of any State bank or of any branch of any out-of-state bank, or of any corporate fiduciary, as defined in Section 1-5.05 of the Corporate Fiduciary Act, or of any other entity that is subject to licensure or regulation by the Division of Banking unless the Secretary has granted prior approval in writing.

For purposes of this paragraph (7), "bank holding company" has the meaning prescribed in Section 2 of the Illinois Bank Holding Company Act of 1957.

(7.5) Notwithstanding the provisions of this Section, the Secretary shall not:

(1) issue an order against a State bank or any subsidiary organized under this Act for unsafe or unsound banking practices solely because the entity provides or has provided financial services to a cannabis-related legitimate business;

(2) prohibit, penalize, or otherwise discourage a State bank or any subsidiary from providing financial services to a cannabis-related legitimate business solely because the entity provides or has provided financial services to a cannabis-related legitimate business;

(3) recommend, incentivize, or encourage a State bank or any subsidiary not to offer financial services to an account holder or to downgrade or cancel the financial services offered to an account holder solely because:

(A) the account holder is a manufacturer or producer, or is the owner, operator, or employee of a cannabis-related legitimate business;

(B) the account holder later becomes an owner or operator of a cannabis-related legitimate business; or

(C) the State bank or any subsidiary was not aware that the account holder is the owner or operator of a cannabis-related legitimate business; and

(4) take any adverse or corrective supervisory action on a loan made to an owner or operator of:

(A) a cannabis-related legitimate business solely because the owner or operator owns or operates a cannabis-related legitimate business; or

(B) real estate or equipment that is leased to a cannabis-related legitimate business solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business.

(8) The Commissioner may impose civil penalties of up to \$100,000 against any person for each violation of any provision of this Act, any rule promulgated in accordance with this Act, any order of the Commissioner, or any other action which in the Commissioner's discretion is an unsafe or unsound banking practice.

(9) The Commissioner may impose civil penalties of up to \$100 against any person for the first failure to comply with reporting requirements set forth in the report of examination of the bank and up to \$200 for the second and subsequent failures to comply with those reporting requirements.

(10) All final administrative decisions of the Commissioner hereunder shall be subject to judicial review pursuant to the provisions of the Administrative Review Law. For matters involving administrative review, venue shall be in either Sangamon County or Cook County.

(11) The endowment fund for the Illinois Bank Examiners' Education Foundation shall be administered as follows:

(a) (Blank).

(b) The Foundation is empowered to receive voluntary contributions, gifts, grants, bequests, and donations on behalf of the Illinois Bank Examiners' Education Foundation from national banks and other persons for the purpose of funding the endowment of the Illinois Bank Examiners' Education Foundation.

(c) The aggregate of all special educational fees collected by the Secretary and property received by the Secretary on behalf of the Illinois Bank Examiners' Education Foundation under this subsection (11) on or after June 30, 1986, shall be either (i) promptly paid after receipt of the same, accompanied by a detailed statement thereof, into the State Treasury and shall be set apart in a special fund to be known as "The Illinois Bank Examiners' Education Fund" to be invested by either the Treasurer of the State of Illinois in the Public Treasurers' Investment Pool or in any other investment he is authorized to make or by the Illinois State Board of Investment as the State Banking Board of Illinois may direct or (ii) deposited into an account maintained in a commercial bank or corporate fiduciary in the name of the Illinois Bank Examiners' Education Foundation pursuant to the order and direction of the Board of Trustees of the Illinois Bank Examiners' Education Foundation.

(12) (Blank).

(13) The Secretary may borrow funds from the General Revenue Fund on behalf of the Bank and Trust Company Fund if the Director of Banking certifies to the Governor that there is an economic emergency affecting banking that requires a borrowing to provide additional funds to the Bank and Trust Company Fund. The borrowed funds shall be paid back within 3 years and shall not exceed the total funding appropriated to the Agency in the previous year.

(14) In addition to the fees authorized in this Act, the Secretary may assess reasonable receivership fees against any State bank that does not maintain insurance with the Federal Deposit Insurance Corporation. All fees collected under this subsection (14) shall be paid into the Non-insured Institutions Receivership account in the Bank and Trust Company Fund, as established by the Secretary. The fees assessed under this subsection (14) shall provide for the expenses that arise from the administration of the receivership of any such institution required to pay into the Non-insured Institutions Receivership account, whether pursuant to this Act, the Corporate Fiduciary Act, the Foreign Banking Office Act, or any other Act that requires payments into the Non-insured Institutions Receivership account. The Secretary may establish by rule a reasonable manner of assessing fees under this subsection (14).

(Source: P.A. 99-39, eff. 1-1-16; 100-22, eff. 1-1-18.)

Section 900-33. The Illinois Credit Union Act is amended by changing Section 8 as follows:

[S.H.A. 205 ILCS 305/8] (205 ILCS 305/8) (from Ch. 17, par. 4409)

§ 8. Secretary's powers and duties. Credit unions are regulated by the Department. The Secretary in executing the powers and discharging the duties vested by law in the Department has the following powers and duties:

(1) To exercise the rights, powers and duties set forth in this Act or any related Act. The Director shall oversee the functions of the Division and report to the Secretary, with respect to the Director's exercise of any of the rights, powers, and duties vested by law in the Secretary under this Act. All references in this Act to the Secretary shall be deemed to include the Director, as a person authorized by the Secretary or this Act to assume responsibility for the oversight of the functions of the Department relating to the regulatory supervision of credit unions under this Act.

(2) To prescribe rules and regulations for the administration of this Act. The provisions of the Illinois Administrative Procedure Act are hereby expressly adopted and incorporated herein as though a part of this Act, and shall apply to all administrative rules and procedures of the Department under this Act.

(3) To direct and supervise all the administrative and technical activities of the Department including the employment of a Credit Union Supervisor who shall have knowledge in the theory and practice of, or experience in, the operations or supervision of financial institutions, preferably credit unions, and such other persons as are necessary to carry out his functions. The Secretary shall ensure that all examiners appointed or assigned to examine the affairs of State-chartered credit unions possess the necessary training and continuing education to effectively execute their jobs.

