AN ACT concerning regulation.

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

Section 1. Short title. This Act may be cited as the Illinois Hemp Act.

Section 5. Definitions. As used in this Act:

"Cannabis" has the meaning given to that term in Section 3 of the Cannabis Control Act.

"Container" means the innermost wrapping, packaging, or vessel in direct contact with a final hemp-derived cannabinoid product in which the product is enclosed for retail sale to consumers, such as a jar, bottle, bag, box, packet, can, carton, or cartridge. "Container" includes any additional information and specificity as published by the United States Food and Drug Administration or may be changed by rule by the Department of Agriculture. "Container" does not include bulk shipping containers or outer wrappings that are not essential for the final retail delivery or sale to an end consumer for personal or household use.

"Department" means the Department of Agriculture.

"Director" means the Director of Agriculture.

"Final consumer hemp cannabinoid product" means a consumable or topical hemp-derived cannabinoid product that is

permitted to be sold to consumers in the State, that meets the requirements of Section 35 of this Act, and that:

(1) does not contain any cannabinoids that are incapable of being naturally produced by a Cannabis sativa L. plant;

(2) does not contain any cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant but were synthesized or manufactured outside of the plant; and

(3) does not contain more than a per-container total of 0.4 milligrams of total tetrahydrocannabinols, including tetrahydrocannabinolic acid and any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol as established under Section 15 of this Act.

"Hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a total tetrahydrocannabinol concentration, including tetrahydrocannabinolic acid, of not more than 0.3% on a dry-weight basis. "Hemp" includes industrial hemp. "Hemp" does not include any of the following:

(1) any viable seeds from a Cannabis sativa L. plant that exceeds a total tetrahydrocannabinols concentration,

including tetrahydrocannabinolic acid, of 0.3% in the plant on a dry weight basis;

(2) any intermediate hemp-derived cannabinoid product containing any of the following:

(A) cannabinoids that are incapable of being naturally produced by a Cannabis sativa L. plant;

(B) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant but were synthesized or manufactured outside the plant;

(C) more than a combined total tetrahydrocannabinol concentration of 0.3%, including tetrahydrocannabinolic acid and any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol, as established under Section 15 of this Act;

(3) any intermediate hemp-derived cannabinoid product that is marketed or sold as a final product or marketed or sold directly to an end consumer for personal or household use; or

(4) any final hemp-derived cannabinoid product containing any of the following:

(A) cannabinoids that are incapable of being naturally produced by a Cannabis sativa L. plant;

(B) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant and

were synthesized or manufactured outside the plant;

(C) more than a per-container total of 0.4 milligrams of total tetrahydrocannabinols, including tetrahydrocannabinolic acid and any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol as established under Section 15 of this Act.

"Hemp cultivation licensee" means a person licensed by the Department of Agriculture to cultivate hemp and industrial hemp pursuant to this Act and federal law.

"Hemp-derived cannabinoid product" means any intermediate or final product derived from hemp that contains cannabinoids in any form and is intended for human or animal use through any means of application or administration, including inhalation, ingestion, or topical application.

"Hemp product manufacturer" means a facility operated by a person licensed by the Department to obtain hemp or intermediate hemp-derived cannabinoid product to manufacture and produce hemp-derived cannabinoid products.

"Hemp production plan" means a plan submitted by the Department to the Secretary of the United States Department of Agriculture pursuant to the federal Agriculture Improvement Act of 2018, Public Law 115-334, and consistent with the Domestic Hemp Production Program established under 7 CFR Part 990, through which the Department establishes its authority to

have primary regulatory authority over the production of hemp.

"Industrial hemp" means:

(1) hemp grown for the use of the stalk of the plant, fiber produced from the stalk, or any other non-cannabinoid derivative, mixture, preparation, or manufacture of the stalk;

(2) hemp grown for the use of the whole grain, oil, cake, nut, hull, or any other non-cannabinoid compound, derivative, mixture, preparation, or manufacture of the seeds of the plant;

(3) hemp grown for the purpose of producing microgreens or other edible hemp leaf products intended for human consumption that are derived from an immature hemp plant grown from seeds that do not exceed 0.3% total tetrahydrocannabinol;

(4) hemp that does not enter the stream of commerce and is intended to support hemp research at an institution of higher education, as defined in Section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), or at an independent research institute; or

(5) hemp grown for the production of a viable seed of the plant produced solely for the production or manufacture of any material described in paragraphs (1) through (4).

"Industrial hemp product" means a product derived from industrial hemp that does not contain cannabinoids.

"Industrial hemp processor" means a facility that processes or handles raw industrial hemp plant material.

"Intermediate hemp-derived cannabinoid product" means a hemp-derived cannabinoid product that:

(1) is not yet in the final form or preparation marketed or intended to be used or consumed by a human or animal; or

(2) is a powder, liquid, tablet, oil, or other product form that is intended or marketed to be mixed, dissolved, formulated, or otherwise added to or prepared with or into any other substance prior to administration or consumption.

An intermediate hemp-derived cannabinoid product shall not contain: (i) cannabinoids that are incapable of being naturally produced by a Cannabis sativa L. plant; (ii) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant but were synthesized or manufactured outside of the plant; or (iii) more than a combined total tetrahydrocannabinol concentration of 0.3%, including tetrahydrocannabinolic acid and any other cannabinoids with similar effects on humans or animals as tetrahydrocannabinol.

"Land area" means a farm, as defined in Section 1-60 of the Property Tax Code, in this State or land or facilities under the control of an institution of higher education.

"Person" means any individual, corporation, government or governmental subdivision or agency, business trust, estate,

trust, partnership, association, or any other entity.

Section 10. Prohibitions on the sale and distribution of hemp products.

(a) No person may distribute or sell cannabis, hemp, industrial hemp, or any product derived from cannabis, hemp, or industrial hemp in this State, except as authorized under the Cannabis Regulation and Tax Act, the Compassionate Use of Medical Cannabis Act, or this Act, unless the product meets the definition of a "final consumer hemp cannabinoid product" or an "industrial hemp product".

(b) No person may manufacture or produce any product derived from hemp or industrial hemp without first obtaining an industrial hemp processor registration or a hemp product manufacturer license under this Act.

Section 15. Cannabinoid lists.

(a) The following lists shall be used to determine what is hemp and what products qualify as a final consumer hemp cannabinoid product under this Act:

(1) Cannabinoids that are considered capable of being naturally produced by a Cannabis sativa L. plant:

(A) Cannabigerol (CBG), which includes, but is not limited to:

(i) CBGA (Cannabigerolic acid);

(ii) CBG (Cannabigerol);

(iii) CBGVA (Cannabigerovarinic acid);

(iv) CBGV (Cannabigerovarin);

(B) Cannabidiol (CBD), which includes, but is not limited to:

(i) CBDA (Cannabidiolic acid);

(ii) CBD (Cannabidiol);

(iii) CBDVA (Cannabidivarinic acid);

(iv) CBDV (Cannabidivarin);

(C) Delta 9-Tetrahydrocannabinol (THC), which includes, but is not limited to:

(i) THCA (Delta 9-Tetrahydrocannabinolic acid);

(ii) Delta 9-THC (Delta 9-Tetrahydrocannabinol);

(iii) THCVA (Tetrahydrocannabivarinic acid);

(iv) THCV (Tetrahydrocannabivarin);

(v) THCP (Tetrahydrocannabiphorol);

(D) Cannabichromene (CBC), which includes, but is not limited to:

(i) CBCA (Cannabichromenic acid);

(ii) CBC (Cannabichromene);

(iii) CBCVA (Cannabichromevarinic acid);

(iv) CBCV (Cannabichromevarin);

(E) Natural degradation and artifact subclasses, which include, but are not limited to:

(i) CBN (Cannabinol);

(ii) CBNA (Cannabinolic acid);

(iii) CBLA (Cannabicyclolic acid);

(iv) CBL (Cannabicyclol);

(v) CBE (Cannabielsoin);

(vi) CBT (Cannabitriol);

(vii) HHC (Hexahydrocannabinol);

(F) Minor natural isomers and trace compounds, which include, but are not limited to:

(i) Delta-8 THC (Delta 8-Tetrahydrocannabinol);

(ii) Delta-10 THC (Delta 10-Tetrahydrocannabinol);

(iii) exo-THC (Delta 9,11-Tetrahydrocannabinol);

(iv) THCA (Tetrahydrocannabinolic acid);

(v) THC-C1 (Tetrahydrocannabiorcol); and

(G) All cannabinoids that appear on a list of cannabinoids that are known to the federal Food and Drug Administration to be capable of being naturally produced by a Cannabis sativa L. plant, as reflected in peer reviewed literature, and that is published by the federal Food and Drug Administration pursuant to 7 U.S.C. 1639o.

(2) Cannabinoids that are tetrahydrocannabinol class cannabinoids known to be naturally occurring in the Cannabis sativa L. plant:

(A) THCA (Delta 9-Tetrahydrocannabinolic acid);

(B) THC (Delta 9-Tetrahydrocannabinol);

(C) THCV (Tetrahydrocannabivarin);

(D) THCVA (Tetrahydrocannabivarin acid);

(E) THCP (Tetrahydrocannabiphorol); and

(F) All tetrahydrocannabinol class cannabinoids that appear on a list of tetrahydrocannabinol class cannabinoids that are known to the federal Food and Drug Administration to be naturally occurring in the Cannabis sativa L. plant and that are published by the federal Food and Drug Administration pursuant to 7 U.S.C. 1639o.

(3) Cannabinoids that are known to have similar effects to, or marketed to have similar effects to, tetrahydrocannabinol class cannabinoids:

(A) Delta-5 THC (Delta-5 tetrahydrocannabinol);

(B) Delta-6 THC (Delta-6 tetrahydrocannabinol);

(C) Delta-7 THC (Delta 7-Tetrahydrocannabinol);

(D) Delta-8 THC (Delta 8-Tetrahydrocannabinol);

(E) Delta-10 THC (Delta 10-Tetrahydrocannabinol);

(F) Delta-6a10a THC (often sold as Delta-3 THC);

(G) Delta 10a THC (Delta 10-Tetrahydrocannabinol acid);

(H) Delta-11 THC (Delta-11tetrahydrocannabinol)

(I) HHC (Hexahydrocannabinol);

(J) HHCP (Hexahydrocannabiphorol);

(K) HHCH (Hexahydrocannabihexol);

(L) exo-THC (Delta 9,11-Tetrahydrocannabinol);

(M) THCP (Tetrahydrocannabiphorol);

(N) THCB (Tetrahydrocannabutol);

(O) THCH (Tetrahydrocannabihexol);

(P) THC-O-Acetate (Delta-9-Tetrahydrocannabinol acetate, THC-O/ATHC);

(Q) HHC-O-Acetate (Hexahydrocannabinol O acetate, HHC-O);

(R) THCP-O (Delta-9-Tetrahydrocannabiphorol-O-acetate);

(S) THCJD (Tetrahydrocannabioctyl); and

(T) All tetrahydrocannabinol class cannabinoids that appear on a list of cannabinoids that are known to the federal Food and Drug Administration to have similar effects to, or marketed to have similar effects to, tetrahydrocannabinol class cannabinoids and that is published by the federal Food and Drug Administration pursuant to 7 U.S.C. 1639o.

(b) The Department, by rule, may add, change, or remove any of the items included in the lists established in this Section.

(c) The Department shall publish any updates to the list, including any federal additions, on its website.

Section 20. Hemp and industrial hemp cultivation.

(a) No person shall cultivate hemp or industrial hemp in this State without a hemp cultivation license issued by the Department.

(b) An application for a cultivation license shall include:

(1) the name and address of the applicant; and

(2) the legal description of the land area to be used to cultivate hemp, including Global Positioning System coordinates.

(c) The Department may determine, by rule, the duration of a cultivation license, applicable license fees, and the requirements for license renewal.

(d) The Department shall submit to the Secretary of the United States Department of Agriculture a hemp production plan under which the Department monitors and regulates the cultivation of hemp and industrial hemp in this State. The Department shall adopt rules incorporating the hemp production plan, including application and licensing requirements.

(e) The Department may conduct inspections of hemp cultivation licensees at the Department's discretion.

(f) The Department shall adopt rules necessary for the administration and enforcement of this Act in accordance with all applicable State and federal laws and regulations, including rules governing standards and criteria for licensure and registration, payment of applicable fees, required signage, and forms required for the administration of this

Act.

(g) The Department shall adopt rules for the testing of hemp THC levels and the disposal of plant matter exceeding lawful THC levels, including an option for a cultivator to request a retest for a minor violation, with the retest threshold determined by the Department and set by rule.

(h) The Department may impose fines, not to exceed $10,000, on hemp cultivation licensees for violations of this Act and rules.

(i) The Department's rules that are related to the cultivation of industrial hemp and adopted under the Industrial Hemp Act shall remain in effect until superseded by rules adopted under this Act. Upon the effective date of this Act, hemp cultivation licensees under the Industrial Hemp Act shall be automatically licensed under this Act subject to the existing renewal period.

Section 25. Industrial hemp processing.

(a) Any person that processes or handles raw industrial hemp plant material to create a product not intended for human or animal consumption shall obtain an industrial hemp processor registration. The license application shall be on a form prescribed by the Department and shall contain the name of the licensee, the location of the processing facility, and a list of products to be produced by the industrial hemp processor.

(b) The Department may adopt rules regulating industrial hemp processing. The Department may also inspect industrial hemp processing facilities and, if necessary, collect samples for testing at its discretion.

(c) An industrial hemp processor shall only create products derived from industrial hemp and shall not create any product that contains cannabinoids. The Department may revoke the license of an industrial hemp processor that violates this subsection.

(d) An industrial hemp processor license shall be valid for 2 years and shall be subject to a fee of $200.

(e) Industrial hemp processor registrants under the Industrial Hemp Act shall be required to obtain an industrial hemp processor license or a hemp product manufacturing license under this Act. Industrial hemp processor registrants under the Industrial Hemp Act may request a prorated refund of the registration fee submitted under that Act.

Section 30. Intermediate hemp products and hemp product manufacturing.

(a) Any person that processes or handles hemp (other than industrial hemp) or intermediate hemp-derived cannabinoid products shall obtain a hemp product manufacturer license from the Department.

(b) Hemp product manufacturers shall obtain hemp only from hemp growers licensed by the United States Department of

Agriculture or an approved State or tribal hemp program and may only produce products that are permitted to be sold under federal or State law. Hemp product manufacturers shall not sell any products that do not comply with the requirements of the jurisdiction in which they are sold.

(c) A hemp product manufacturer shall only produce products that meet the definition of hemp, intermediate hemp-derived cannabinoid product, or final consumer hemp cannabinoid product. A hemp product manufacturer shall not create artificially derived cannabinoids.

(d) An application for licensure shall be submitted to the Department on a form prescribed by the Department and shall include, but shall not be limited to:

(1) the entity name, address, email address, and telephone number of the applicant;

(2) identification of the facility to be used; separate licenses are required for separate facilities;

(3) a copy of the applicable local zoning ordinance and verification that the facility location is not in an area zoned for residential use and complies with local zoning rules and distance limitations established by the local jurisdiction;

(4) identification of an authorized point of contact for interactions with the Department; and

(5) a list of all operations and processes to be conducted at the facility; licensees shall keep this list

current at all times.

(e) The Department shall inspect the facility to assess whether the facility is suitable for operations prior to issuing a license. A license is valid only for the location listed in the application. A new application is required for each new location.

(f) A hemp product manufacturer shall operate under the supervision of a food service sanitation manager certified by the Department of Public Health.

(g) The facility shall be in compliance with the Illinois Food, Drug, and Cosmetic Act, the Sanitary Food Preparation Act, and the Food Handling Regulation Enforcement Act.

(h) A hemp product manufacturer may perform hemp extraction to create hemp concentrate that meets the definition of an intermediate hemp-derived cannabinoid product upon approval by the Department. The hemp product manufacturer shall provide in its application and keep up to date all methods of extraction and concentration that the manufacturer will use and identify the chemicals, if any, that will be used. All extraction methods and chemicals shall be approved by the Department. The Department shall adopt rules regulating hemp extraction, which shall include, at a minimum, an annual inspection by a professional engineer. Extraction equipment and processing sites shall be designed, installed, and maintained in accordance with codes of recognized and generally accepted good engineering practices, such as the

National Fire Protection Association (NFPA), International Fire Code (IFC), American Society of Mechanical Engineers (ASME), and Underwriters Laboratories (UL).

(i) A hemp product manufacturer must comply with State and local building, fire, and zoning codes, requirements, and regulations.

(j) The Department may adopt rules that set facility standards and specifications, application requirements, production standards, security requirements, and any other requirements to ensure a safe and compliant facility.

(k) Hemp product manufacturing licenses shall be valid for 2 years and be subject to a license fee of $5,000. The Department shall waive the fee for any public institution of higher education, as defined in the Public Higher Education Act.

(l) The Department may impose fines, not to exceed $10,000, on hemp product manufacturers for violation of this Act and rules.

Section 35. Final consumer hemp products.

(a) All final consumer hemp cannabinoid products distributed, sold, or offered for sale in this State shall meet the following minimum requirements:

(1) the product shall meet the definition of "final consumer hemp cannabinoid product";

(2) the product shall not contain liquor, wine, beer,

or cider, or otherwise meet the definition of "alcoholic liquor" under the Liquor Control Act of 1934;

(3) the product shall not contain tobacco or nicotine;

(4) the product shall consist of a consumable or topical product, such as an edible food or beverage, and shall not be intended to be smoked or vaped or otherwise meet the definition of electronic cigarette as defined by the Tobacco Products Tax Act of 1995;

(5) the product shall contain only ingredients that are generally recognized as safe (GRAS) for use in food or are approved food additives under the Federal Food, Drug, and Cosmetic Act, unless otherwise authorized by the Department by rule; and

(6) the product shall be prepackaged and shall not be added to food or any other consumable product at the point of sale.

(b) Prior to sale to the public, a representative sample of each lot shall be tested by a laboratory approved by the Department under the Cannabis Regulation and Tax Act. The representative sample shall be tested for all tests required under 8 Ill. Admin. Code 1300.700, or the Department may set alternative testing standards by rule under this Act. The Department may also conduct testing of any product purported to be a final consumer hemp cannabinoid product. A current certificate of analysis shall be made available to the Department, to any retailer carrying the product, and to

consumers via a scannable code or link on the product label.

(c) Every hemp-derived product offered for sale shall bear a label containing, at a minimum:

(1) the product name;

(2) the net weight or volume;

(3) a complete and accurate list of all ingredients in descending order of predominance;

(4) the identity and quantity of each cannabinoid present in the product at a level above 0.4 milligrams, expressed in milligrams per serving and per container;

(5) the number of servings per container;

(6) the batch or lot number;

(7) the name, business address, and contact information of the manufacturer or distributor;

(8) an expiration or use by date; and

(9) a quick response (QR) or equivalent scannable code or website linking to the certificate of analysis for the batch.

The Department may make modifications and additions to these requirements by rule.

(d) All final hemp consumer cannabinoid products shall be sold in a container as defined by this Act. Each container shall be individually wrapped or packaged at the original point of preparation. Any product containing hemp shall be packaged in a sealed, child-resistant container that complies with current standards, including the Consumer Product Safety

Commission standards referenced in the federal Poison Prevention Packaging Act or any other requirement set by the Department by rule.

(e) Labels and Packaging must not contain information that:

(1) is false or misleading or includes a representation that the product is a cannabis product;

(2) promotes excessive consumption;

(3) includes any image designed or likely to appeal to minors, including cartoons, fruit, toys, animals, or children, or any other likeness to images, characters, or phrases used to advertise to children;

(4) imitates the trade dress, name, or packaging of any commercial non-cannabis or non-hemp food, candy, beverage, or product primarily marketed to children;

(5) contains any seal, flag, crest, coat of arms, or other insignia likely to mislead a purchaser into believing the product has been endorsed, made, or used by the State of Illinois or any of its representatives, except where authorized by this Act;

(6) misstates or omits cannabinoid content or ingredients; or

(7) makes health claims.

(f) Labeling and packaging requirements may be modified by the Department by rule.

(g) The Department may issue a mandatory recall for any

product or product line found to be in violation of any provision of this Section.

Section 40. Violations.

(a) A person or retailer that sells, offers for sale, distributes, or holds for sale a final consumer hemp cannabinoid product that does not comply with any requirement of this Act or any rule adopted under this Act commits a violation of this Act. Products derived from the plant Cannabis sativa L. that do not meet the definition of hemp or hemp-derived cannabinoid product are considered cannabis as defined by the Cannabis Regulation and Tax Act and Cannabis Control Act. Nothing in this Act limits the authority of any other State agency or unit of local government to inspect a person or retailer subject to this Act or to enforce other applicable laws.

(b) The Department of Agriculture, Department of Financial and Professional Regulation, Department of Public Health, Illinois State Police, Department of Revenue, and the unit of local government where the premises are located may, during ordinary business hours, enter and inspect any premises where hemp-derived cannabinoid products or final consumer hemp cannabinoid products are sold, offered for sale, stored, or distributed. Refusal to permit inspection constitutes a separate violation subject to a fine under Section 45.

Section 45. Penalties. Upon a finding that a person or retailer has violated this Act, the Department may impose fines as follows:

(1) for a first violation within a 24-month period, a fine not to exceed $500;

(2) for a second violation within a 24-month period, a fine not to exceed $750; and

(3) for a third or subsequent violation within a 24-month period, a fine not to exceed $1,000.

Fines imposed under this subsection are in addition to, and not in lieu of, any other civil, criminal, or administrative remedy available under this Act or any other law. All penalties collected shall be deposited into the Illinois Hemp Regulatory Fund.

Section 50. Cease and desist orders; mandatory recalls; consumer fraud.

(a) The Director may issue a cease and desist order to any person doing business without the required license or when in the opinion of the Director the person is violating or is about to violate any provision of this Act or any rule or requirement imposed in writing by the Department, including the sale of products not in compliance with this Act. The cease and desist order permitted by this Section may be issued before a hearing.

(b) The Director shall serve notice of the Director's

action, including, but not limited to, a statement of the reasons for the action, either personally, or by certified mail, or by regular mail. Service by certified or regular mail shall be deemed completed when the notice is deposited in the U.S. Mail.

(c) Within 10 calendar days after service of the cease and desist order, the licensee or other person may request a hearing in writing. The Director shall schedule a hearing within 90 days after the request for a hearing unless otherwise agreed to by the parties.

(d) If it is determined that the Director had the authority to issue the cease and desist order, the Director may issue such orders as may be reasonably necessary to correct, eliminate, or remedy the conduct.

(e) The Director may seek to compel compliance with the Cease and Desist Order in the circuit court through the Attorney General's Office. Any person in violation of a cease and desist order issued by the Department is subject to all penalties provided by law.

(f) The powers vested in the Director by this Section are in addition to any and all other powers and remedies vested in the Director by law, and nothing in this Section shall be construed as requiring that the Director shall employ the power conferred in this Section instead of or as a condition precedent to the exercise of any other power or remedy vested in the Director.

(g) Whenever the Department issues a mandatory recall under this Act, every person or retailer in possession of the recalled product shall, within the time specified in the recall order, remove the product from sale, segregate it from compliant inventory, and either return it to the manufacturer or distributor or hold it for destruction in accordance with Department instructions. A person or retailer that fails to comply with a mandatory recall order is subject to a civil penalty under rules adopted by the Department for each day the violation continues, and each non-compliant product retained in violation of the order constitutes a separate violation.

(h) When a product recalled under this Section has been finally determined by the Department to be non-compliant, the Director may petition the circuit court of the county in which the product is located for an order condemning the product and directing its destruction or other lawful disposition at the expense of the person or retailer in possession.

(i) The Department may adopt rules necessary to administer and enforce this Section, including rules establishing a schedule of presumptive civil penalties, procedures for stop-sale orders and embargoes, standards for manufacturer certifications of compliance, and procedures for mandatory recalls.

(j) The Attorney General may also enforce a violation of this Act as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

Section 55. Illinois Hemp Regulatory Fund. There is created in the State treasury a special fund to be known as the Illinois Hemp Regulatory Fund. All fees and fines collected by the Department under this Act shall be deposited into the Fund. Moneys in the Illinois Hemp Regulatory Fund shall be used by the Department for the purposes of implementing, administering, and enforcing this Act.

Notwithstanding any other provision of law, in addition to any other transfers that may be provided by law, on November 12, 2026, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Industrial Hemp Regulatory Fund into the Illinois Hemp Regulatory Fund. Upon completion of the transfers, the Industrial Hemp Regulatory Fund is dissolved, and any future deposits due to that Fund and any outstanding obligations or liabilities of that Fund pass to the Illinois Hemp Regulatory Fund.

Section 60. Immunity. Except for willful or wanton misconduct, a person employed by the Department shall not be subject to criminal or civil liability for taking any action under this Act within the scope of his or her employment. Representation and indemnification of Department employees shall be provided as set forth in Section 2 of the State Employee Indemnification Act.

Section 65. Construction.

(a) Nothing in this Act shall be construed to authorize any person to violate any federal rule, regulation, or law. If, as of November 13, 2026, this Act conflicts with the statutory text of 7 U.S.C. 1639p, the federal provision, as of November 13, 2026, shall control to the extent of the conflict.

(b) Nothing in this Act shall prohibit the transportation or shipment of hemp or hemp products produced in accordance with subtitle G of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o et seq.) through the State.

Section 70. Home Rule. A home rule unit may not regulate hemp in a manner less restrictive than the regulation of hemp 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.

Section 100. The Department of Professional Regulation Law of the Civil Administrative Code of Illinois is amended by changing Section 2105-117 as follows:

(20 ILCS 2105/2105-117)

Sec. 2105-117. Confidentiality. All information collected

by the Department in the course of an examination or investigation of a licensee, registrant, or applicant, including, but not limited to, any complaint against a licensee or registrant 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. The Department may not disclose the information to anyone other than law enforcement officials, other regulatory agencies that have an appropriate regulatory interest as determined by the Director, the Office of the Executive Inspector General, or a party presenting a lawful subpoena to the Department. Information and documents disclosed to a federal, State, county, or local law enforcement agency, including the Office of the Executive Inspector General, shall not be disclosed by the agency for any purpose to any other agency or person, except as necessary to those involved in enforcing the State Officials and Employees Ethics Act. A formal complaint filed against a licensee or registrant by the Department or any order issued by the Department against a licensee, registrant, or applicant shall be a public record, except as otherwise prohibited by law.

(Source: P.A. 99-227, eff. 8-3-15.)

Section 105. The Criminal Identification Act is amended by changing Section 5.2 as follows:

(20 ILCS 2630/5.2)

(Text of Section before amendment by P.A. 104-459)

Sec. 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 following Sections of the Unified Code of Corrections:

Business Offense, Section 5-1-2.

Charge, Section 5-1-3.

Court, Section 5-1-6.

Defendant, Section 5-1-7.

Felony, Section 5-1-9.

Imprisonment, Section 5-1-10.

Judgment, Section 5-1-12.

Misdemeanor, Section 5-1-14.

Offense, Section 5-1-15.

Parole, Section 5-1-16.

Petty Offense, Section 5-1-17.

Probation, Section 5-1-18.

Sentence, Section 5-1-19.

Supervision, Section 5-1-21.

Victim, Section 5-1-22.

(B) As used in this Section, "charge not initiated by arrest" means a charge (as defined by Section 5-1-3 of the Unified Code of Corrections) 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 60 ~~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) Section 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.

(A-5) In anticipation of the successful completion of a problem-solving court, pre-plea diversion, or post-plea diversion program, a petition for expungement may be filed 61 days before the anticipated dismissal of the case or any time thereafter. Upon successful completion of the program and dismissal of the case, the court shall review the petition of the person graduating from the program and shall grant expungement if the petitioner meets all requirements as specified in any applicable statute.

(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 Illinois State Police 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 Illinois State Police, 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 Illinois 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 Illinois 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 Illinois 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 Registry 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 subsection (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 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 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. From August 9, 2019 (the effective date of Public Act 101-306) through December 31, 2020, 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, 2022.

(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 taken within 30 days before the filing of the petition a test showing the absence within his or her body of all illegal substances as defined by the Illinois Controlled Substances Act and the Methamphetamine Control and Community Protection 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 Illinois 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 Illinois 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.

(D) Notwithstanding any other provision of law, the court shall not deny a petition to expunge or seal under this Section because the petitioner has submitted a drug test taken within 30 days before the filing of the petition to expunge or seal that indicates a positive test for the presence of cannabis within the petitioner's body. In this subparagraph (D), "cannabis" has the meaning ascribed to it in Section 3 of the Cannabis Control Act.

(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 Illinois State Police 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 Illinois State Police, in a form and manner prescribed by the Illinois State Police, 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 subsection (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 Illinois State Police, 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 Illinois State Police, 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 subsection (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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police, 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police, 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 Illinois State Police, 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 Illinois State Police, or the agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed.

(D) The Illinois State Police 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 Illinois State Police to expunge or seal records. In the event of an appeal from the circuit court order, the Illinois State Police 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.

(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 Illinois State Police 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 remit the Illinois State Police portion of the fee to the State Treasurer 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).

(e) 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois 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 Illinois 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 or vacation and expungement of trafficking victims' crimes.

(1) A trafficking victim, as defined by paragraph (10) of subsection (a) of Section 10-9 of the Criminal Code of 2012, may petition for vacation and expungement or 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 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.

(1.5) A petition under paragraph (1) shall be prepared, signed, and filed in accordance with Supreme Court Rule 9. The court may allow the petitioner to attend any required hearing remotely in accordance with local rules. The court may allow a petition to be filed under seal if the public filing of the petition would constitute a risk of harm to the petitioner.

(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 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 vacation and expungement or 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 vacation and expungement or immediate sealing under this subsection (h). A petitioner is eligible for vacation and expungement or 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 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 Illinois 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 June 25, 2019 (the effective date of Public Act 101-27) 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 by the law enforcement agency under the following timelines:

(i) Records created prior to June 25, 2019 (the effective date of Public Act 101-27), 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.

In response to an inquiry for expunged records, the law enforcement agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed; however, it shall provide a certificate of disposition or confirmation that the record was expunged to the individual whose record was expunged if such a record exists.

(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 June 25, 2019 (the effective date of Public Act 101-27), 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 a conviction 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 June 25, 2019 (the effective date of Public Act 101-27), 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 the 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 Illinois 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 and a certificate of disposition to the individual who was pardoned to the individual's last known address or by electronic means (if available) or otherwise make it 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. The circuit court clerk shall promptly serve a copy of the motion to vacate and expunge, and any supporting documentation, on the State's Attorney or prosecutor charged with the duty of prosecuting the offense. 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 non-financial sentence or non-financial 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 subparagraphs (d)(8) and (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. Motions filed by an agency providing civil legal aid concerning more than one individual may be prepared, presented, and signed electronically.