(4) To issue cease and desist orders when in the opinion of the Secretary, a credit union is engaged or has engaged, or the Secretary has reasonable cause to believe the credit union is about to engage, in an unsafe or unsound practice, or is violating or has violated or the Secretary has reasonable cause to believe is about to violate a law, rule or regulation or any condition imposed in writing by the Department.

(5) To suspend from office and to prohibit from further participation in any manner in the conduct of the affairs of his credit union any director, officer or committee member who has committed any violation of a law, rule, regulation or of a cease and desist order or who has engaged or participated in any unsafe or unsound practice in connection with the credit union or who has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director, officer or committee member, when the Secretary has determined that such action or actions have resulted or will result in substantial financial loss or other damage that seriously prejudices the interests of the members.

(6) To assess a civil penalty against a credit union provided that:

(A) the Secretary reasonably determines, based on objective facts and an accurate assessment of applicable legal standards, that the credit union has:

(i) committed a violation of this Act, any rule adopted in accordance with this Act, or any order of the Secretary issued pursuant to his or her authority under this Act; or

(ii) engaged or participated in any unsafe or unsound practice;

(B) before a civil penalty is assessed under this item (6), the Secretary must make the further reasonable determination, based on objective facts and an accurate assessment of applicable legal standards, that the credit union's action constituting a violation under subparagraph (i) of paragraph (A) of item (6) or an unsafe and unsound practice under subparagraph (ii) of paragraph (A) of item (6):
(i) directly resulted in a substantial and material financial loss or created a reasonable probability that a substantial and material financial loss will directly result; or
(ii) constituted willful misconduct or a material breach of fiduciary duty of any director, officer, or committee member of the credit union;

Material financial loss, as referenced in this paragraph (B), shall be assessed in light of surrounding circumstances and the relative size and nature of the financial loss or probable financial loss. Certain benchmarks shall be used in determining whether financial loss is material, such as a percentage of total assets or total gross income for the immediately preceding 12-month period. Absent compelling and extraordinary circumstances, no civil penalty shall be assessed, unless the financial loss or probable financial loss is equal to or greater than either 1% of the credit union's total assets for the immediately preceding 12-month period, or 1% of the credit union's total gross income for the immediately preceding 12-month period, whichever is less;

(C) before a civil penalty is assessed under this item (6), the credit union must be expressly advised in writing of the:

- (i) specific violation that could subject it to a penalty under this item (6); and
 - (ii) specific remedial action to be taken within a specific and reasonable time frame to avoid imposition of the penalty;
- (D) Civil penalties assessed under this item (6) shall be remedial, not punitive, and reasonably tailored to ensure future compliance by the credit union with the provisions of this Act and any rules adopted pursuant to this Act;
(E) a credit union's failure to take timely remedial action with respect to the specific violation may result in the issuance of an order assessing a civil penalty up to the following maximum amount, based upon the total assets of the credit union:
(i) Credit unions with assets of less than \$10 million

\$1,000

- (ii) Credit unions with assets of at least \$10 million and less than \$50 million

\$2,500

- (iii) Credit unions with assets of at least \$50 million and less than \$100 million

\$5,000

- (iv) Credit unions with assets of at least \$100 million and less than \$500 million

\$10,000

- (v) Credit unions with assets of at least \$500 million and less than \$1 billion

\$25,000

- (vi) Credit unions with assets of \$1 billion and greater

\$50,000; and

(F) an order assessing a civil penalty under this item (6) shall take effect upon service of the order, unless the credit union makes a written request for a hearing under 38 IL. Adm. Code 190.20 of the Department's rules for credit unions within 90 days after issuance of the order; in that event, the order shall be stayed until a final administrative order is entered.

This item (6) shall not apply to violations separately addressed in rules as authorized under item (7) of this Section.

(7) Except for the fees established in this Act, to prescribe, by rule and regulation, fees and penalties for preparing, approving, and filing reports and other documents; furnishing transcripts; holding hearings; investigating applications for permission to organize, merge, or convert; failure to maintain accurate books and records to enable the Department to conduct an examination; and taking supervisory actions.

(8) To destroy, in his discretion, any or all books and records of any credit union in his possession or under his control after the expiration of three years from the date of cancellation of the charter of such credit unions.

(9) To make investigations and to conduct research and studies and to publish some of the problems of persons in obtaining credit at reasonable rates of interest and of the methods and benefits of cooperative saving and lending for such persons.

(10) To authorize, foster or establish experimental, developmental, demonstration or pilot projects by public or private organizations including credit unions which:

- (a) promote more effective operation of credit unions so as to provide members an opportunity to use and control their own money to improve their economic and social conditions; or
- (b) are in the best interests of credit unions, their members and the people of the State of Illinois.

(11) To cooperate in studies, training or other administrative activities with, but not limited to, the NCUA, other state credit union regulatory agencies and industry trade associations in order to promote more effective and efficient supervision of Illinois chartered credit unions.

(12) Notwithstanding the provisions of this Section, the Secretary shall not:

(1) issue an order against a credit union organized under this Act for unsafe or unsound banking practices solely because the entity provides or has provided financial services to a cannabis-related legitimate business;

Deleted: the

(2) prohibit, penalize, or otherwise discourage a credit union from providing financial services to a cannabis-related legitimate business solely because the entity provides or has provided financial services to a cannabis-related legitimate business;
(3) recommend, incentivize, or encourage a credit union not to offer financial services to an account holder or to downgrade or cancel the financial services offered to an account holder solely because:
(A) the account holder is a manufacturer or producer, or is the owner, operator, or employee of a cannabis-related legitimate business;
(B) the account holder later becomes an owner or operator of a cannabis-related legitimate business; or
(C) the credit union was not aware that the account holder is the owner or operator of a cannabis-related legitimate business;
and
(4) take any adverse or corrective supervisory action on a loan made to an owner or operator of:
(A) a cannabis-related legitimate business solely because the owner or operator owns or operates a cannabis-related legitimate business; or
(B) real estate or equipment that is leased to a cannabis-related legitimate business solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business.

(Source: P.A. 97-133, eff. 1-1-12; 98-400, eff. 8-16-13.)