(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. Motions filed by a State's Attorney concerning more than one individual may be prepared, presented, and signed electronically. 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. Upon entry of an order granting a motion to vacate and expunge records pursuant to this Section, the State's Attorney shall notify the Prisoner Review Board within 30 days. Upon entry of the order of expungement, the circuit court clerk shall promptly provide a copy of the order and a certificate of disposition to the individual whose records will be expunged to the individual's last known

address or by electronic means (if available) or otherwise make available to the individual upon request. If a motion to vacate and expunge is granted, the records shall be expunged in accordance with subparagraphs (d)(8) and (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 June 25, 2019 (the effective date of Public Act 101-27) 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 June 25, 2019 (the effective date of Public Act 101-27) 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 Illinois State Police shall allow a person to use the access and review process, established in the Illinois 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 Illinois State Police shall post general information on its website about the expungement process described in this subsection (i).

(j) Felony Prostitution Convictions.

(1) Automatic Sealing of Felony Prostitution Arrests.

(A) The Illinois State Police and local law enforcement agencies within the State shall automatically seal the law enforcement records relating to a person's Class 4 felony arrests and charges not initiated by arrest for prostitution if that arrest or charge not initiated by arrest is eligible for sealing under paragraph (2) of subsection (c).

(B) In the absence of a court order or upon the order of a court, the clerk of the circuit court shall automatically seal the court records and case files relating to a person's Class 4 felony arrests and charges not initiated by arrest for prostitution if that arrest or charge not initiated by arrest is eligible for sealing under paragraph (2) of subsection (c).

(C) The automatic sealing described in this paragraph (1) shall be completed no later than January 1, 2028.

(2) Automatic Sealing of Felony Prostitution Convictions.

(A) The Illinois State Police and local law enforcement agencies within the State shall automatically seal the law enforcement records

relating to a person's Class 4 felony conviction for prostitution if those records are eligible for sealing under paragraph (2) of subsection (c).

(B) In the absence of a court order or upon the order of a court, the clerk of the circuit court shall automatically seal the court records relating to a person's Class 4 felony conviction for prostitution if those records are eligible for sealing under paragraph (2) of subsection (c).

(C) The automatic sealing of records described in this paragraph (2) shall be completed no later than January 1, 2028.

(3) Motions to Vacate and Expunge Felony Prostitution Convictions. Any individual may file a motion to vacate and expunge a conviction for a prior Class 4 felony violation of prostitution. Motions to vacate and expunge under this subsection (j) 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 the motion to vacate and expunge, a court shall consider the following:

(A) the reasons to retain the records provided by law enforcement;

(B) the petitioner's age;

(C) the petitioner's age at the time of offense; and

(D) the time since the conviction, and the specific adverse consequences if denied. An individual may file the petition after the completion of any sentence or condition imposed by the conviction. Within 60 days of the filing of the motion, a State's Attorney may file an objection to the 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 in 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 Class 4 felony violation of prostitution. Motions to vacate and expunge under this subsection (j) may be filed with the circuit court, Chief Judge of a judicial circuit, or any judge of the circuit court designated by the Chief Judge, and may include more than one individual. When considering the motion to vacate and expunge, a court shall consider the following reasons:

(A) the reasons to retain the records provided by

law enforcement;

(B) the petitioner's age;

(C) the petitioner's age at the time of offense;

(D) the time since the conviction; and

(E) the specific adverse consequences if denied.

If the State's Attorney files a motion to vacate and expunge records for felony prostitution convictions pursuant to this Section, the State's Attorney shall notify the Prisoner Review Board within 30 days of the 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) The Illinois State Police shall allow a person to ~~a~~ use the access and review process, established in the Illinois State Police, for verifying that his or her records relating to felony prostitution eligible under this Section have been expunged.

(7) 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.

(8) 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.

(9) Information. The Illinois State Police shall post general information on its website about the expungement or sealing process described in this subsection (j).

(Source: P.A. 103-35, eff. 1-1-24; 103-154, eff. 6-30-23; 103-609, eff. 7-1-24; 103-755, eff. 8-2-24; 103-1071, eff. 7-1-25; 104-417, eff. 8-15-25; revised 1-20-26.)

(Text of Section after amendment by P.A. 104-459)

Sec. 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 following Sections of the Unified Code of Corrections:

Business Offense, Section 5-1-2.

Charge, Section 5-1-3.

Court, Section 5-1-6.

Defendant, Section 5-1-7.

Felony, Section 5-1-9.

Imprisonment, Section 5-1-10.

Judgment, Section 5-1-12.

Misdemeanor, Section 5-1-14.

Offense, Section 5-1-15.

Parole, Section 5-1-16.

Petty Offense, Section 5-1-17.

Probation, Section 5-1-18.

Sentence, Section 5-1-19.

Supervision, Section 5-1-21.

Victim, Section 5-1-22.

(B) As used in this Section, "charge not initiated by arrest" means a charge (as defined by Section 5-1-3 of the Unified Code of Corrections) 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 60 ~~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) (i) Except as provided in subdivision (ii), "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.

(ii) For records subject to relief under subsection (k) of this Section, "seal" means to physically and electronically maintain the records, unless the records would otherwise be destroyed due to age, but to have the records impounded, as defined in paragraph (2) of subsection (b) of Section 5 of the Court Record and Document Accessibility Act. The defendant'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. Upon request, and without court order, the circuit court clerk shall provide to the Illinois State Police the disposition information for any record that was ordered to be sealed or impounded pursuant to this Section.

(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) Section 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 petitioner 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.

(A-5) In anticipation of the successful completion of a problem-solving court, pre-plea diversion, or post-plea diversion program, a petition for expungement may be filed 61 days before the anticipated dismissal of the case or any time thereafter. Upon successful completion of the program and dismissal of the case, the court shall review the petition of the person graduating from the program and shall grant expungement if the petitioner meets all requirements as specified in any applicable statute.

(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 petitioner reaching the age of 25 years and the petitioner 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 Illinois State Police 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 Illinois State Police, 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 petitioner, 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 Illinois State Police or other criminal justice agencies or prosecutors from listing under a petitioner'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 Illinois 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 Illinois 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);

(C-5) Arrests or charges not initiated by arrest resulting in orders of qualified probation;

(D) Arrests or charges not initiated by arrest resulting in convictions with sentences of conditional discharge or probation, completed without revocation by the petitioner, unless otherwise excluded by subsection (a)(3);

(E) Arrests or charges not initiated by arrest

resulting in misdemeanor convictions not included in subsection (c)(2)(D), including convictions on municipal ordinance violations, unless excluded by subsection (a)(3); and

(F) Arrests or charges not initiated by arrest resulting in felony convictions not included in subsection (c)(2)(D) unless otherwise excluded by subsection (a)(3).

(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) Records identified as eligible under subsection (c)(2)(C), (c)(2)(C-5), (c)(2)(D), or (c)(2)(E) 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 subparagraphs (B) and (E) of this paragraph (3), records identified as eligible under subsection (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 Registry 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 subsection (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 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 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 (C) shall apply to any subsequent petition for sealing filed by the petitioner.

(4) (Blank).

(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. From August 9, 2019 (the effective date of Public Act 101-306) through December 31, 2020, 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, 2022.

(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) (Blank).

(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 Illinois State Police, the arresting agency, and, for municipal ordinance violations, 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 Illinois 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.

(D) (Blank).

(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 Illinois State Police 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 Illinois State Police, in a form and manner prescribed by the Illinois State Police, 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 for municipal ordinance violations, and to such other criminal justice agencies as

may be ordered by the court. The disposition information for each case or record ordered expunged, sealed, or impounded shall be attached to the order provided to the Illinois State Police.

(9) Implementation of order.

(A) Upon entry of an order to expunge records pursuant to subsection (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 Illinois State Police, 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 Illinois State Police, 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 subsection (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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police, 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police, 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 Illinois State Police, 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 Illinois State Police, or the agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed.

(D) The Illinois State Police 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 Illinois State Police to expunge or seal records. In the event of an appeal from the circuit court order, the Illinois State Police 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.

(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 Illinois State Police 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 remit the Illinois State Police portion of the fee to the State Treasurer 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).

(17) Upon request, and without court order, the circuit court clerk shall provide the disposition information for any record that was ordered to be sealed or impounded pursuant to this Section to the Illinois State Police.

(e) 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois State Police 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 Illinois State Police may be disseminated by the Illinois State Police 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 Illinois State Police 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 Illinois 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 Illinois 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 or vacation and expungement of trafficking victims' crimes.

(1) A trafficking victim, as defined by paragraph (10) of subsection (a) of Section 10-9 of the Criminal Code of 2012, may petition for vacation and expungement or 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 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.

(1.5) A petition under paragraph (1) shall be prepared, signed, and filed in accordance with Supreme Court Rule 9. The court may allow the petitioner to attend

any required hearing remotely in accordance with local rules. The court may allow a petition to be filed under seal if the public filing of the petition would constitute a risk of harm to the petitioner.

(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 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 vacation and expungement or 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 vacation and expungement or immediate sealing under this subsection (h). A petitioner is eligible for vacation and expungement or 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

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 Illinois 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 June 25, 2019 (the effective date of Public Act 101-27) 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 by the law enforcement agency under the following timelines:

(i) Records created prior to June 25, 2019 (the effective date of Public Act 101-27), 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.

In response to an inquiry for expunged records, the law enforcement agency receiving such inquiry shall reply as it does in response to inquiries when no records ever existed; however, it shall provide a certificate of disposition or confirmation that the record was expunged to the individual whose record was expunged if such a record exists.

(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 June 25, 2019 (the effective date of Public Act 101-27), 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 a conviction 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 June 25, 2019 (the effective date of Public Act 101-27), 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 the 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 Illinois 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 and a certificate of disposition to the individual who was pardoned to the individual's last known address or by electronic means (if available) or otherwise make it 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. The circuit court clerk shall promptly serve a copy of the motion to vacate and expunge, and any supporting documentation, on the State's Attorney or prosecutor charged with the duty of prosecuting the offense. 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 non-financial sentence or non-financial 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 subparagraphs (d)(8) and (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. Motions filed by an agency providing civil legal aid concerning more than one individual may be prepared, presented, and signed electronically.

(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. Motions filed by a State's Attorney concerning more than one individual may be prepared, presented, and signed electronically. 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. Upon entry of an order granting a motion to vacate and expunge records pursuant to this Section, the State's

Attorney shall notify the Prisoner Review Board within 30 days. Upon entry of the order of expungement, the circuit court clerk shall promptly provide a copy of the order and a certificate of disposition to the individual whose records will be expunged to the individual's last known address or by electronic means (if available) or otherwise make available to the individual upon request. If a motion to vacate and expunge is granted, the records shall be expunged in accordance with subparagraphs (d)(8) and (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 June 25, 2019 (the effective date of Public Act 101-27) 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 June 25, 2019 (the effective date of Public Act 101-27) 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 Illinois State Police shall allow a person to use the access and review process, established in the Illinois 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 Illinois State Police shall post general information on its website about the expungement process described in this subsection (i).

(j) Felony Prostitution Convictions.

(1) Automatic Sealing of Felony Prostitution Arrests.

(A) The Illinois State Police and local law enforcement agencies within the State shall automatically seal the law enforcement records relating to a person's Class 4 felony arrests and charges not initiated by arrest for prostitution if that arrest or charge not initiated by arrest is eligible for sealing under paragraph (2) of subsection (c).

(B) In the absence of a court order or upon the order of a court, the clerk of the circuit court shall automatically seal the court records and case files relating to a person's Class 4 felony arrests and charges not initiated by arrest for prostitution if that arrest or charge not initiated by arrest is eligible for sealing under paragraph (2) of subsection (c).

(C) The automatic sealing described in this paragraph (1) shall be completed no later than January 1, 2028.

(2) Automatic Sealing of Felony Prostitution Convictions.

(A) The Illinois State Police and local law enforcement agencies within the State shall automatically seal the law enforcement records relating to a person's Class 4 felony conviction for prostitution if those records are eligible for sealing under paragraph (2) of subsection (c).

(B) In the absence of a court order or upon the order of a court, the clerk of the circuit court shall automatically seal the court records relating to a person's Class 4 felony conviction for prostitution if those records are eligible for sealing under paragraph (2) of subsection (c).

(C) The automatic sealing of records described in this paragraph (2) shall be completed no later than January 1, 2028.

(3) Motions to Vacate and Expunge Felony Prostitution Convictions. Any individual may file a motion to vacate and expunge a conviction for a prior Class 4 felony violation of prostitution. Motions to vacate and expunge under this subsection (j) 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 the motion to vacate and expunge, a court shall consider the following:

(A) the reasons to retain the records provided by law enforcement;

(B) the petitioner's age;

(C) the petitioner's age at the time of offense; and

(D) the time since the conviction, and the specific adverse consequences if denied. An individual may file the petition after the completion of any sentence or condition imposed by the conviction. Within 60 days of the filing of the motion, a State's Attorney may file an objection to the 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 in 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 Class 4 felony violation of prostitution. Motions to vacate and expunge under this subsection (j) may be filed with the circuit court, Chief

Judge of a judicial circuit, or any judge of the circuit court designated by the Chief Judge, and may include more than one individual. When considering the motion to vacate and expunge, a court shall consider the following reasons:

(A) the reasons to retain the records provided by law enforcement;

(B) the petitioner's age;

(C) the petitioner's age at the time of offense;

(D) the time since the conviction; and

(E) the specific adverse consequences if denied.

If the State's Attorney files a motion to vacate and expunge records for felony prostitution convictions pursuant to this Section, the State's Attorney shall notify the Prisoner Review Board within 30 days of the 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) The Illinois State Police shall allow a person to ~~a~~ use the access and review process, established in the Illinois State Police, for verifying that his or her records relating to felony prostitution eligible under this Section have been expunged.

(7) 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.

(8) 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.

(9) Information. The Illinois State Police shall post general information on its website about the expungement or sealing process described in this subsection (j).

(k) Automatic Sealing.

(1) Applicability. Notwithstanding any other provision of this Act, and cumulative with any rights to expungement or sealing of criminal records, this subsection authorizes the automatic sealing of criminal records of adults and of minors prosecuted as adults. Any duties imposed upon the Illinois State Police by this Act are subject to appropriations being made for that purpose to the State Police Services Fund. Any duties imposed upon circuit clerks by this Act are subject to appropriations being made for that purpose to the Circuit Court Clerk Operation and Administrative Fund.

(2) Beginning January 1, 2029, records created on or after January 1, 1970 that meet the eligibility criteria in paragraph (k)(3) and timing criteria in paragraph

(k)(4) or (k)(5) shall be automatically sealed without the filing of a petition. The Illinois State Police shall identify eligible records, automatically seal eligible records, and provide an electronic notice to circuit clerks, by means of the applicable e-filing system.

Commencing January 1, 2029, the Illinois State Police shall, at least quarterly, seal all records identified as subject to automatic sealing in paragraph (k)(3) and meeting time requirements under paragraph (k)(5). At least quarterly, the Illinois State Police shall electronically notify each circuit court of all previously unidentified records originating in that county for which a record is subject to automatic sealing pursuant to this subsection.

Upon receipt of notice from the Illinois State Police, circuit clerks shall seal records as that term is defined in subsection (a)(1)(K)(ii). For records held electronically, circuit clerks shall seal records within 90 days of notice from the Illinois State Police. For records not held electronically, circuit clerks shall ensure that the individual's name is obliterated from the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act and shall also ensure that the permanent record, as defined by the Supreme Court, is sealed as defined in subsection (a)(1)(K)(ii) before anyone not authorized by law is able to access the physical records.

For all records created before January 1, 2029, the following timelines shall apply:

(A) Records created prior to January 1, 2029 but on or after July 1, 2005 shall be identified and sealed by the Illinois State Police, with notice provided to circuit clerks by means of the applicable e-filing system, by January 1, 2030. Circuit clerks shall seal records in accordance with the procedures established in this Section by January 1, 2031.

(B) Records created prior to July 1, 2005 but on or after July 1, 1990 shall be identified and sealed by the Illinois State Police, with notice provided to circuit clerks by means of the applicable e-filing system, by January 1, 2031. Circuit clerks shall seal records in accordance with the procedures established in this Section by January 1, 2032.

(C) Records created prior to July 1, 1990 but on or after July 1, 1970 shall be identified and sealed by the Illinois State Police, with notice provided to circuit clerks by means of the applicable e-filing system, by January 1, 2032. Circuit clerks shall seal records in accordance with the procedures established in this Section by January 1, 2034.

(3) Records listed in subsection (c)(2) are eligible for automatic record sealing unless excluded by subsection (a)(3) or in this paragraph (3):

(A) Records are not eligible for automatic sealing while the subject of the record is serving a sentence, order of supervision, or order of qualified probation for a criminal offense in this State. Records are not eligible for automatic sealing if the subject of the record has pending filed charges. For the purposes of determining if a charge is pending, if the Illinois State Police is otherwise unable to determine disposition status, misdemeanor charges shall not be considered pending if one year has elapsed since the filing of charges and felony charges shall not be considered pending if 7 years have elapsed since the filing of charges.

(B) Records of conviction for offenses included in Article 9 or 11 of the Criminal Code of 1961 or the Criminal Code of 2012, for felonies designated as Class X, and for felonies that require public registration under the Sex Offender Registration Act are not eligible for automatic sealing. Notwithstanding this subparagraph, offenses included in Section 11-14 of the Criminal Code of 1961 or the Criminal Code of 2012 are eligible for automatic sealing. A conviction of a crime of violence, as that term is defined in Section 20 of the Drug Court Treatment Act, is not eligible for automatic sealing. A conviction of trafficking in persons, involuntary

servitude, or involuntary sexual servitude of a minor, a conviction of organized retail crime, a conviction of robbery, a conviction of vehicular hijacking, a conviction of burglary that is a Class 1 or 2 felony, or a conviction of residential burglary, as those terms are used in Sections 10-9, 16-25.1, 18-1, 18-3, 19-1, and 19-3 of the Criminal Code of 2012, is not eligible for automatic sealing. Convictions requiring public registration under the Arsonist Registration Act or the Murderer and Violent Offender Against Youth Registration Act are not eligible for automatic sealing until the petitioner is no longer required to register under the relevant Act.

(C) Records with the same case number as a conviction listed in subparagraph (B) are not eligible for automatic sealing.

(D) Felony conviction records are not eligible for automatic sealing until all felony conviction records eligible for automatic sealing for the subject of the record have met the time requirements in paragraph (5).

(4) Automatic Sealing of Nonconviction Records. Arrests or charges not initiated by arrest resulting in acquittal or dismissal, except as excluded by subsection (a)(3)(B), that occur on or after January 1, 2029 shall be sealed immediately after entry of the final disposition of

a case, except as provided in subsection (k)(3)(C). Upon entry of a disposition for an eligible record under this paragraph, the defendant shall be informed by the court that the defendant's eligible records will be immediately sealed and the procedure for the immediate sealing of these records. The court shall enter an order sealing the record after entry of the final disposition of a case. After sealing records pursuant to this paragraph, the circuit court clerk must provide notice of sealing to the Illinois State Police and to the arresting agency in a form and manner prescribed by the Supreme Court. The circuit clerk shall provide this notice within 30 days of sealing the record and may do so electronically. An order to immediately seal records shall be implemented in conformance with paragraph (8).

(5) When Records are Subject to Automatic Sealing.

(A) Records of arrest resulting in release without charging and records of arrests or charges not initiated by arrest resulting in acquittal, dismissal, or conviction when the conviction was reversed or vacated are subject to automatic sealing immediately.

(B) Records of arrests or charges not initiated by arrest resulting in orders of supervision, including orders of supervision for municipal ordinance violations, resulting in orders of qualified probation, are subject to automatic sealing if 2 years

have elapsed since the termination of the order of supervision or qualified probation.

(C) Arrests or charges not initiated by arrest resulting in misdemeanor convictions are subject to automatic sealing if two years have elapsed since the termination of the sentence associated with the record.

(D) Arrests or charges not initiated by arrest resulting in convictions for felony offenses are subject to automatic sealing if 3 years have elapsed since the termination of the sentence associated with the record.

(E) For the purposes of determining if the timelines in this paragraph (5) have been met, the Illinois State Police shall consider records in its possession and, in the absence of disposition or sentence termination records, shall deem sentences terminated based on the sentence or supervision term length information in its possession. In the absence of a known term length of probation or conditional discharge, the Illinois State Police shall deem a term completed if the maximum probation or conditional discharge term length for the statutory class of the offense has elapsed since the disposition date.

(6) Notice. At least monthly, the circuit court clerk shall provide notice to each arresting agency of all

records sealed under this subsection. The circuit court clerk may provide this notice electronically.

(7) Implementation.

(A) Upon notice of sealing provided by the circuit court clerk, the arresting agency and any other agency receiving notice of sealing shall seal the records under the procedures in subsections (a)(1)(K) and (d)(9)(C).

(B) In response to an inquiry for the sealed records from anyone not authorized by law to access the records, the court, the Illinois State Police, the arresting agency, or the prosecuting agency receiving the inquiry shall reply as it does in response to inquiries when no records ever existed.

(C) Each circuit court that has sealed a record shall make those records available to the subject of the record, or an attorney representing the subject of the record, without court order within 7 days.

(8) Upon request, the circuit court clerk shall provide disposition information for any record sealed pursuant to this subsection to the Illinois State Police, the arresting agency, the State's Attorney, or prosecutor that prosecuted the offense. If the Illinois State Police, arresting agency, State's Attorney, or prosecutor that prosecuted the offense determine a record has been improperly sealed pursuant to this subsection, the

Illinois State Police, arresting agency, State's Attorney, or prosecutor that prosecuted the offense may file a petition to unseal the record with the court that entered the original record. If the court determines the record was improperly sealed, the court shall enter an order unsealing the record.

(9) Records sealed under this subsection shall be used and disseminated by the Illinois State Police only as required or authorized by a federal or State law, rule, or regulation that requires inquiry into and release of criminal records. The Department of Corrections shall have access to all sealed records of the Illinois State Police pertaining to individuals committed or confined within or sentenced to a term of imprisonment within a correctional institution or facility.

(10) The Illinois State Police shall allow a person to use the access and review process, established by the Illinois State Police, for verifying that the person's records eligible under this subsection have been sealed. As part of the access and review process, upon request, the Illinois State Police shall provide the subject of the record written confirmation that the record was sealed under this subsection.

(11) An individual may challenge the individual's record and request corrections, including the sealing of records eligible under this subsection, by completing and

submitting a record challenge form to the Illinois State Police. The Illinois State Police shall automatically seal all records identified as eligible under this subsection based on the access and review process. The Illinois State Police shall include any records identified as eligible under this process in the next electronic notification of the circuit court in which the case originated. The Illinois State Police shall render a final administrative decision with respect to the record challenge, which shall be subject to administrative appeal procedures established by the Illinois Criminal Justice Information Authority.

(12) Nothing in this Section shall be construed to restrict or modify an individual's right to have that individual's records expunged or sealed except as otherwise may be provided in this Act or diminish or abrogate any rights or remedies otherwise available to the individual.

(13) The State or the county, or an official or employee of the State or the county acting in the course of the official's or employee's duties, is not liable for an injury or loss a person might receive due to an act or omission of a person in the commission of the person's duties under this Act, except for willful, wanton misconduct or gross negligence on the part of the governmental unit or on the part of the official or employee.

(l) Municipal ordinance violations and Class C misdemeanors. Notwithstanding any other provision of this Act to the contrary and cumulative with any rights to expungement of criminal records, this subsection requires the sealing of criminal records of municipal ordinance violations and Class C misdemeanors without petition. Beginning January 1, 2028, and on January 1 and July 1 of each year thereafter, circuit court clerks shall seal any criminal records of arrests or charges not initiated by arrest resulting in charges or convictions for municipal ordinance violations or Class C misdemeanors if one year has elapsed since the case was closed as designated by the Supreme Court.

(Source: P.A. 103-35, eff. 1-1-24; 103-154, eff. 6-30-23; 103-609, eff. 7-1-24; 103-755, eff. 8-2-24; 103-1071, eff. 7-1-25; 104-417, eff. 8-15-25; 104-459, eff. 6-1-26; revised 1-20-26.)

Section 110. The State Finance Act is amended by changing Sections 5.890 and 5.916 and adding Section 5.1038 as follows:

(30 ILCS 105/5.890)

Sec. 5.890. The Industrial Hemp Regulatory Fund. <u>This Section is repealed on January 1, 2028.</u>

(Source: P.A. 100-1091, eff. 8-26-18; 101-81, eff. 7-12-19.)

(30 ILCS 105/5.916)

Sec. 5.916. The Local Cannabis Retailers' Occupation ~~Consumer Excise~~ Tax Trust Fund.

(Source: P.A. 101-27, eff. 6-25-19; 102-558, eff. 8-20-21.)

(30 ILCS 105/5.1038 new)

Sec. 5.1038. The Illinois Hemp Regulatory Fund.

Section 115. The Illinois Procurement Code is amended by changing Section 1-10 as follows:

(30 ILCS 500/1-10)

(Text of Section before amendment by P.A. 104-458)

Sec. 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 an 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) (A) Contracts for legal, financial, and other professional and artistic services entered into 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 members 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 members of the Illinois Finance Authority of the terms of the contract.

(B) Contracts for legal and financial services entered

into by the Illinois Housing Development Authority in connection with the issuance of bonds in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the members of the Illinois Housing Development 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 members of the Illinois Housing Development 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 wastewater ~~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 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 Program Act.

(18) This Code does not apply to any procurements necessary for the Department of Agriculture or~~,~~ 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 and for the Department of Agriculture to implement the Illinois Hemp 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 10 ~~5~~ years after June 25, 2019 (the effective date of Public Act 101-27).

(19) Acquisition of modifications or adjustments,

limited to assistive technology devices and assistive technology services, adaptive equipment, repairs, and replacement parts to provide reasonable accommodations (i) that enable a qualified applicant with a disability to complete the job application process and be considered for the position such qualified applicant desires, (ii) that modify or adjust the work environment to enable a qualified current employee with a disability to perform the essential functions of the position held by that employee, (iii) to enable a qualified current employee with a disability to enjoy equal benefits and privileges of employment as are enjoyed by other similarly situated employees without disabilities, and (iv) that allow a customer, client, claimant, or member of the public seeking State services full use and enjoyment of and access to its programs, services, or benefits.

For purposes of this paragraph (19):

"Assistive technology devices" means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

"Assistive technology services" means any service that directly assists an individual with a disability in selection, acquisition, or use of an assistive technology device.

"Qualified" has the same meaning and use as provided under the federal Americans with Disabilities Act when describing an individual with a disability.

(20) Procurement expenditures necessary for the Illinois Commerce Commission to hire third-party facilitators pursuant to Sections 16-105.17 and 16-108.18 of the Public Utilities Act or an ombudsman pursuant to Section 16-107.5 of the Public Utilities Act, a facilitator pursuant to Section 16-105.17 of the Public Utilities Act, or a grid auditor pursuant to Section 16-105.10 of the Public Utilities Act.

(21) Procurement expenditures for the purchase, renewal, and expansion of software, software licenses, or software maintenance agreements that support the efforts of the Illinois State Police to enforce, regulate, and administer the Firearm Owners Identification Card Act, the Firearm Concealed Carry Act, the Firearms Restraining Order Act, the Firearm Dealer License Certification Act, the Law Enforcement Agencies Data System (LEADS), the Uniform Crime Reporting Act, the Criminal Identification Act, the Illinois Uniform Conviction Information Act, and the Gun Trafficking Information Act, or establish or maintain record management systems necessary to conduct human trafficking investigations or gun trafficking or other stolen firearm investigations. This paragraph (21) applies to contracts entered into on or after January 10,

2023 (the effective date of Public Act 102-1116) and the renewal of contracts that are in effect on January 10, 2023 (the effective date of Public Act 102-1116).

(22) Contracts for project management services and system integration services required for the completion of the State's enterprise resource planning project. This exemption becomes inoperative 5 years after June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8). This paragraph (22) applies to contracts entered into on or after June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8) and the renewal of contracts that are in effect on June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8).

(23) Procurements necessary for the Department of Insurance to implement the Illinois Health Benefits Exchange Law if the Department of Insurance has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption. The procurement process shall be conducted in a manner substantially in accordance with the requirements of Sections 20-160 and 25-60 and Article 50 of this Code. A copy of these contracts shall be made available to the Chief Procurement Officer immediately upon request. This paragraph is inoperative 5 years after June 27, 2023 (the effective date of Public Act 103-103).

(24) Contracts for public education programming, noncommercial sustaining announcements, public service announcements, and public awareness and education messaging with the nonprofit trade associations of the providers of those services that inform the public on immediate and ongoing health and safety risks and hazards.

(25) Procurements necessary for the Department of Early Childhood to implement the Department of Early Childhood Act if the Department has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption. This exemption shall only be used for products and services procured solely for use by the Department of Early Childhood. The procurements may include those necessary to design and build integrated, operational systems of programs and services. The procurements may include, but are not limited to, those necessary to align and update program standards, integrate funding systems, design and establish data and reporting systems, align and update models for technical assistance and professional development, design systems to manage grants and ensure compliance, design and implement management and operational structures, and establish new means of engaging with families, educators, providers, and stakeholders. The procurement processes shall be conducted in a manner substantially in accordance with the requirements of Article 50 (ethics) and Sections

5-5 (Procurement Policy Board), 5-7 (Commission on Equity and Inclusion), 20-80 (contract files), 20-120 (subcontractors), 20-155 (paperwork), 20-160 (ethics/campaign contribution prohibitions), 25-60 (prevailing wage), and 25-90 (prohibited and authorized cybersecurity) of this Code. Beginning January 1, 2025, the Department of Early Childhood shall provide a quarterly report to the General Assembly detailing a list of expenditures and contracts for which the Department uses this exemption. This paragraph is inoperative on and after July 1, 2027.

(26) Procurements that are necessary for increasing the recruitment and retention of State employees, particularly minority candidates for employment, including:

(A) procurements related to registration fees for job fairs and other outreach and recruitment events;

(B) production of recruitment materials; and

(C) other services related to recruitment and retention of State employees.

The exemption under this paragraph (26) applies only if the State agency has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this paragraph (26). The procurement process under this paragraph (26) shall be conducted in a manner substantially in accordance with the requirements

of Sections 20-160 and 25-60 and Article 50 of this Code. A copy of these contracts shall be made available to the Chief Procurement Officer immediately upon request. Nothing in this paragraph (26) authorizes the replacement or diminishment of State responsibilities in hiring or the positions that effectuate that hiring. This paragraph (26) is inoperative on and after June 30, 2029.

(27) Procurements necessary for the Department of Healthcare and Family Services to implement changes to the State's Integrated Eligibility System to ensure the system's compliance with federal implementation mandates and deadlines, if the Department of Healthcare and Family Services has made a good faith determination that it is necessary and appropriate for the procurement to fall within this exemption.

Notwithstanding any other provision of law, for contracts with an annual value of more than $100,000 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. This Code does not apply to the procurement of technical and policy experts pursuant to Section 1-129 of the Illinois Power Agency 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.

(m) This Code shall apply regardless of the source of funds with which contracts are paid, including federal assistance moneys. Except as specifically provided in this Code, this Code shall not apply to procurement expenditures

necessary for the Department of Public Health to conduct the Healthy Illinois Survey in accordance with Section 2310-431 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois.

(Source: P.A. 103-8, eff. 6-7-23; 103-103, eff. 6-27-23; 103-570, eff. 1-1-24; 103-580, eff. 12-8-23; 103-594, eff. 6-25-24; 103-605, eff. 7-1-24; 103-865, eff. 1-1-25; 104-2, eff. 6-16-25; 104-417, eff. 8-15-25)

(Text of Section after amendment by P.A. 104-458)

Sec. 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 an 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) (A) Contracts for legal, financial, and other professional and artistic services entered into 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 members 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 members of the Illinois Finance Authority of the terms of the contract.