Section 900-35. The Compassionate Use of Medical Cannabis Pilot Program Act is amended by changing Section 210 as follows:

[S.H.A. 410 ILCS 130/210] (410 ILCS 130/210)

(Section scheduled to be repealed on July 1, 2020)

§ 210. Returns.

(a) This subsection (a) applies to returns due on or before the effective date of this amendatory Act of the 101st General Assembly.

On or before the twentieth day of each calendar month, every person subject to the tax imposed under this Law during the preceding calendar month shall file a return with the Department, stating:

- (1) The name of the taxpayer;
- (2) The number of ounces of medical cannabis sold to a dispensary organization or a registered qualifying patient during the preceding calendar month;
- (3) The amount of tax due;
- (4) The signature of the taxpayer; and
- (5) Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

The taxpayer shall remit the amount of the tax due to the Department at the time the taxpayer files his or her return.

(b) Beginning on the effective date of this amendatory Act of the 101st General Assembly, Section 65-20 of the Cannabis Regulation and Tax Act shall apply to returns filed and taxes paid under this Act to the same extent as if those provisions were set forth in full in this Section.

(Source: P.A. 98-122, eff. 1-1-14.)

Section 900-38. The Illinois Vehicle Code is amended by changing Sections 2-118.2, 11-501.2, 11-501.9, and 11-502.1 and by adding Sections 11-501.10 and 11-502.15 as follows:

[S.H.A. 625 ILCS 5/2-118.2] (625 ILCS 5/2-118.2)

§ 2-118.2. Opportunity for hearing; cannabis-related suspension under Section 11-501.9.

(a) A suspension of driving privileges under Section 11-501.9 of this Code shall not become effective until the person is notified in writing of the impending suspension and informed that he or she may request a hearing in the circuit court of venue under subsection (b) of this Section and the suspension shall become effective as provided in Section 11-501.9.

(b) Within 90 days after the notice of suspension served under Section 11-501.9, the person may make a written request for a judicial hearing in the circuit court of venue. The request to the circuit court shall state the grounds upon which the person seeks to have the suspension rescinded. Within 30 days after receipt of the written request or the first appearance date on the Uniform Traffic Ticket issued for a violation of Section 11-501 of this Code, or a similar provision of a local ordinance, the hearing shall be conducted by the circuit court having jurisdiction. This judicial hearing, request, or process shall not stay or delay the suspension. The hearing shall proceed in the court in the same manner as in other civil proceedings.

The hearing may be conducted upon a review of the law enforcement officer's own official reports; provided however, that the person may subpoena the officer. Failure of the officer to answer the subpoena shall be considered grounds for a continuance if in the court's discretion the continuance is appropriate.

The scope of the hearing shall be limited to the issues of:

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Deleted: (1) Whether the person was issued a registry identification card under the Compassionate Use of Medical Cannabis Pilot Program Act; and

(1) Whether the officer had reasonable suspicion to believe that the person was driving or in actual physical control of a motor vehicle upon a highway while impaired by the use of cannabis; and

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(2) Whether the person, after being advised by the officer that the privilege to operate a motor vehicle would be suspended if the person refused to submit to and complete the field sobriety tests, did refuse to submit to or complete the field sobriety tests authorized under Section 11–501.9; and

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(3) Whether the person after being advised by the officer that the privilege to operate a motor vehicle would be suspended if the person submitted to field sobriety tests that disclosed the person was impaired by the use of cannabis, did submit to field sobriety tests that disclosed that the person was impaired by the use of cannabis.

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Upon the conclusion of the judicial hearing, the circuit court shall sustain or rescind the suspension and immediately notify the Secretary of State. Reports received by the Secretary of State under this Section shall be privileged information and for use only by the courts, police officers, and Secretary of State.

(Source: P.A. 98–1172, eff. 1–12–15.)

[S.H.A. 625 ILCS 5/11–501.2] (625 ILCS 5/11–501.2) (from Ch. 95 1/2, par. 11–501.2)

§ 11–501.2. Chemical and other tests.

(a) Upon the trial of any civil or criminal action or proceeding arising out of an arrest for an offense as defined in Section 11–501 or a similar local ordinance or proceedings pursuant to Section 2–118.1, evidence of the concentration of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof in a person's blood or breath at the time alleged, as determined by analysis of the person's blood, urine, breath, or other bodily substance, shall be admissible. Where such test is made the following provisions shall apply:

1. Chemical analyses of the person's blood, urine, breath, or other bodily substance to be considered valid under the provisions of this Section shall have been performed according to standards promulgated by the Department of State Police by a licensed physician, registered nurse, trained phlebotomist, licensed paramedic, or other individual possessing a valid permit issued by that Department for this purpose. The Director of State Police is authorized to approve satisfactory techniques or methods, to ascertain the qualifications and competence of individuals to conduct such analyses, to issue permits which shall be subject to termination or revocation at the discretion of that Department and to certify the accuracy of breath testing equipment. The Department of State Police shall prescribe regulations as necessary to implement this Section.

2. When a person in this State shall submit to a blood test at the request of a law enforcement officer under the provisions of Section 11–501.1, only a physician authorized to practice medicine, a licensed physician assistant, a licensed advanced practice registered nurse, a registered nurse, trained phlebotomist, or licensed paramedic, or other qualified person approved by the Department of State Police may withdraw blood for the purpose of determining the alcohol, drug, or alcohol and drug content therein. This limitation shall not apply to the taking of breath, other bodily substance, or urine specimens.

When a blood test of a person who has been taken to an adjoining state for medical treatment is requested by an Illinois law enforcement officer, the blood may be withdrawn only by a physician authorized to practice medicine in the adjoining state, a licensed physician assistant, a licensed advanced practice registered nurse, a registered nurse, a trained phlebotomist acting under the direction of the physician, or licensed paramedic. The law enforcement officer requesting the test shall take custody of the blood sample, and the blood sample shall be analyzed by a laboratory certified by the Department of State Police for that purpose.

3. The person tested may have a physician, or a qualified technician, chemist, registered nurse, or other qualified person of their own choosing administer a chemical test or tests in addition to any administered at the direction of a law enforcement officer. The failure or inability to obtain an additional test by a person shall not preclude the admission of evidence relating to the test or tests taken at the direction of a law enforcement officer.