(B) Contracts for legal and financial services entered into by the Illinois Housing Development Authority in connection with the issuance of bonds in which the State

of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the members of the Illinois Housing Development 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 members of the Illinois Housing Development 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 wastewater ~~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 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 Program Act.

(18) This Code does not apply to any procurements necessary for the Department of Agriculture or~~,~~ 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 and for the Department of Agriculture to implement the Illinois Hemp 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 10 ~~5~~ years after June 25, 2019 (the effective date of Public Act 101-27).

(19) Acquisition of modifications or adjustments, limited to assistive technology devices and assistive technology services, adaptive equipment, repairs, and

replacement parts to provide reasonable accommodations (i) that enable a qualified applicant with a disability to complete the job application process and be considered for the position such qualified applicant desires, (ii) that modify or adjust the work environment to enable a qualified current employee with a disability to perform the essential functions of the position held by that employee, (iii) to enable a qualified current employee with a disability to enjoy equal benefits and privileges of employment as are enjoyed by other similarly situated employees without disabilities, and (iv) that allow a customer, client, claimant, or member of the public seeking State services full use and enjoyment of and access to its programs, services, or benefits.

For purposes of this paragraph (19):

"Assistive technology devices" means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

"Assistive technology services" means any service that directly assists an individual with a disability in selection, acquisition, or use of an assistive technology device.

"Qualified" has the same meaning and use as provided under the federal Americans with Disabilities Act when

describing an individual with a disability.

(20) Procurement expenditures necessary for the Illinois Commerce Commission to hire third-party facilitators pursuant to Sections 16-105.17 and 16-108.18 of the Public Utilities Act or an ombudsman pursuant to Section 16-107.5 of the Public Utilities Act, a facilitator pursuant to Section 16-105.17 of the Public Utilities Act, a grid auditor pursuant to Section 16-105.10 of the Public Utilities Act, a facilitator, expert, or consultant pursuant to Sections 16-126.2 and 16-202 of the Public Utilities Act, a procurement monitor pursuant to Section 16-111.5 of the Public Utilities Act, an ombudsperson pursuant to Section 20-145 of the Public Utilities Act, or consultants and experts pursuant to Section 5-15 of the Utility Data Access Act.

(21) Procurement expenditures for the purchase, renewal, and expansion of software, software licenses, or software maintenance agreements that support the efforts of the Illinois State Police to enforce, regulate, and administer the Firearm Owners Identification Card Act, the Firearm Concealed Carry Act, the Firearms Restraining Order Act, the Firearm Dealer License Certification Act, the Law Enforcement Agencies Data System (LEADS), the Uniform Crime Reporting Act, the Criminal Identification Act, the Illinois Uniform Conviction Information Act, and the Gun Trafficking Information Act, or establish or

maintain record management systems necessary to conduct human trafficking investigations or gun trafficking or other stolen firearm investigations. This paragraph (21) applies to contracts entered into on or after January 10, 2023 (the effective date of Public Act 102-1116) and the renewal of contracts that are in effect on January 10, 2023 (the effective date of Public Act 102-1116).

(22) Contracts for project management services and system integration services required for the completion of the State's enterprise resource planning project. This exemption becomes inoperative 5 years after June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8). This paragraph (22) applies to contracts entered into on or after June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8) and the renewal of contracts that are in effect on June 7, 2023 (the effective date of the changes made to this Section by Public Act 103-8).

(23) Procurements necessary for the Department of Insurance to implement the Illinois Health Benefits Exchange Law if the Department of Insurance has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption. The procurement process shall be conducted in a manner substantially in accordance with the requirements of Sections 20-160 and 25-60 and Article 50 of this Code. A

copy of these contracts shall be made available to the Chief Procurement Officer immediately upon request. This paragraph is inoperative 5 years after June 27, 2023 (the effective date of Public Act 103-103).

(24) Contracts for public education programming, noncommercial sustaining announcements, public service announcements, and public awareness and education messaging with the nonprofit trade associations of the providers of those services that inform the public on immediate and ongoing health and safety risks and hazards.

(25) Procurements necessary for the Department of Early Childhood to implement the Department of Early Childhood Act if the Department has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption. This exemption shall only be used for products and services procured solely for use by the Department of Early Childhood. The procurements may include those necessary to design and build integrated, operational systems of programs and services. The procurements may include, but are not limited to, those necessary to align and update program standards, integrate funding systems, design and establish data and reporting systems, align and update models for technical assistance and professional development, design systems to manage grants and ensure compliance, design and implement management and operational structures, and

establish new means of engaging with families, educators, providers, and stakeholders. The procurement processes shall be conducted in a manner substantially in accordance with the requirements of Article 50 (ethics) and Sections 5-5 (Procurement Policy Board), 5-7 (Commission on Equity and Inclusion), 20-80 (contract files), 20-120 (subcontractors), 20-155 (paperwork), 20-160 (ethics/campaign contribution prohibitions), 25-60 (prevailing wage), and 25-90 (prohibited and authorized cybersecurity) of this Code. Beginning January 1, 2025, the Department of Early Childhood shall provide a quarterly report to the General Assembly detailing a list of expenditures and contracts for which the Department uses this exemption. This paragraph is inoperative on and after July 1, 2027.

(26) Procurements that are necessary for increasing the recruitment and retention of State employees, particularly minority candidates for employment, including:

(A) procurements related to registration fees for job fairs and other outreach and recruitment events;

(B) production of recruitment materials; and

(C) other services related to recruitment and retention of State employees.

The exemption under this paragraph (26) applies only if the State agency has made a good faith determination

that it is necessary and appropriate for the expenditure to fall within this paragraph (26). The procurement process under this paragraph (26) shall be conducted in a manner substantially in accordance with the requirements of Sections 20-160 and 25-60 and Article 50 of this Code. A copy of these contracts shall be made available to the Chief Procurement Officer immediately upon request. Nothing in this paragraph (26) authorizes the replacement or diminishment of State responsibilities in hiring or the positions that effectuate that hiring. This paragraph (26) is inoperative on and after June 30, 2029.

(27) Procurements necessary for the Department of Healthcare and Family Services to implement changes to the State's Integrated Eligibility System to ensure the system's compliance with federal implementation mandates and deadlines, if the Department of Healthcare and Family Services has made a good faith determination that it is necessary and appropriate for the procurement to fall within this exemption.

Notwithstanding any other provision of law, for contracts with an annual value of more than $100,000 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. This Code does not apply to the procurement of technical and policy experts pursuant to Section 1-129 of the Illinois Power Agency 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.

(m) This Code shall apply regardless of the source of funds with which contracts are paid, including federal assistance moneys. Except as specifically provided in this Code, this Code shall not apply to procurement expenditures necessary for the Department of Public Health to conduct the Healthy Illinois Survey in accordance with Section 2310-431 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois.

(Source: P.A. 103-8, eff. 6-7-23; 103-103, eff. 6-27-23; 103-570, eff. 1-1-24; 103-580, eff. 12-8-23; 103-594, eff. 6-25-24; 103-605, eff. 7-1-24; 103-865, eff. 1-1-25; 104-2, eff. 6-16-25; 104-417, eff. 8-15-25; 104-458, eff. 6-1-26; revised 1-12-26.)

Section 120. The Use Tax Act is amended by changing Sections 3-5 and 3-10 as follows:

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use, which, on and after January 1, 2025, includes use by a lessee, of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the

personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Except as otherwise provided in this Act, personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has

no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a

motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment, including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals.

Beginning on January 1, 2024, farm machinery and equipment also includes electrical power generation equipment used primarily for production agriculture.

This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the

conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings,

(iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2028, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption

as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) includes production related tangible personal property, as defined in Section 3-50, purchased on or after July 1, 2019. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes,

but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a

hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax

imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State,

including, but not limited to, municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported

schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated

amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of

the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the

tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if

that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010 and continuing through December 31, 2029, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft. However, until January 1, 2024, this exemption excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable

supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.

Beginning January 1, 2010 and continuing through December 31, 2023, this exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. From January 1, 2024 through December 31, 2029, this exemption applies only to the use of qualifying tangible personal property by: (A) persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations; and (B) persons who engage in the modification, replacement, repair, and maintenance of aircraft engines or power plants without regard to whether or not those persons meet the qualifications of item (A).

The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part

129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (35) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to February 5, 2020 (the effective date of Public Act 101-629).

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

(37) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental-purchase agreement, as defined in the Rental-Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90.

(39) Tangible personal property purchased by a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-90.

(40) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had Public Act 101-31 been in effect may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall

grant a certificate of exemption under this item (40) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (40):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage

electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (40) is exempt from the provisions of Section 3-90.

(41) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (41) is exempt from the provisions of Section 3-90. As used in this item (41):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect

milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and (2) is

pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(42) Tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act. This item (42) is exempt from the provisions of Section 3-90.

(43) Beginning on January 1, 2024, tangible personal property purchased by an active duty member of the armed forces of the United States who presents valid military identification and purchases the property using a form of payment where the federal government is the payor. The member of the armed forces must complete, at the point of sale, a form prescribed by the Department of Revenue documenting that the transaction is eligible for the exemption under this paragraph. Retailers must keep the form as documentation of the exemption in their records for a period of not less than 6 years. "Armed forces of the United States" means the United States Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard. This paragraph is exempt from the provisions of Section 3-90.

(44) Beginning July 1, 2024, home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary, such as a Medicare Administrative Contractor, a Managed Care Organization, or a Medicare Advantage Organization, pursuant to a government contract. This item (44) is exempt from the provisions of Section 3-90.

(45) Beginning on January 1, 2026, as further defined in Section 3-10, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, ~~and~~ food that has been prepared for immediate consumption, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act). This item (45) is exempt from the provisions of Section 3-90.

(46) Use by the lessee of the following leased tangible personal property:

(1) software transferred subject to a license that meets the following requirements:

(A) it is evidenced by a written agreement signed by the licensor and the customer;

(i) an electronic agreement in which the customer accepts the license by means of an electronic signature that is verifiable and can be authenticated and is attached to or made part of the license will comply with this requirement;

(ii) a license agreement in which the customer electronically accepts the terms by clicking "I agree" does not comply with this requirement;

(B) it restricts the customer's duplication and use of the software;

(C) it prohibits the customer from licensing,

sublicensing, or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor;

(D) the licensor has a policy of providing another copy at minimal or no charge if the customer loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and

(E) the customer must destroy or return all copies of the software to the licensor at the end of the license period; this provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement; and

(2) property that is subject to a tax on lease receipts imposed by a home rule unit of local government if the ordinance imposing that tax was adopted prior to January 1, 2023.

(Source: P.A. 103-9, Article 5, Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5, eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

(35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property, which, on and after January 1, 2025, includes leases of tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the

Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, and beginning again on August 5, 2022 through August 14, 2022, with respect to sales tax holiday items as defined in Section 3-6 of this Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, (iii) 100% of the proceeds of sales made after July 1, 2017 and prior to January 1, 2024, (iv) 90% of the proceeds of sales made on or after January 1, 2024 and on or before December 31, 2028, and (v) 100% of the proceeds of sales made after December 31, 2028. If, at any time, however, the tax under this Act on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to mid-range ethanol blends, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after January 1, 2024 and on or before December 31, 2028 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of mid-range ethanol blends is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of mid-range ethanol blends made during that time.

With respect to majority blended ethanol fuel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2028 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1. If, at any time, however, the tax under this Act on sales of biodiesel blends with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1.

Until July 1, 2022 and from July 1, 2023 through December 31, 2025, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, ~~and~~ food that has been prepared for immediate consumption, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act), the tax is imposed at the rate of 1%. Beginning on July 1, 2022 and until July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 0%. On and after January 1, 2026, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) is exempt from the tax imposed by this Act.

With respect to prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for

the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including, but not limited to, soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine,

regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human

use that contains a label that identifies the product as a drug as required by 21 CFR 201.66. The "over-the-counter-drug" label includes:

(A) a "Drug Facts" panel; or

(B) a statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, "prescription and nonprescription medicines and drugs" includes cannabis or cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license, as these terms are defined under the Cannabis Regulation and Tax Act.

Beginning on the November 12, 2026, "prescription and nonprescription medicines and drugs" does not include a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act.

As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and does not include cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, as used in this Section, "adult use cannabis" does not include cannabis or cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license.

If the property that is purchased at retail from a retailer is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use. No depreciation is allowed in cases where the tax under this Act is imposed on lease receipts.

(Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

Section 125. The Service Use Tax Act is amended by changing Sections 3-5 and 3-10 as follows:

(35 ILCS 110/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a non-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations,

and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the

purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment, including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers,

sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals.

Beginning on January 1, 2024, farm machinery and equipment also includes electrical power generation equipment used primarily for production agriculture.

This item (7) is exempt from the provisions of Section 3-75.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same

aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages acquired as an incident to the purchase of a service from a serviceman, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(10) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Proceeds from the sale of photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and

equipment purchased for lease.

(12) Until July 1, 2028, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Semen used for artificial insemination of livestock for direct agricultural production.

(14) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (14) is exempt from the provisions of Section 3-75, and the exemption provided for under this item (14) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act

95-88).

(15) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(16) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or

in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(17) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification

number by the Department that assists victims of the disaster who reside within the declared disaster area.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including, but not limited to, municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(19) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-75.

(20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association,

foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(21) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-75.

(22) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-75.

(23) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the

diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be

subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(26) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-75.

(27) Beginning January 1, 2010 and continuing through

December 31, 2029, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft. However, until January 1, 2024, this exemption excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.

Beginning January 1, 2010 and continuing through December 31, 2023, this exemption applies only to the use of qualifying tangible personal property transferred incident to the modification, refurbishment, completion, replacement, repair, or maintenance of aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. From January 1, 2024 through December 31, 2029, this exemption applies only to the use of qualifying tangible personal

property transferred incident to: (A) the modification, refurbishment, completion, repair, replacement, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations; and (B) the modification, replacement, repair, and maintenance of aircraft engines or power plants without regard to whether or not those persons meet the qualifications of item (A).

The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (27) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (27) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to February 5, 2020 (the effective date of Public Act 101-629).

(28) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but

only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-75.

(29) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(30) Tangible personal property transferred to a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-75.

(31) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had Public Act 101-31 been in effect, may apply for and

obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (31) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (31):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center

infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (31) is exempt from the provisions of Section 3-75.

(32) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (32) is exempt from the provisions of Section 3-75. As used in this item (32):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or

other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer

or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and (2) is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(33) Tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act. This item (33) is exempt from the provisions of Section 3-75.

(34) Beginning on January 1, 2024, tangible personal property purchased by an active duty member of the armed forces of the United States who presents valid military identification and purchases the property using a form of payment where the federal government is the payor. The member of the armed forces must complete, at the point of sale, a form prescribed by the Department of Revenue documenting that the transaction is eligible for the exemption under this paragraph. Retailers must keep the form as documentation of the exemption in their records for a period of not less than 6 years. "Armed forces of the United States" means the United States Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard. This paragraph is exempt from the provisions of Section 3-75.

(35) Beginning July 1, 2024, home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary, such as a Medicare Administrative Contractor, a Managed Care Organization, or a Medicare Advantage Organization, pursuant to a government contract. This paragraph (35) is exempt from the provisions of Section 3-75.

(36) Beginning on January 1, 2026, as further defined in Section 3-10, food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969 or by an entity that holds a permit issued pursuant to the Life Care Facilities Act. This item (36) is exempt from the provisions of Section 3-75.

(37) Beginning on January 1, 2026, as further defined in Section 3-10, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, ~~and~~ food that has been prepared for immediate consumption<u>, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act</u>). This item (37) is exempt from the provisions of Section 3-75.

(38) Use by a lessee of the following leased tangible personal property:

(1) software transferred subject to a license that meets the following requirements:

(A) it is evidenced by a written agreement signed by the licensor and the customer;

(i) an electronic agreement in which the customer accepts the license by means of an electronic signature that is verifiable and can be authenticated and is attached to or made part of the license will comply with this requirement;

(ii) a license agreement in which the customer electronically accepts the terms by clicking "I agree" does not comply with this requirement;

(B) it restricts the customer's duplication and use of the software;

(C) it prohibits the customer from licensing, sublicensing, or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor;

(D) the licensor has a policy of providing another copy at minimal or no charge if the customer loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a

notarized statement made under penalties of perjury by the licensor; and

(E) the customer must destroy or return all copies of the software to the licensor at the end of the license period; this provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement; and

(2) property that is subject to a tax on lease receipts imposed by a home rule unit of local government if the ordinance imposing that tax was adopted prior to January 1, 2023.

(Source: P.A. 103-9, Article 5, Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10, eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff. 8-15-25.)

(35 ILCS 110/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the selling price of tangible personal property transferred, including, on and after January 1, 2025, transferred by lease, as an incident to the sale of service, but, for the purpose of computing this tax, in no event shall the selling price be less than the cost price of the property to the serviceman.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the selling price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, (iii) 100% of the selling price of property transferred as an incident to the sale of service after July 1, 2017 and before January 1, 2024, (iv) 90% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2024 and on or before December 31, 2028, and (v) 100% of the selling price of property transferred as an incident to the sale of service after December 31, 2028. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to mid-range ethanol blends, as defined in Section 3-44.3 of the Use Tax Act, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2024 and on or before December 31, 2028 and (ii)

100% of the selling price of property transferred as an incident to the sale of service after December 31, 2028. If, at any time, however, the tax under this Act on sales of mid-range ethanol blends is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the selling price of mid-range ethanol blends transferred as an incident to the sale of service during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2028 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate

of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

At the election of any registered serviceman made for each fiscal year, for whom the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred as an incident to the sale of those services. This election may also be made by any serviceman maintaining a place of business in this State who makes retail sales from outside of this State to Illinois customers but is not required to be registered under

Section 2a of the Retailers' Occupation Tax Act. Beginning January 1, 2026, this election shall not apply to any sale of service made through a marketplace that has met the threshold in subsection (b-5) of Section 2d of this Act.

Beginning January 1, 2026, the tax shall be imposed at the rate of 6.25% of 50% of the entire billing to the service customer for all sales of service made through a marketplace that has met the threshold in subsection (b-5) of Section 2d of this Act. In no event shall 50% of the entire billing be less than the cost price of the property to the marketplace serviceman or the marketplace facilitator on its own sales of service.

Until July 1, 2022 and from July 1, 2023 through December 31, 2025, the tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. Until July 1, 2022 and from July 1, 2023 through December 31, 2025, the tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with

adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph).

Beginning on July 1, 2022 and until July 1, 2023, the tax shall be imposed at the rate of 0% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. Beginning on July 1, 2022 and until July 1, 2023, the tax shall also be imposed at the rate of 0% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, ~~and~~ food that has been prepared for immediate consumption and is not otherwise included in this paragraph<u>, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act</u>).

On and after January 1, 2026, food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing

Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or by an entity that holds a permit issued pursuant to the Life Care Facilities Act is exempt from the tax under this Act. On and after January 1, 2026, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph) is exempt from the tax under this Act.

The tax shall be imposed at the rate of 1% on prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including, but not limited to, soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations

commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act,

beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 CFR 201.66. The "over-the-counter-drug" label includes:

(A) a "Drug Facts" panel; or

(B) a statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public

Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, "prescription and nonprescription medicines and drugs" includes cannabis or cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license, as these terms are defined under the Cannabis Regulation and Tax Act.

Beginning on the November 12, 2026, "prescription and nonprescription medicines and drugs" does not include a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act.

As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and does not include cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, as used in this Section, "adult use cannabis" does not include cannabis or

cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license.

If the property that is acquired from a serviceman is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use. No depreciation is allowed in cases where the tax under this Act is imposed on lease receipts.
(Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff. 6-16-25; 104-417, eff. 8-15-25.)

Section 130. The Service Occupation Tax Act is amended by changing Sections 3-5 and 3-10 as follows:

(35 ILCS 115/3-5)

Sec. 3-5. Exemptions. The following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property sold by a corporation, society, association, foundation, institution, or organization, other

than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by any not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign

country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle

Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment, including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals.

Beginning on January 1, 2024, farm machinery and equipment also includes electrical power generation equipment used

primarily for production agriculture.

This item (7) is exempt from the provisions of Section 3-55.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or

beverage function with respect to which the service charge is imposed.

(10) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2028, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid

during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Beginning January 1, 1992 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(14) Semen used for artificial insemination of livestock for direct agricultural production.

(15) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (15) is exempt from the provisions of Section 3-55, and the exemption provided for under this item (15) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after

January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(16) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(17) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification

number by the Department that assists victims of the disaster who reside within the declared disaster area.

(19) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including, but not limited to, municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(20) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-55.

(21) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association,

foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-55.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of

the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(26) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (26). The permit issued under this paragraph (26) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(27) Beginning January 1, 2008, tangible personal property

used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-55.

(28) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-55.

(29) Beginning January 1, 2010 and continuing through December 31, 2029, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption

includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft. However, until January 1, 2024, this exemption excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.

Beginning January 1, 2010 and continuing through December 31, 2023, this exemption applies only to the transfer of qualifying tangible personal property incident to the modification, refurbishment, completion, replacement, repair, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. From January 1, 2024 through December 31, 2029, this exemption applies only to the transfer of qualifying tangible personal property incident to:

(A) the modification, refurbishment, completion, repair, replacement, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations; and (B) the modification, replacement, repair, and maintenance of aircraft engines or power plants without regard to whether or not those persons meet the qualifications of item (A).

The changes made to this paragraph (29) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (29) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to February 5, 2020 (the effective date of Public Act 101-629).

(30) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(31) Tangible personal property transferred to a purchaser who is exempt from tax by operation of federal law. This paragraph is exempt from the provisions of Section 3-55.

(32) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of

Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had Public Act 101-31 been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (32) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (32):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage

devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (32) is exempt from the provisions of Section 3-55.

(33) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This

item (33) is exempt from the provisions of Section 3-55. As used in this item (33):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump

cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and (2) is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(34) Tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act. This item (34) is exempt from the provisions of Section 3-55.

(35) Beginning on January 1, 2024, tangible personal property purchased by an active duty member of the armed forces of the United States who presents valid military identification and purchases the property using a form of payment where the federal government is the payor. The member of the armed forces must complete, at the point of sale, a form prescribed by the Department of Revenue documenting that the transaction is eligible for the exemption under this

paragraph. Retailers must keep the form as documentation of the exemption in their records for a period of not less than 6 years. "Armed forces of the United States" means the United States Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard. This paragraph is exempt from the provisions of Section 3-55.

(36) Beginning July 1, 2024, home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary, such as a Medicare Administrative Contractor, a Managed Care Organization, or a Medicare Advantage Organization, pursuant to a government contract. This paragraph (36) is exempt from the provisions of Section 3-55.

(37) Beginning on January 1, 2026, as further defined in Section 3-10, food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969 or by an entity that holds a permit issued pursuant to the Life Care Facilities Act. This item (37) is exempt from the provisions of Section 3-55.

(38) Beginning on January 1, 2026, as further defined in Section 3-10, food for human consumption that is to be consumed off the premises where it is sold (other than

alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, ~~and~~ food that has been prepared for immediate consumption, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act). This item (38) is exempt from the provisions of Section 3-55.

(39) The lease of the following tangible personal property:

(1) computer software transferred subject to a license that meets the following requirements:

(A) it is evidenced by a written agreement signed by the licensor and the customer;

(i) an electronic agreement in which the customer accepts the license by means of an electronic signature that is verifiable and can be authenticated and is attached to or made part of the license will comply with this requirement;

(ii) a license agreement in which the customer electronically accepts the terms by clicking "I agree" does not comply with this requirement;

(B) it restricts the customer's duplication and use of the software;

(C) it prohibits the customer from licensing, sublicensing, or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor;

(D) the licensor has a policy of providing another copy at minimal or no charge if the customer loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and

(E) the customer must destroy or return all copies of the software to the licensor at the end of the license period; this provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement; and

(2) property that is subject to a tax on lease receipts imposed by a home rule unit of local government if the ordinance imposing that tax was adopted prior to January 1, 2023.

(Source: P.A. 103-9, Article 5, Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15, eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff. 8-15-25.)

(35 ILCS 115/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this

Section, the tax imposed by this Act is at the rate of 6.25% of the "selling price", as defined in Section 2 of the Service Use Tax Act, of the tangible personal property, including, on and after January 1, 2025, tangible personal property transferred by lease. For the purpose of computing this tax, in no event shall the "selling price" be less than the cost price to the serviceman of the tangible personal property transferred. The selling price of each item of tangible personal property transferred as an incident of a sale of service may be shown as a distinct and separate item on the serviceman's billing to the service customer. If the selling price is not so shown, the selling price of the tangible personal property is deemed to be 50% of the serviceman's entire billing to the service customer. When, however, a serviceman contracts to design, develop, and produce special order machinery or equipment, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the completion of the contract.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act shall apply to (i) 70% of the cost price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003,

(ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, (iii) 100% of the selling price of property transferred as an incident to the sale of service after July 1, 2017 and prior to January 1, 2024, (iv) 90% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2024 and on or before December 31, 2028, and (v) 100% of the selling price of property transferred as an incident to the sale of service after December 31, 2028. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to mid-range ethanol blends, as defined in Section 3-44.3 of the Use Tax Act, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after January 1, 2024 and on or before December 31, 2028 and (ii) 100% of the selling price of property transferred as an incident to the sale of service after December 31, 2028. If, at any time, however, the tax under this Act on sales of mid-range ethanol blends is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the selling price of mid-range ethanol blends transferred as an incident to the sale of service during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2028 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel material, the tax imposed by this Act does not apply to the proceeds of the

selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

At the election of any registered serviceman made for each fiscal year, for whom the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the sale of those services. This election may also be made by a serviceman maintaining a place of business in this State who makes retail sales from outside of this State to Illinois customers but is not required to be registered under Section 2a of the Retailers' Occupation Tax Act. Beginning January 1, 2026, this election shall not apply to any sale of service made through a marketplace that has met the threshold in subsection (d) of Section 3 of this Act.

Beginning January 1, 2026, the tax shall be imposed at the rate of 6.25% of 50% of the entire billing to the service customer for all sales of service made through a marketplace

that has met the threshold in subsection (d) of Section 3 of this Act. In no event shall 50% of the entire billing be less than the cost price of the property to the marketplace serviceman or the marketplace facilitator on its own sales of service.

Until July 1, 2022 and from July 1, 2023 through December 31, 2025, the tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. Until July 1, 2022 and from July 1, 2023 through December 31, 2025, the tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph).

Beginning on July 1, 2022 and until July 1, 2023, the tax shall be imposed at the rate of 0% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Use Tax Act by an

entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. Beginning July 1, 2022 and until July 1, 2023, the tax shall also be imposed at the rate of 0% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph).

On and after January 1, 2026, food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act is exempt from the tax imposed by this Act. On and after January 1, 2026, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, ~~and~~ food that has been prepared for immediate consumption and is not

otherwise included in this paragraph, and, beginning on November 12, 2026, food that is a "final consumer hemp cannabinoid product" as defined in Illinois Hemp Act) is exempt from the tax imposed by this Act.

The tax shall be imposed at the rate of 1% on prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including, but not limited to, soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act,

beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 CFR 201.66. The "over-the-counter-drug" label includes:

(A) a "Drug Facts" panel; or

(B) a statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, "prescription and nonprescription medicines and drugs" includes cannabis or cannabis-infused products purchased by a qualified patient,

provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license, as these terms are defined under the Cannabis Regulation and Tax Act.

Beginning on November 12, 2026, "prescription and nonprescription medicines and drugs" does not include a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act.

As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and does not include cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, as used in this Section, "adult use cannabis" does not include cannabis or cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license.

(Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-6, eff.

6-16-25; 104-417, eff. 8-15-25.)

Section 140. The Retailers' Occupation Tax Act is amended by changing Sections 2-5, 2-10, and 11 as follows:

(35 ILCS 120/2-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale, which, on and after January 1, 2025, includes the lease, of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery

and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals.

Beginning on January 1, 2024, farm machinery and equipment also includes electrical power generation equipment used primarily for production agriculture.

This item (2) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003 and beginning again September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (14).

(5) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or

secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for

the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Except as otherwise provided in this Section, personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of

motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(13) Proceeds from sales to owners or lessors, lessees, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether

the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (14) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (14) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (4) of this Section.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a

substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Tangible personal property sold to a purchaser if the purchaser is exempt from use tax by operation of federal law. This paragraph is exempt from the provisions of Section 2-70.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual

replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2028, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(22) Until June 30, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a

flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) Except as provided in items (25-5) and (25-6) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to

the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount

equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

(25-6) There is a rebuttable presumption that the exemption under item (25) does not apply if the purchaser is a limited liability company and a member of the limited liability company is a resident of Illinois. This presumption may be rebutted by other evidence, such as evidence the motor vehicle is insured at a garaging or storage address outside Illinois or other evidence of the physical address at which the motor vehicle will be permanently stored or garaged outside Illinois.

(25-7) Beginning on July 1, 2007, no tax is imposed under this Act on the sale of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act, if all of the

following conditions are met:

(1) the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 CFR 91.407;

(2) the aircraft is not based or registered in this State after the sale of the aircraft; and

(3) the seller retains in his or her books and records and provides to the Department a signed and dated certification from the purchaser, on a form prescribed by the Department, certifying that the requirements of this item (25-7) are met. The certificate must also include the name and address of the purchaser, the address of the location where the aircraft is to be titled or registered, the address of the primary physical location of the aircraft, and other information that the Department may reasonably require.

For purposes of this item (25-7):

"Based in this State" means hangared, stored, or otherwise used, excluding post-sale customizations as defined in this Section, for 10 or more days in each 12-month period immediately following the date of the sale

of the aircraft.

"Registered in this State" means an aircraft registered with the Department of Transportation, Aeronautics Division, or titled or registered with the Federal Aviation Administration to an address located in this State.

This paragraph (25-7) is exempt from the provisions of Section 2-70.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (27) is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the

diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is

used in the performance of infrastructure repairs in this State, including, but not limited to, municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that

compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including

coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases

the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in

accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(39) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010 and continuing through December 31, 2029, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion,

replacement, repair, and maintenance of aircraft. However, until January 1, 2024, this exemption excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.

Beginning January 1, 2010 and continuing through December 31, 2023, this exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. From January 1, 2024 through December 31, 2029, this exemption applies only to the sale of qualifying tangible personal property to: (A) persons who modify, refurbish, complete, repair,

replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations; and (B) persons who engage in the modification, replacement, repair, and maintenance of aircraft engines or power plants without regard to whether or not those persons meet the qualifications of item (A).

The changes made to this paragraph (40) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (40) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to February 5, 2020 (the effective date of Public Act 101-629).

(41) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality

at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 2-70.

(42) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(43) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental-purchase agreement, as defined in the Rental-Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(44) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of

exemption prior to January 1, 2020 had Public Act 101-31 been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (44) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (44):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or

systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (44) is exempt from the provisions of Section 2-70.