4. Upon the request of the person who shall submit to a chemical test or tests at the request of a law enforcement officer, full information concerning the test or tests shall be made available to the person or such person's attorney.

5. Alcohol concentration shall mean either grams of alcohol per 100 milliliters of blood or grams of alcohol per 210 liters of breath.

6. Tetrahydrocannabinol concentration means either 5 nanograms or more of delta–9–tetrahydrocannabinol per milliliter of whole blood or 10 nanograms or more of delta–9–tetrahydrocannabinol per milliliter of other bodily substance.

(a–5) Law enforcement officials may use [validated roadside chemical tests or](#) standardized field sobriety tests approved by the National Highway Traffic Safety Administration when conducting investigations of a violation of Section 11–501 or similar local ordinance by drivers suspected of driving under the influence of cannabis. The General Assembly finds that [\(i\) validated roadside chemical tests are effective means to determine if a person is under the influence of cannabis and \(ii\)](#) standardized field sobriety tests approved by the National Highway Traffic Safety Administration are divided attention tasks that are intended to determine if a person is under the influence of cannabis. The purpose of these tests is to determine the effect of the use of cannabis on a person's capacity to think and act with ordinary care and therefore operate a motor vehicle safely. Therefore, the results of these [validated roadside chemical tests and](#) standardized field sobriety tests, appropriately administered, shall be admissible in the trial of any civil or criminal action or proceeding arising out of an arrest for a cannabis-related offense as defined in Section 11–501 or a similar local ordinance or proceedings under Section 2–118.1 or 2–118.2. Where a test is made the following provisions shall apply:

1. The person tested may have a physician, or a qualified technician, chemist, registered nurse, or other qualified person of their own choosing administer a chemical test or tests in addition to the standardized field sobriety test or tests administered at the direction of a

law enforcement officer. The failure or inability to obtain an additional test by a person does not preclude the admission of evidence relating to the test or tests taken at the direction of a law enforcement officer.

2. Upon the request of the person who shall submit to **validated roadside chemical tests or** a standardized field sobriety test or tests at the request of a law enforcement officer, full information concerning the test or tests shall be made available to the person or the person's attorney.

3. At the trial of any civil or criminal action or proceeding arising out of an arrest for an offense as defined in Section 11–501 or a similar local ordinance or proceedings under Section 2–118.1 or 2–118.2 in which the results of these **validated roadside chemical tests or** standardized field sobriety tests are admitted, the **person** may present and the trier of fact may consider evidence that the **person** lacked the physical capacity to perform the **validated roadside chemical tests or** standardized field sobriety tests.

(b) Upon the trial of any civil or criminal action or proceeding arising out of acts alleged to have been committed by any person while driving or in actual physical control of a vehicle while under the influence of alcohol, the concentration of alcohol in the person's blood or breath at the time alleged as shown by analysis of the person's blood, urine, breath, or other bodily substance shall give rise to the following presumptions:

1. If there was at that time an alcohol concentration of 0.05 or less, it shall be presumed that the person was not under the influence of alcohol.

2. If there was at that time an alcohol concentration in excess of 0.05 but less than 0.08, such facts shall not give rise to any presumption that the person was or was not under the influence of alcohol, but such fact may be considered with other competent evidence in determining whether the person was under the influence of alcohol.

3. If there was at that time an alcohol concentration of 0.08 or more, it shall be presumed that the person was under the influence of alcohol.

4. The foregoing provisions of this Section shall not be construed as limiting the introduction of any other relevant evidence bearing upon the question whether the person was under the influence of alcohol.

(b–5) Upon the trial of any civil or criminal action or proceeding arising out of acts alleged to have been committed by any person while driving or in actual physical control of a vehicle while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, the concentration of cannabis in the person's whole blood or other bodily substance at the time alleged as shown by analysis of the person's blood or other bodily substance shall give rise to the following presumptions:

1. If there was a tetrahydrocannabinol concentration of 5 nanograms or more in whole blood or 10 nanograms or more in any other bodily substance as defined in this Section, it shall be presumed that the person was under the influence of cannabis.

2. If there was at that time a tetrahydrocannabinol concentration of less than 5 nanograms in whole blood or less than 10 nanograms in any other bodily substance, such facts shall not give rise to any presumption that the person was or was not under the influence of cannabis, but such fact may be considered with other competent evidence in determining whether the person was under the influence of cannabis.

(c) 1. If a person under arrest refuses to submit to a chemical test under the provisions of Section 11–501.1, evidence of refusal shall be admissible in any civil or criminal action or proceeding arising out of acts alleged to have been committed while the person under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof was driving or in actual physical control of a motor vehicle.

2. Notwithstanding any ability to refuse under this Code to submit to these tests or any ability to revoke the implied consent to these tests, if a law enforcement officer has probable cause to believe that a motor vehicle driven by or in actual physical control of a person under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof has caused the death or personal injury to another, the law enforcement officer shall request, and that person shall submit, upon the request of a law enforcement officer, to a chemical test or tests of his or her blood, breath, other bodily substance, or urine for the purpose of determining the alcohol content thereof or the presence of any other drug or combination of both.

This provision does not affect the applicability of or imposition of driver's license sanctions under Section 11–501.1 of this Code.

3. For purposes of this Section, a personal injury includes any Type A injury as indicated on the traffic accident report completed by a law enforcement officer that requires immediate professional attention in either a doctor's office or a medical facility. A Type A injury includes severe bleeding wounds, distorted extremities, and injuries that require the injured party to be carried from the scene.

(d) If a person refuses **validated roadside chemical tests or** standardized field sobriety tests under Section 11–501.9 of this Code, evidence of refusal shall be admissible in any civil or criminal action or proceeding arising out of acts committed while the person was driving or in actual physical control of a vehicle and alleged to have been impaired by the use of cannabis.

(e) Department of State Police compliance with the changes in this amendatory Act of the 99th General Assembly concerning testing of other bodily substances and tetrahydrocannabinol concentration by Department of State Police laboratories is subject to appropriation and until the Department of State Police adopt standards and completion validation. Any laboratories that test for the presence of cannabis or other drugs under this Article, the Snowmobile Registration and Safety Act, or the Boat Registration and Safety Act must comply with ISO/IEC 17025:2005.

(Source: P.A. 99–697, eff. 7–29–16; 100–513, eff. 1–1–18.)

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[S.H.A. 625 ILCS 5/11–501.9] (625 ILCS 5/11–501.9)

§ 11–501.9. Suspension of driver's license; **failure or refusal of validated roadside chemical tests**; failure or refusal of field sobriety tests; implied consent.

(a) A person who drives or is in actual physical control of a motor vehicle upon the public highways of this State shall be deemed to have given consent to **(i) validated roadside chemical tests or (ii) standardized field sobriety tests** approved by the National Highway Traffic Safety Administration, under subsection (a–5) of Section 11–501.2 of this Code, if detained by a law enforcement officer who has a reasonable suspicion that the person is driving or is in actual physical control of a motor vehicle while impaired by the use of cannabis. The law enforcement officer must have an independent, cannabis-related factual basis giving reasonable suspicion that the person is driving or in actual physical control of a motor vehicle while impaired by the use of cannabis for conducting **validated roadside chemical tests or** standardized field sobriety tests, which shall be included with the results of the **validated roadside chemical tests and** field sobriety tests in any report made by the law enforcement officer who requests the test. The person's possession of a registry identification card issued under the Compassionate Use of Medical Cannabis Pilot Program Act alone is not a sufficient basis for reasonable suspicion.

For purposes of this Section, a law enforcement officer of this State who is investigating a person for an offense under Section 11–501 of this Code may travel into an adjoining state where the person has been transported for medical care to complete an investigation and to request that the person submit to field sobriety tests under this Section.

(b) A person who is unconscious, or otherwise in a condition rendering the person incapable of refusal, shall be deemed to have withdrawn the consent provided by subsection (a) of this Section.

(c) A person requested to submit to **validated roadside chemical tests or** field sobriety tests, as provided in this Section, shall be warned by the law enforcement officer requesting the field sobriety tests that a refusal to submit to the **validated roadside chemical tests or** field sobriety tests will result in the suspension of the person's privilege to operate a motor vehicle, as provided in subsection (f) of this Section. The person shall also be warned by the law enforcement officer that if the person submits to **validated roadside chemical tests or** field sobriety tests as provided in this Section which disclose the person is impaired by the use of cannabis, a suspension of the person's privilege to operate a motor vehicle, as provided in subsection (f) of this Section, will be imposed.

(d) The results of **validated roadside chemical tests or** field sobriety tests administered under this Section shall be admissible in a civil or criminal action or proceeding arising from an arrest for an offense as defined in Section 11–501 of this Code or a similar provision of a local ordinance. These test results shall be admissible only in actions or proceedings directly related to the incident upon which the test request was made.

(e) If the person refuses **validated roadside chemical tests or** field sobriety tests or submits to **validated roadside chemical tests or** field sobriety tests that disclose the person is impaired by the use of cannabis, the law enforcement officer shall immediately submit a sworn report to the circuit court of venue and the Secretary of State certifying that testing was requested under this Section and that the person refused to submit to **validated roadside chemical tests or** field sobriety tests or submitted to **validated roadside chemical tests or** field sobriety tests that disclosed the person was impaired by the use of cannabis. The sworn report must include the law enforcement officer's factual basis for reasonable suspicion that the person was impaired by the use of cannabis.

(f) Upon receipt of the sworn report of a law enforcement officer submitted under subsection (e) of this Section, the Secretary of State shall enter the suspension to the driving record as follows:

(1) for refusal or failure to complete **validated roadside chemical tests or** field sobriety tests, a 12 month suspension shall be entered; or

(2) for submitting to **validated roadside chemical tests or** field sobriety tests that disclosed the driver was impaired by the use of cannabis, a 6 month suspension shall be entered.

The Secretary of State shall confirm the suspension by mailing a notice of the effective date of the suspension to the person and the court of venue. However, should the sworn report be defective for insufficient information or be completed in error, the confirmation of the suspension shall not be mailed to the person or entered to the record; instead, the sworn report shall be forwarded to the court of venue with a copy returned to the issuing agency identifying the defect.

(g) The law enforcement officer submitting the sworn report under subsection (e) of this Section shall serve immediate notice of the suspension on the person and the suspension shall be effective as provided in subsection (h) of this Section. If immediate notice of the suspension cannot be given, the arresting officer or arresting agency shall give notice by deposit in the United States mail of the notice in an envelope with postage prepaid and addressed to the person at his or her address as shown on the Uniform Traffic Ticket and the suspension shall begin as provided in subsection (h) of this Section. The officer shall confiscate any Illinois driver's license or permit on the person at the time of arrest. If the person has a valid driver's license or permit, the officer shall issue the person a receipt, in a form prescribed by the Secretary of State, that will allow the person to drive during the period provided for in subsection (h) of this

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Section. The officer shall immediately forward the driver's license or permit to the circuit court of venue along with the sworn report under subsection (e) of this Section.

(h) The suspension under subsection (f) of this Section shall take effect on the 46th day following the date the notice of the suspension was given to the person.

(i) When a driving privilege has been suspended under this Section and the person is subsequently convicted of violating Section 11–501 of this Code, or a similar provision of a local ordinance, for the same incident, any period served on suspension under this Section shall be credited toward the minimum period of revocation of driving privileges imposed under Section 6–205 of this Code.

(Source: P.A. 98–1172, eff. 1–12–15.)

[S.H.A. 625 ILCS 5/11–501.10] (625 ILCS 5/11–501.10 new)

§ 11–501.10. DUI Cannabis Task Force.

(a) The DUI Cannabis Task Force is hereby created to study the issue of driving under the influence of cannabis. The Task Force shall consist of the following members:

(1) The Director of State Police, or his or her designee, who shall serve as chair;

(2) The Secretary of State, or his or her designee;

(3) The President of the Illinois State's Attorneys Association, or his or her designee;

(4) The President of the Illinois Association of Criminal Defense Lawyers, or his or her designee;

(5) One member appointed by the Speaker of the House of Representatives;

(6) One member appointed by the Minority Leader of the House of Representatives;

(7) One member appointed by the President of the Senate;

(8) One member appointed by the Minority Leader of the Senate;

(9) One member of an organization dedicated to end drunk driving and drugged driving;

(10) The president of a statewide bar association, appointed by the Governor; and

(11) One member of a statewide organization representing civil and constitutional rights, appointed by the Governor.