(45) Beginning January 1, 2020 and through December 31, 2020, sales of tangible personal property made by a marketplace seller over a marketplace for which tax is due under this Act but for which use tax has been collected and

remitted to the Department by a marketplace facilitator under Section 2d of the Use Tax Act are exempt from tax under this Act. A marketplace seller claiming this exemption shall maintain books and records demonstrating that the use tax on such sales has been collected and remitted by a marketplace facilitator. Marketplace sellers that have properly remitted tax under this Act on such sales may file a claim for credit as provided in Section 6 of this Act. No claim is allowed, however, for such taxes for which a credit or refund has been issued to the marketplace facilitator under the Use Tax Act, or for which the marketplace facilitator has filed a claim for credit or refund under the Use Tax Act.

(46) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (46) is exempt from the provisions of Section 2-70. As used in this item (46):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed

to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice

packs, and a breast pump carrying case; and (2) is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(47) Tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act. This item (47) is exempt from the provisions of Section 2-70.

(48) Beginning on January 1, 2024, tangible personal property purchased by an active duty member of the armed forces of the United States who presents valid military identification and purchases the property using a form of payment where the federal government is the payor. The member of the armed forces must complete, at the point of sale, a form prescribed by the Department of Revenue documenting that the transaction is eligible for the exemption under this paragraph. Retailers must keep the form as documentation of the exemption in their records for a period of not less than 6 years. "Armed forces of the United States" means the United States Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard. This paragraph is exempt from the provisions of Section 2-70.

(49) Beginning July 1, 2024, home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary, such as a Medicare Administrative Contractor, a Managed Care Organization, or a Medicare Advantage Organization, pursuant to a

government contract. This paragraph (49) is exempt from the provisions of Section 2-70.

(50) Beginning on January 1, 2026, as further defined in Section 2-10, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, ~~and~~ food that has been prepared for immediate consumption<u>, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act</u>). This item (50) is exempt from the provisions of Section 2-70.

(51) Gross receipts from the lease of the following tangible personal property:

(1) computer software transferred subject to a license that meets the following requirements:

(A) it is evidenced by a written agreement signed by the licensor and the customer;

(i) an electronic agreement in which the customer accepts the license by means of an electronic signature that is verifiable and can be authenticated and is attached to or made part of the license will comply with this requirement;

(ii) a license agreement in which the customer electronically accepts the terms by

clicking "I agree" does not comply with this requirement;

(B) it restricts the customer's duplication and use of the software;

(C) it prohibits the customer from licensing, sublicensing, or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor;

(D) the licensor has a policy of providing another copy at minimal or no charge if the customer loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and

(E) the customer must destroy or return all copies of the software to the licensor at the end of the license period; this provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement; and

(2) property that is subject to a tax on lease receipts imposed by a home rule unit of local

government if the ordinance imposing that tax was adopted prior to January 1, 2023.

(Source: P.A. 103-9, Article 5, Section 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-6, eff. 6-16-25; 104-417, eff. 8-15-25.)

(35 ILCS 120/2-10) from Ch. 120, par. 441-10

Sec. 2-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of gross receipts from sales, which, on and after January 1, 2025, includes leases, of tangible personal property made in the course of business.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, and beginning again on August 5, 2022 through August 14, 2022, with respect to sales tax holiday items as defined in Section 2-8 of this Act, the tax is imposed at the rate of 1.25%.

Within 14 days after July 1, 2000 (the effective date of Public Act 91-872), each retailer of motor fuel and gasohol shall cause the following notice to be posted in a prominently

visible place on each retail dispensing device that is used to dispense motor fuel or gasohol in the State of Illinois: "As of July 1, 2000, the State of Illinois has eliminated the State's share of sales tax on motor fuel and gasohol through December 31, 2000. The price on this pump should reflect the elimination of the tax." The notice shall be printed in bold print on a sign that is no smaller than 4 inches by 8 inches. The sign shall be clearly visible to customers. Any retailer who fails to post or maintain a required sign through December 31, 2000 is guilty of a petty offense for which the fine shall be $500 per day per each retail premises where a violation occurs.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, (iii) 100% of the proceeds of sales made after July 1, 2017 and prior to January 1, 2024, (iv) 90% of the proceeds of sales made on or after January 1, 2024 and on or before December 31, 2028, and (v) 100% of the proceeds of sales made after December 31, 2028. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to mid-range ethanol blends, as defined in

Section 3-44.3 of the Use Tax Act, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after January 1, 2024 and on or before December 31, 2028 and (ii) 100% of the proceeds of sales made after December 31, 2028. If, at any time, however, the tax under this Act on sales of mid-range ethanol blends is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of mid-range ethanol blends made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2028 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of

the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

Until July 1, 2022 and from July 1, 2023 through December 31, 2025, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 1%. Beginning July 1, 2022 and until July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, ~~and~~ food that has been prepared for immediate consumption<u>, and, beginning on November 12, 2026, food that is a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act</u>), the tax is imposed at the rate of 0%. On and after January 1, 2026, food for human consumption that is to be consumed off the premises where it is sold (other than

alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) is exempt from the tax imposed by this Act.

With respect to prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including, but not limited to, soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act,

beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 CFR 201.66. The "over-the-counter-drug" label includes:

(A) a "Drug Facts" panel; or

(B) a statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, "prescription and nonprescription medicines and drugs" includes cannabis or cannabis-infused products purchased by a qualified patient,

provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license, as these terms are defined under the Cannabis Regulation and Tax Act.

Beginning on November 12, 2026, "prescription and nonprescription medicines and drugs" does not include a final consumer hemp cannabinoid product as defined in the Illinois Hemp Act.

As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and does not include cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act.

Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, as used in this Section, "adult use cannabis" does not include cannabis or cannabis-infused products purchased by a qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant as part of that individual's adequate medical supply from any dispensary that has been issued a Medical Cannabis Dispensing Organization license.

(Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.

8-15-25.)

(35 ILCS 120/11) (from Ch. 120, par. 450)

Sec. 11. All information received by the Department from returns filed under this Act, or from any investigation conducted under this Act, shall be confidential, except for official purposes, and any person, including a third party as defined in the Local Government Revenue Recapture Act, who divulges any such information in any manner, except in accordance with a proper judicial order or as otherwise provided by law, including the Local Government Revenue Recapture Act, shall be guilty of a Class B misdemeanor with a fine not to exceed $7,500.

Nothing in this Act prevents the Director of Revenue from publishing or making available to the public the names and addresses of persons filing returns under this Act, or reasonable statistics concerning the operation of the tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Act prevents the Director of Revenue from divulging to the United States Government or the government of any other state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Act, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The Department's furnishing of information derived from a taxpayer's return or from an investigation conducted under this Act to the surety on a taxpayer's bond that has been furnished to the Department under this Act, either to provide notice to such surety of its potential liability under the bond or, in order to support the Department's demand for payment from such surety under the bond, is an official purpose within the meaning of this Section.

The furnishing upon request of information obtained by the Department from returns filed under this Act or investigations conducted under this Act to the Illinois Liquor Control Commission for official use is deemed to be an official purpose within the meaning of this Section.

Notice to a surety of potential liability shall not be given unless the taxpayer has first been notified, not less than 10 days prior thereto, of the Department's intent to so notify the surety.

The furnishing upon request of the Auditor General, or his authorized agents, for official use, of returns filed and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

Where an appeal or a protest has been filed on behalf of a taxpayer, the furnishing upon request of the attorney for the taxpayer of returns filed by the taxpayer and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

The furnishing of financial information to a municipality or county, upon request of the chief executive officer thereof, is an official purpose within the meaning of this Section, provided the municipality or county agrees in writing to the requirements of this Section. Information provided to municipalities and counties under this paragraph shall be limited to: (1) the business name; (2) the business address; (3) the standard classification number assigned to the business; (4) net revenue distributed to the requesting municipality or county that is directly related to the requesting municipality's or county's local share of the proceeds under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act distributed from the Local Government Tax Fund, and, if applicable, any locally imposed retailers' occupation tax or service occupation tax; and (5) a listing of all businesses within the requesting municipality or county by account identification number and address. On and after July 1, 2015, the furnishing of financial information to municipalities and counties under this paragraph may be by electronic means. If the Department may furnish financial information to a municipality or county under this paragraph, then the chief executive officer of the municipality or county may, in turn, provide that financial information to a third party pursuant to the Local Government Revenue Recapture Act. However, the third party shall agree in writing to the requirements of this

Section and meet the requirements of the Local Government Revenue Recapture Act.

Information so provided shall be subject to all confidentiality provisions of this Section. The written agreement shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. For the purposes of furnishing financial information to a municipality or county under this Section, "chief executive officer" means the mayor of a city, the village board president of a village, the mayor or president of an incorporated town, the county executive of a county that has adopted the county executive form of government, the president of the board of commissioners of Cook County, or the chairperson of the county board or board of county commissioners of any other county.

The Department may make available to the Board of Trustees of any Metro East Mass Transit District information contained on transaction reporting returns required to be filed under Section 3 of this Act that report sales made within the boundary of the taxing authority of that Metro East Mass Transit District, as provided in Section 5.01 of the Local Mass Transit District Act. The disclosure shall be made pursuant to a written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District, which is an official purpose within the meaning of this Section. The written agreement between the Department and the Board of

Trustees of a Metro East Mass Transit District shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of this Section.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, or any tax under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. The Director may make available to units of local government and school districts that require bidder and contractor certifications, as set forth in Sections 50-11 and 50-12 of the Illinois Procurement Code, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into

Illinois, file returns under this Act, or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this Section, an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this Section, the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a limited liability company, which has filed articles of organization with the Secretary of State, or corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted.

It is an official purpose within the meaning of this Section for the Department to publicly report the aggregate amount of tax revenues from a given tax return type that the Department allocates from a State fund or State trust fund to each unit of local government, such as the amount of the monthly allocation to each unit of local government of Municipal Cannabis Retailers' Occupation Tax, County Cannabis Retailers' Occupation Tax, or Business District Occupation Tax, notwithstanding that some units of local government may have as few as one retailer reporting revenues for a given tax return type in any given reporting period.

The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so

that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer or by an authorized representative of the taxpayer.

The furnishing of information obtained by the Department from returns filed under Public Act 101-10 to the Department of Transportation for purposes of compliance with Public Act

101-10 regarding aviation fuel is deemed to be an official purpose within the meaning of this Section.

The Director may make information available to the Secretary of State for the purpose of administering Section 5-901 of the Illinois Vehicle Code.

(Source: P.A. 101-10, eff. 6-5-19; 101-628, eff. 6-1-20; 102-558, eff. 8-20-21; 102-941, eff. 7-1-22.)

Section 155. The Compassionate Use of Medical Cannabis Program Act is amended by changing Sections 7, 7-15, 10, 15, 25, 30, 35, 57, 60, 62, 70, 75, 85, 100, 105, 115, 120, 130, 145, 150, 173, 195, 200, and 210 as follows:

(410 ILCS 130/7)

Sec. 7. Lawful user and lawful products. For the purposes of this Act and to clarify the legislative findings on the lawful use of cannabis:

(1) A cardholder under this Act shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her qualifying patient, provisional patient, ~~or~~ designated caregiver, or Opioid Alternative Patient Program participant status.

(2) All medical cannabis products purchased by a qualifying patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant at a licensed dispensing organization shall be

lawful products ~~and a distinction shall be made between medical and non-medical uses of cannabis as a result of the qualifying patient's cardholder status, provisional registration for qualifying patient cardholder status, or participation in the Opioid Alternative Pilot Program under the authorized use granted under State law~~.

(3) An individual with a provisional registration for qualifying patient cardholder status, a qualifying patient in the Compassionate Use of Medical Cannabis Program, or an Opioid Alternative Patient ~~Pilot~~ Program participant under Section 62 shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her application to or participation in the program.

(Source: P.A. 100-1114, eff. 8-28-18; 101-363, eff. 8-9-19.)

(410 ILCS 130/10)

Sec. 10. Definitions. The following terms, as used in this Act, shall have the meanings set forth in this Section:

(a) "Adequate medical supply" means 2.5 ounces of usable cannabis during a period of 14 days that is derived solely from an intrastate source. Subject to the rules of the Department of Public Health, a patient may apply for a waiver in which a certifying health care professional provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care professional's professional judgment, 2.5 ounces

is an insufficient adequate medical supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition. This definition may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health. The pre-mixed weight of medical cannabis used in making a cannabis-infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time. ~~:~~

~~(1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source.~~

~~(2) Subject to the rules of the Department of Public Health, a patient may apply for a waiver where a certifying health care professional provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care professional's professional judgment, 2.5 ounces is an insufficient adequate supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition.~~

~~(3) This subsection may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health.~~

~~(4) The pre-mixed weight of medical cannabis used in making a cannabis infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time.~~

(a-5) "Advanced practice registered nurse" means a person who is licensed under the Nurse Practice Act as an advanced practice registered nurse and has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(a-10) "Bona fide health care professional-patient relationship" means a relationship in which the certifying health care professional has an ongoing responsibility for the assessment, care, and treatment of a patient's debilitating medical condition or a symptom of the patient's debilitating medical condition. A veteran who has received treatment at a VA hospital shall be deemed to have a bona fide health care professional-patient relationship with a VA certifying health care professional if the patient has been seen for his or her debilitating medical condition at the VA Hospital in accordance with VA Hospital protocols. A bona fide health care professional-patient relationship under this subsection is a privileged communication within the meaning of Section 8-802 of the Code of Civil Procedure.

(b) "Cannabis" has the same meaning given to that term in Section 1-10 ~~3~~ of the Cannabis Regulation and Tax ~~Control~~ Act.

(c) "Cannabis plant monitoring system" means a system that

includes, but is not limited to, testing and data collection established and maintained by the registered cultivation center and available to the Department for the purposes of documenting each cannabis plant and for monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a qualifying patient from seed planting to final packaging.

(d) "Cardholder" means a qualifying patient, provisional patient, or a designated caregiver who has been issued and possesses a valid registry identification card by the Department of Public Health.

(d-5) "Certifying health care professional" means a physician, an advanced practice registered nurse, or a physician assistant.

(e) "Cultivation center" means a facility operated by an organization or business that is registered by the Department of Agriculture to perform necessary activities to provide only registered medical cannabis dispensing organizations with usable medical cannabis.

(f) "Cultivation center agent" means a principal officer, board member, employee, or agent of a registered cultivation center who is 21 years of age or older ~~and has not been convicted of an excluded offense~~.

(g) "Cultivation center agent identification card" means a document issued by the Department of Agriculture that identifies a person as a cultivation center agent.

(h) "Debilitating medical condition" means one or more of the following:

(1) cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease (including, but not limited to, ulcerative colitis), agitation of Alzheimer's disease, cachexia/wasting syndrome, muscular dystrophy, ~~severe~~ fibromyalgia, spinal cord disease, including but not limited to arachnoiditis, Tarlov cysts, hydromyelia, syringomyelia, Rheumatoid arthritis, fibrous dysplasia, spinal cord injury, traumatic brain injury and post-concussion syndrome, Multiple Sclerosis, Arnold-Chiari malformation and Syringomyelia, Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's, Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD (Complex Regional Pain Syndromes Type I), Causalgia, CRPS (Complex Regional Pain Syndromes Type II), Neurofibromatosis, Chronic Inflammatory Demyelinating Polyneuropathy, Sjogren's syndrome, Lupus, Interstitial Cystitis, Myasthenia Gravis, Hydrocephalus, nail-patella syndrome, residual limb pain, seizures (including those characteristic of epilepsy), post-traumatic stress disorder (PTSD), autism, chronic pain, irritable bowel syndrome, migraines, osteoarthritis, anorexia nervosa, Ehlers-Danlos Syndrome, Neuro-Behcet's Autoimmune

Disease, neuropathy, polycystic kidney disease, superior canal dehiscence syndrome, endometriosis, ovarian cysts, uterine fibroids, female orgasmic disorder, or the treatment of these conditions;

(1.5) terminal illness with a diagnosis of 6 months or less; if the terminal illness is not one of the qualifying debilitating medical conditions, then the certifying health care professional shall on the certification form identify the cause of the terminal illness; or

(2) any other debilitating medical condition or its treatment that is added by the Department of Public Health by rule as provided in Section 45.