(b) The members of the Task Force shall serve without compensation.

(c) The Task Force shall examine best practices in the area of driving under the influence of cannabis enforcement, including examining emerging technology in roadside testing.

(d) The Task Force shall meet no fewer than 3 times and shall present its report and recommendations on improvements to enforcement of driving under the influence of cannabis, in electronic format, to the Governor and the General Assembly no later than July 1, 2020.

(e) The Department of State Police shall provide administrative support to the Task Force as needed. The Sentencing Policy Advisory Council shall provide data on driving under the influence of cannabis offenses and other data to the Task Force as needed.

(f) This Section is repealed on July 1, 2021.

[S.H.A. 625 ILCS 5/11–502.1] (625 ILCS 5/11–502.1)

§ 11–502.1. Possession of medical cannabis in a motor vehicle.

(a) No driver, who is a medical cannabis cardholder, may use medical cannabis within the passenger area of any motor vehicle upon a highway in this State.

(b) No driver, who is a medical cannabis cardholder, a medical cannabis designated caregiver, medical cannabis cultivation center agent, or dispensing organization agent may possess medical cannabis within any area of any motor vehicle upon a highway in this State except in a sealed, odor-proof, and child-resistant, medical cannabis container.

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(c) No passenger, who is a medical cannabis card holder, a medical cannabis designated caregiver, or medical cannabis dispensing organization agent may possess medical cannabis within any passenger area of any motor vehicle upon a highway in this State except in a sealed, **odor-proof, and child-resistant**, medical cannabis container.

(d) Any person who violates subsections (a) through (c) of this Section:

(1) commits a Class A misdemeanor;

(2) shall be subject to revocation of his or her medical cannabis card for a period of 2 years from the end of the sentence imposed;

(4) shall be subject to revocation of his or her status as a medical cannabis caregiver, medical cannabis cultivation center agent, or medical cannabis dispensing organization agent for a period of 2 years from the end of the sentence imposed.

(Source: P.A. 98–122, eff. 1–1–14.)

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[S.H.A. 625 ILCS 5/11–502.15] (625 ILCS 5/11–502.15 new)

§ 11–502.15. Possession of adult use cannabis in a motor vehicle.

(a) No driver may use cannabis within the passenger area of any motor vehicle upon a highway in this State.

(b) No driver may possess cannabis within any area of any motor vehicle upon a highway in this State except in a sealed, odor-proof, child-resistant cannabis container.

(c) No passenger may possess cannabis within any passenger area of any motor vehicle upon a highway in this State except in a sealed, odor-proof, child-resistant cannabis container.

(d) Any person who knowingly violates subsection (a), (b), or (c) of this Section commits a Class A misdemeanor.

Section 900–39. The Juvenile Court Act of 1987 is amended by changing Section 5–401 as follows:

[S.H.A. 705 ILCS 405/5–401] (705 ILCS 405/5–401)

§ 5–401. Arrest and taking into custody of a minor.

(1) A law enforcement officer may, without a warrant,

(a) arrest a minor whom the officer with probable cause believes to be a delinquent minor; or

(b) take into custody a minor who has been adjudged a ward of the court and has escaped from any commitment ordered by the court under this Act; or

(c) take into custody a minor whom the officer reasonably believes has violated the conditions of probation or supervision ordered by the court.

(2) Whenever a petition has been filed under Section 5–520 and the court finds that the conduct and behavior of the minor may endanger the health, person, welfare, or property of the minor or others or that the circumstances of his or her home environment may endanger his or her health, person, welfare or property, a warrant may be issued immediately to take the minor into custody.

(3) Except for minors accused of violation of an order of the court, any minor accused of any act under federal or State law, or a municipal or county ordinance that would not be illegal if committed by an adult, cannot be placed in a jail, municipal lockup, detention center, or secure correctional facility. Juveniles accused with underage consumption and underage possession of alcohol **or cannabis** cannot be placed in a jail, municipal lockup, detention center, or correctional facility.

(Source: P.A. 90–590, eff. 1–1–99.)

Section 900–40. The Cannabis Control Act is amended by changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

[S.H.A. 720 ILCS 550/4] (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

§ 4. **Except as otherwise provided in the Cannabis Regulation and Tax Act, it**, is unlawful for any person knowingly to possess cannabis.

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Any person who violates this **Section**, with respect to:

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(a) not more than 10 grams of any substance containing cannabis is guilty of a civil law violation punishable by a minimum fine of \$100 and a maximum fine of \$200. The proceeds of the fine shall be payable to the clerk of the circuit court. Within 30 days after the deposit of the fine, the clerk shall distribute the proceeds of the fine as follows:

(1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;

(2) \$15 to the county to fund drug addiction services;

(3) \$10 to the Office of the State's Attorneys Appellate Prosecutor for use in training programs;

(4) \$10 to the State's Attorney; and

(5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.

With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund. With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund;

(b) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class B misdemeanor;

(c) more than 30 grams but not more than 100 grams of any substance containing cannabis is guilty of a Class A misdemeanor; provided, that if any offense under this subsection (c) is a subsequent offense, the offender shall be guilty of a Class 4 felony;
(d) more than 100 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 4 felony; provided that if any offense under this subsection (d) is a subsequent offense, the offender shall be guilty of a Class 3 felony;
(e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 3 felony;
(f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 2 felony;
(g) more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony.
(Source: P.A. 99-697, eff. 7-29-16.)

[S.H.A. 720 ILCS 550/5] (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

§ 5. **Except as otherwise provided in the Cannabis Regulation and Tax Act, it**, is unlawful for any person knowingly to manufacture, deliver, or possess with intent to deliver, or manufacture, cannabis. Any person who violates this **Section**, with respect to:

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(a) not more than 2.5 grams of any substance containing cannabis is guilty of a Class B misdemeanor;
(b) more than 2.5 grams but not more than 10 grams of any substance containing cannabis is guilty of a Class A misdemeanor;
(c) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class 4 felony;
(d) more than 30 grams but not more than 500 grams of any substance containing cannabis is guilty of a Class 3 felony for which a fine not to exceed \$50,000 may be imposed;
(e) more than 500 grams but not more than 2,000 grams of any substance containing cannabis is guilty of a Class 2 felony for which a fine not to exceed \$100,000 may be imposed;
(f) more than 2,000 grams but not more than 5,000 grams of any substance containing cannabis is guilty of a Class 1 felony for which a fine not to exceed \$150,000 may be imposed;
(g) more than 5,000 grams of any substance containing cannabis is guilty of a Class X felony for which a fine not to exceed \$200,000 may be imposed.

(Source: P.A. 90-397, eff. 8-15-97.)

[S.H.A. 720 ILCS 550/5.1] (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

§ 5.1. Cannabis Trafficking.

(a) Except for purposes authorized by this Act **or the Cannabis Regulation and Tax Act**, any person who knowingly brings or causes to be brought into this State for the purpose of manufacture or delivery or with the intent to manufacture or deliver 2,500 grams or more of cannabis in this State or any other state or country is guilty of cannabis trafficking.
(b) A person convicted of cannabis trafficking shall be sentenced to a term of imprisonment not less than twice the minimum term and fined an amount as authorized by subsection (f) or (g) of Section 5 of this Act, based upon the amount of cannabis brought or caused to be brought into this State, and not more than twice the maximum term of imprisonment and fined twice the amount as authorized by subsection (f) or (g) of Section 5 of this Act, based upon the amount of cannabis brought or caused to be brought into this State.
(Source: P.A. 90-397, eff. 8-15-97.)

[S.H.A. 720 ILCS 550/5.3] (720 ILCS 550/5.3)

§ 5.3. Unlawful use of cannabis-based product manufacturing equipment.

(a) A person commits unlawful use of cannabis-based product manufacturing equipment when he or she knowingly engages in the possession, procurement, transportation, storage, or delivery of any equipment used in the manufacturing of any cannabis-based product using volatile or explosive gas, including, but not limited to, canisters of butane gas, with the intent to manufacture, compound, covert, produce, derive, process, or prepare either directly or indirectly any cannabis-based product.
(b) This Section does not apply to a cultivation center or cultivation center agent that prepares medical cannabis or cannabis-infused products in compliance with the Compassionate Use of Medical Cannabis Pilot Program Act and Department of Public Health and Department of Agriculture rules.

(c) Sentence. A person who violates this Section is guilty of a Class 2 felony.

(d) This Section does not apply to craft growers, cultivation centers, and infuser organizations licensed under the Cannabis Regulation and Tax Act.

(e) This Section does not apply to manufacturers of cannabis-based product manufacturing equipment or transporting organizations with documentation identifying the seller and purchaser of the equipment if the seller or purchaser is a craft grower, cultivation center, or infuser organization licensed under the Cannabis Regulation and Tax Act.

(Source: P.A. 99-697, eff. 7-29-16.)

[S.H.A. 720 ILCS 550/8] (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

§ 8. **Except as otherwise provided in the Cannabis Regulation and Tax Act, it**, is unlawful for any person knowingly to produce the **cannabis**, sativa plant or to possess such plants unless production or possession has been authorized pursuant to the provisions of Section 11 or 15.2 of the Act. Any person who violates this Section with respect to production or possession of:

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(a) Not more than 5 plants is guilty of a civil violation punishable by a minimum fine of \$100 and a maximum fine of \$200. The proceeds of the fine are payable to the clerk of the circuit court. Within 30 days after the deposit of the fine, the clerk shall distribute the proceeds of the fine as follows:
(1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;
(2) \$15 to the county to fund drug addiction services;
(3) \$10 to the Office of the State's Attorneys Appellate Prosecutor for use in training programs;
(4) \$10 to the State's Attorney; and
(5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.
With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund.
With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund.

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(b) More than 5, but not more than 20 plants, is guilty of a Class 4 felony.
(c) More than 20, but not more than 50 plants, is guilty of a Class 3 felony.
(d) More than 50, but not more than 200 plants, is guilty of a Class 2 felony for which a fine not to exceed \$100,000 may be imposed and for which liability for the cost of conducting the investigation and eradicating such plants may be assessed. Compensation for expenses incurred in the enforcement of this provision shall be transmitted to and deposited in the treasurer's office at the level of government represented by the Illinois law enforcement agency whose officers or employees conducted the investigation or caused the arrest or arrests leading to the prosecution, to be subsequently made available to that law enforcement agency as expendable receipts for use in the enforcement of laws regulating controlled substances and cannabis. If such seizure was made by a combination of law enforcement personnel representing different levels of government, the court levying the assessment shall determine the allocation of such assessment. The proceeds of assessment awarded to the State treasury shall be deposited in a special fund known as the Drug Traffic Prevention Fund.
(e) More than 200 plants is guilty of a Class 1 felony for which a fine not to exceed \$100,000 may be imposed and for which liability for the cost of conducting the investigation and eradicating such plants may be assessed. Compensation for expenses incurred in the enforcement of this provision shall be transmitted to and deposited in the treasurer's office at the level of government represented by the Illinois law enforcement agency whose officers or employees conducted the investigation or caused the arrest or arrests leading to the prosecution, to be subsequently made available to that law enforcement agency as expendable receipts for use in the enforcement of laws regulating controlled substances and cannabis. If such seizure was made by a combination of law enforcement personnel representing different levels of government, the court levying the assessment shall determine the allocation of such assessment. The proceeds of assessment awarded to the State treasury shall be deposited in a special fund known as the Drug Traffic Prevention Fund.
(Source: P.A. 98-1072, eff. 1-1-15.)
Section 900-42. The Code of Civil Procedure is amended by changing Section 2-1401 as follows:

[S.H.A. 735 ILCS 5/2-1401] (735 ILCS 5/2-1401) (from Ch. 110, par. 2-1401)
§ 2-1401. Relief from judgments.

(a) Relief from final orders and judgments, after 30 days from the entry thereof, may be had upon petition as provided in this Section. Writs of error coram nobis and coram vobis, bills of review and bills in the nature of bills of review are abolished. All relief heretofore obtainable and the grounds for such relief heretofore available, whether by any of the foregoing remedies or otherwise, shall be available in every case, by proceedings hereunder, regardless of the nature of the order or judgment from which relief is sought or of the proceedings in which it was entered. Except as provided in the Illinois Parentage Act of 2015, there shall be no distinction between actions and other proceedings, statutory or otherwise, as to availability of relief, grounds for relief or the relief obtainable.
(b) The petition must be filed in the same proceeding in which the order or judgment was entered but is not a continuation thereof. The petition must be supported by affidavit or other appropriate showing as to matters not of record. A petition to reopen a foreclosure proceeding must include as parties to the petition, but is not limited to, all parties in the original action in addition to the current record title holders of the property, current occupants, and any individual or entity that had a recorded interest in the property before the filing of the petition. All parties to the petition shall be notified as provided by rule.
(b-5) A movant may present a meritorious claim under this Section if the allegations in the petition establish each of the following by a preponderance of the evidence:
(1) the movant was convicted of a forcible felony;
(2) the movant's participation in the offense was related to him or her previously having been a victim of domestic violence as perpetrated by an intimate partner;
(3) no evidence of domestic violence against the movant was presented at the movant's sentencing hearing;
(4) the movant was unaware of the mitigating nature of the evidence of the domestic violence at the time of sentencing and could not have learned of its significance sooner through diligence; and
(5) the new evidence of domestic violence against the movant is material and noncumulative to other evidence offered at the sentencing hearing, and is of such a conclusive character that it would likely change the sentence imposed by the original trial court.

Nothing in this subsection (b-5) shall prevent a movant from applying for any other relief under this Section or any other law otherwise available to him or her.

As used in this subsection (b-5):

“Domestic violence” means abuse as defined in Section 103 of the Illinois Domestic Violence Act of 1986.

“Forcible felony” has the meaning ascribed to the term in Section 2-8 of the Criminal Code of 2012.

“Intimate partner” means a spouse or former spouse, persons who have or allegedly have had a child in common, or persons who have or have had a dating or engagement relationship.

(c) Except as provided in Section 20b of the Adoption Act and Section 2-32 of the Juvenile Court Act of 1987 or in a petition based upon Section 116-3 of the Code of Criminal Procedure of 1963, or in a motion to vacate and expunge convictions under the Cannabis Control Act as provided by subsection (i) of Section 5.2 of the Criminal Identification Act, the petition must be filed not later than 2 years after the entry of the order or judgment. Time during which the person seeking relief is under legal disability or duress or the ground for relief is fraudulently concealed shall be excluded in computing the period of 2 years.

(d) The filing of a petition under this Section does not affect the order or judgment, or suspend its operation.

(e) Unless lack of jurisdiction affirmatively appears from the record proper, the vacation or modification of an order or judgment pursuant to the provisions of this Section does not affect the right, title or interest in or to any real or personal property of any person, not a party to the original action, acquired for value after the entry of the order or judgment but before the filing of the petition, nor affect any right of any person not a party to the original action under any certificate of sale issued before the filing of the petition, pursuant to a sale based on the order or judgment. When a petition is filed pursuant to this Section to reopen a foreclosure proceeding, notwithstanding the provisions of Section 15-1701 of this Code, the purchaser or successor purchaser of real property subject to a foreclosure sale who was not a party to the mortgage foreclosure proceedings is entitled to remain in possession of the property until the foreclosure action is defeated or the previously foreclosed defendant redeems from the foreclosure sale if the purchaser has been in possession of the property for more than 6 months.

(f) Nothing contained in this Section affects any existing right to relief from a void order or judgment, or to employ any existing method to procure that relief.

(Source: P.A. 99-85, eff. 1-1-16; 99-384, eff. 1-1-16; 99-642, eff. 7-28-16; 100-1048, eff. 8-23-18.)

Section 900-45. The Condominium Property Act is amended by adding Section 33 as follows:

[S.H.A. 765 ILCS 605/33] (765 ILCS 605/33 new)

§ 33. Limitations on the use of smoking cannabis. The condominium instruments of an association may prohibit or limit the smoking of cannabis, as the term “smoking” is defined in the Cannabis Regulation and Tax Act, within a unit owner's unit. The condominium instruments and rules and regulations shall not otherwise restrict the consumption of cannabis by any other method within a unit owner's unit, or the limited common elements, but may restrict any form of consumption on the common elements.

Section 900-50. The Right to Privacy in the Workplace Act is amended by changing Section 5 as follows:

[S.H.A. 820 ILCS 55/5] (820 ILCS 55/5) (from Ch. 48, par. 2855)

§ 5. Discrimination for use of lawful products prohibited.

(a) Except as otherwise specifically provided by law, including Section 10-50 of the Cannabis Regulation and Tax Act, and except as provided in subsections (b) and (c) of this Section, it shall be unlawful for an employer to refuse to hire or to discharge any individual, or otherwise disadvantage any individual, with respect to compensation, terms, conditions or privileges of employment because the individual uses lawful products off the premises of the employer during nonworking and non-call hours. As used in this Section, “lawful products” means products that are legal under state law. For purposes of this Section, an employee is deemed on-call when the employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

Deleted: hours.

(b) This Section does not apply to any employer that is a non-profit organization that, as one of its primary purposes or objectives, discourages the use of one or more lawful products by the general public. This Section does not apply to the use of those lawful products which impairs an employee's ability to perform the employee's assigned duties.

(c) It is not a violation of this Section for an employer to offer, impose or have in effect a health, disability or life insurance policy that makes distinctions between employees for the type of coverage or the price of coverage based upon the employees' use of lawful products provided that:

(1) differential premium rates charged employees reflect a differential cost to the employer; and

(2) employers provide employees with a statement delineating the differential rates used by insurance carriers.

(Source: P.A. 87-807.)

ARTICLE 999.
MISCELLANEOUS PROVISIONS
<< IL ST CH 410 § 705/999-95 >>

§ 999–95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

<< IL ST CH 410 § 705/999–99 >>

§ 999–99. Effective date. This Act takes effect upon becoming law.

Approved: June 25, 2019

Effective: June 25, 2019