(i) "Designated caregiver" means a person who: (1) is at least 21 years of age; (2) has agreed to assist with a patient's medical use of cannabis; ~~(3) has not been convicted of an excluded offense;~~ and (3) ~~(4)~~ assists no more than one registered qualifying patient with the patient's ~~his or her~~ medical use of cannabis, except the parent or guardian of a registered qualifying patient may assist each of their children who are registered qualifying patients.

(i-5) "Dispensing organization" or "dispensary" means a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered

qualifying patients, individuals with a provisional registration for qualifying patient cardholder status, or an Opioid Alternative Patient Program participants, or, if also licensed under the Cannabis Regulation and Tax Act, purchasers over the age of 21.

(i-10) "Dispensing organization agent" means a principal officer, board member, employee, or agent of a registered medical cannabis dispensing organization who is 21 years of age or older.

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

(k) "Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by a cultivation center's agents or a dispensing organization's agent working for the registered cultivation center or the registered dispensing organization to cultivate, store, and distribute cannabis for registered qualifying patients.

(l) (Blank). ~~"Excluded offense" for cultivation center agents and dispensing organizations means:~~

~~(1) a violent crime defined in Section 3 of the Rights of Crime Victims and Witnesses Act or a substantially similar offense that was classified as a felony in the jurisdiction where the person was convicted; or~~

~~(2) a violation of a state or federal controlled substance law, the Cannabis Control Act, or the Methamphetamine Control and Community Protection Act that was classified as a felony in the jurisdiction where the person was convicted, except that the registering Department may waive this restriction if the person demonstrates to the registering Department's satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use. This exception does not apply if the conviction was under state law and involved a violation of an existing medical cannabis law.~~

~~For purposes of this subsection, the Department of Public Health shall determine by emergency rule within 30 days after the effective date of this amendatory Act of the 99th General Assembly what constitutes a "reasonable amount".~~

~~(l-5) (Blank).~~

(l-10) "Illinois Cannabis Tracking System" means a web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, the Illinois State Police, and registered medical cannabis dispensing organizations on a 24-hour basis to upload written certifications for Opioid Alternative Patient ~~Pilot~~ Program participants, to verify Opioid Alternative Patient ~~Pilot~~ Program participants, to verify Opioid Alternative

Patient ~~Pilot~~ Program participants' available cannabis allotment ~~and assigned dispensary,~~ and the tracking of the date of sale, amount, and price of medical cannabis purchased by an Opioid Alternative Patient ~~Pilot~~ Program participant.

(m) "Medical cannabis cultivation center registration" means a registration issued by the Department of Agriculture.

(n) "Medical cannabis container" means a sealed, traceable, food compliant, tamper resistant, tamper evident container, or package used for the purpose of containment of medical cannabis from a cultivation center to a dispensing organization.

(o) (Blank). ~~"Medical cannabis dispensing organization", or "dispensing organization", or "dispensary organization" means a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients, individuals with a provisional registration for qualifying patient cardholder status, or an Opioid Alternative Pilot Program participant.~~

(p) (Blank). ~~"Medical cannabis dispensing organization agent" or "dispensing organization agent" means a principal officer, board member, employee, or agent of a registered medical cannabis dispensing organization who is 21 years of age or older and has not been convicted of an excluded offense.~~

(q) "Medical cannabis infused product" means food, oils, ointments, or other products containing usable cannabis that are not smoked.

(r) "Medical use" means the acquisition; administration; delivery; possession; transfer; transportation; or use of cannabis to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

(r-5) "Opioid" means a narcotic drug or substance that is a Schedule II controlled substance under paragraph (1), (2), (3), or (5) of subsection (b) or under subsection (c) of Section 206 of the Illinois Controlled Substances Act.

(r-10) "Opioid Alternative Patient ~~Pilot~~ Program participant" means an individual who has received a valid written certification to participate in the Opioid Alternative Patient ~~Pilot~~ Program for a medical condition for which an opioid has been or could be prescribed by a certifying health care professional based on generally accepted standards of care.

(s) "Physician" means a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practice Act.

(s-1) "Physician assistant" means a physician assistant licensed under the Physician Assistant Practice Act of 1987 and who has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(s-2) "Provisional patient" means a qualifying patient who has received a provisional registration from the Department of Public Health.

(s-5) "Provisional registration" means a document issued by the Department of Public Health to a qualifying patient who has submitted: (1) an online application and paid a fee to participate in Compassionate Use of Medical Cannabis Program pending approval or denial of the patient's application; or (2) a completed application for terminal illness.

(t) "Qualifying patient" or "registered qualifying patient" means a person who has been diagnosed by a certifying health care professional as having a debilitating medical condition.

(u) "Registered" means licensed, permitted, or otherwise certified by the Department of Agriculture, Department of Public Health, or Department of Financial and Professional Regulation.

(v) "Registry identification card" means a document issued by the Department of Public Health that identifies a person as a registered qualifying patient, provisional patient, or registered designated caregiver.

(w) "Usable cannabis" means the seeds, leaves, buds, and

flowers of the cannabis plant and any mixture or preparation thereof, but does not include the stalks, and roots of the plant. It does not include the weight of any non-cannabis ingredients combined with cannabis, such as ingredients added to prepare a topical administration, food, or drink.

(x) "Verification system" means a Web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, law enforcement personnel, and registered medical cannabis dispensing organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of medical cannabis to medical cannabis dispensing organizations, and the tracking of the date of sale, amount, and price of medical cannabis purchased by a registered qualifying patient.

(y) "Written certification" means a document dated and signed by a certifying health care professional, stating (1) that the qualifying patient has a debilitating medical condition and specifying the debilitating medical condition the qualifying patient has; and (2) that (A) the certifying health care professional is treating or managing treatment of the patient's debilitating medical condition; or (B) an Opioid Alternative Patient ~~Pilot~~ Program participant has a medical condition for which opioids have been or could be prescribed. A written certification shall be made only in the course of a

bona fide health care professional-patient relationship, after the certifying health care professional has completed an assessment of either a qualifying patient's medical history or Opioid Alternative Patient ~~Pilot~~ Program participant, reviewed relevant records related to the patient's debilitating condition, and conducted a physical examination.

(z) (Blank). ~~"Bona fide health care professional patient relationship" means a relationship established at a hospital, certifying health care professional's office, or other health care facility in which the certifying health care professional has an ongoing responsibility for the assessment, care, and treatment of a patient's debilitating medical condition or a symptom of the patient's debilitating medical condition.~~

~~A veteran who has received treatment at a VA hospital shall be deemed to have a bona fide health care professional patient relationship with a VA certifying health care professional if the patient has been seen for his or her debilitating medical condition at the VA Hospital in accordance with VA Hospital protocols.~~

~~A bona fide health care professional-patient relationship under this subsection is a privileged communication within the meaning of Section 8-802 of the Code of Civil Procedure.~~

(Source: P.A. 100-1114, eff. 8-28-18; 101-363, eff. 8-9-19.)

(410 ILCS 130/15)

Sec. 15. Authority.

(a) It is the duty of the Department of Public Health to enforce the following provisions of this Act unless otherwise provided for by this Act:

(1) establish and maintain a confidential registry of qualifying patients authorized to engage in the medical use of cannabis and their caregivers;

(2) distribute educational materials about the health benefits and risks associated with the use of cannabis and prescription medications;

(3) adopt rules to administer the patient and caregiver registration program; and

(4) adopt rules establishing food handling requirements for cannabis-infused products that are prepared for human consumption.

(b) It is the duty of the Department of Agriculture to enforce the provisions of this Act relating to the registration and oversight of cultivation centers unless otherwise provided for in this Act.

(c) It is the duty of the Department of Financial and Professional Regulation to enforce the provisions of this Act relating to the registration and oversight of dispensing organizations unless otherwise provided for in this Act.

(d) The Department of Public Health, the Department of Agriculture, or the Department of Financial and Professional Regulation shall enter into intergovernmental agreements, as necessary, to carry out the provisions of this Act including,

but not limited to, the provisions relating to the registration and oversight of cultivation centers, dispensing organizations, and qualifying patients and caregivers. Beginning January 1, 2027, the Department of Public Health may enter into intergovernmental agreements, as necessary, to carry out the provisions of this Act, including, but not limited to, the provisions relating to qualifying patients and caregivers.

(e) The Department of Public Health, the Department of Agriculture, or the Department of Financial and Professional Regulation may suspend, revoke, or impose other penalties upon a registration for violations of this Act and any rules adopted in accordance thereto. The suspension or revocation of, or imposition of any other penalty upon, a registration is a final Agency action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Circuit Court.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15; 99-519, eff. 6-30-16.)

(410 ILCS 130/25)

Sec. 25. Immunities and presumptions related to the medical use of cannabis.

(a) A registered qualifying patient is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary

action by an occupational or professional licensing board, for the medical use of cannabis in accordance with this Act, if the registered qualifying patient possesses an amount of cannabis that does not exceed an adequate medical supply as defined in subsection (a) of Section 10 of this Act of usable cannabis and, where the registered qualifying patient is a licensed professional, the use of cannabis does not impair that licensed professional when he or she is engaged in the practice of the profession for which he or she is licensed.

(b) A registered designated caregiver is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board, for acting in accordance with this Act to assist a registered qualifying patient to whom he or she is connected through the Department's registration process with the medical use of cannabis if the designated caregiver possesses an amount of cannabis that does not exceed an adequate medical supply as defined in subsection (a) of Section 10 of this Act of usable cannabis. A school nurse or school administrator is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, a civil penalty, for acting in accordance with Section 22-33 of the School Code relating to administering or assisting a student in self-administering a medical cannabis infused product. The total amount possessed between the qualifying patient and

caregiver shall not exceed the patient's adequate supply as defined in subsection (a) of Section 10 of this Act.

(c) A registered qualifying patient, ~~or~~ registered designated caregiver, or Opioid Alternative Patient Program participant is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board for possession of cannabis that is incidental to medical use, but is not usable cannabis as defined in this Act.

(d)(1) There is a rebuttable presumption that a registered qualifying patient is engaged in, or a designated caregiver is assisting with, the medical use of cannabis in accordance with this Act if the qualifying patient or designated caregiver:

(A) is in possession of a valid registry identification card; and

(B) is in possession of an amount of cannabis that does not exceed the amount allowed under subsection (a) of Section 10.

(2) The presumption may be rebutted by evidence that conduct related to cannabis was not for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition in compliance with this Act.

(e) A certifying health care professional is not subject to arrest, prosecution, or penalty in any manner, or denial of

any right or privilege, including, but not limited to, civil penalty or disciplinary action by the Medical Disciplinary Board or by any other occupational or professional licensing board, solely for providing written certifications or for otherwise stating that, in the certifying health care professional's professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition, provided that nothing shall prevent a professional licensing or disciplinary board from sanctioning a certifying health care professional for: (1) issuing a written certification to a patient who is not under the certifying health care professional's care for a debilitating medical condition; or (2) failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

(f) No person may be subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board, solely for: (1) selling cannabis paraphernalia to a cardholder upon presentation of an unexpired registry identification card in the recipient's name or Opioid Alternative Patient Program participant upon verification of certification, if employed and registered as a dispensing agent by a registered dispensing organization; (2)

being in the presence or vicinity of the medical use of cannabis as allowed under this Act; or (3) assisting a registered qualifying patient with the act of administering cannabis.

(g) A registered cultivation center is not subject to prosecution; search or inspection, except by the Department of Agriculture, Department of Public Health, or State or local law enforcement under Section 130; seizure; or 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 acting under this Act and Department of Agriculture rules to: acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or sell cannabis to registered dispensing organizations.

(h) A registered cultivation center agent is not subject to prosecution, search, or 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 or volunteering for a registered cannabis cultivation center under this Act and Department of Agriculture rules, including to perform the actions listed under subsection (g).

(i) A registered dispensing organization is not subject to prosecution; search or inspection, except by the Department of Financial and Professional Regulation or State or local law enforcement pursuant to Section 130; seizure; or 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 acting under this Act and Department of Financial and Professional Regulation rules to: acquire, possess, or dispense cannabis, or related supplies, and educational materials to registered qualifying patients or registered designated caregivers on behalf of registered qualifying patients.

(j) A registered dispensing organization agent is not subject to prosecution, search, or 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 or volunteering for a dispensing organization under this Act and Department of Financial and Professional Regulation rules, including to perform the actions listed under subsection (i).

(k) Any cannabis, cannabis paraphernalia, illegal property, or interest in legal property that is possessed, owned, or used in connection with the medical 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 <u>or the Cannabis Regulation and Tax Act</u>, nor shall 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 <u>or the</u>

Cannabis Regulation and Tax Act.

(l) Mere possession of, or application for, a registry identification card or registration certificate does not constitute probable cause or reasonable suspicion, 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 registry identification card. The possession of, or application for, a registry identification card does not preclude the existence of probable cause if probable cause exists on other grounds.

(m) Nothing in this Act shall preclude local or State law enforcement agencies from searching a registered cultivation center where 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 all State statutes.

(n) Nothing in this Act shall preclude local or State law enforcement agencies from searching a registered dispensing organization where 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 all State statutes.

(o) No individual employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in accordance with the provisions of this Act, when the actions are within the scope of his or her employment.

Representation and indemnification of State employees shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.

(p) No law enforcement or correctional agency, nor any individual 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 individual to prohibit or prevent the possession or use of cannabis by a cardholder or Opioid Alternative Patient Program participant 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 individual.

(Source: P.A. 101-363, eff. 8-19-19; 101-370, eff. 1-1-20; 102-558, eff. 8-20-21.)

(410 ILCS 130/30)

Sec. 30. 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, 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) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(C) in any correctional facility;

(D) in a vehicle under Section 11-502.1 of the Illinois Vehicle Code;

(E) in a vehicle not open to the public unless the medical cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving; or

(F) 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) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(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) except as provided under Section 22-33 of the School Code and Section 31 of this Act, in any public place. "Public place" as used in this subsection means any place where an individual could reasonably be expected to be observed by others. A "public place" includes all parts of buildings owned in whole or in part, or leased, by the State or a local unit of government. A "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. For purposes of this subsection, a "public place" does not include a health care facility. For purposes of this Section, a "health care facility" includes, but is not limited to, hospitals, nursing homes, hospice care centers, and long-term care facilities;

(G) except as provided under Section 22-33 of the School Code and Section 31 of this Act, knowingly in close physical proximity to anyone under the age of 18 years of age;

(4) Smoking medical cannabis in any public place where an individual could reasonably be expected to be observed by others, in a health care facility, or any other 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 Sections 11-501 and 11-502.1 of the Illinois Vehicle Code;

(6) Using or possessing cannabis if that person does not have a debilitating medical condition and is not a registered qualifying patient or caregiver;

(7) Allowing any person who is not allowed to use cannabis under this Act to use cannabis that a cardholder is allowed to possess under this Act;

(8) Transferring cannabis to any person contrary to the provisions of this Act;

(9) The use of medical cannabis by an active duty law enforcement officer, correctional officer, correctional probation officer, or firefighter; or

(10) The use of medical cannabis by a person who has a school bus permit or a Commercial Driver's License.

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

(c) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, knowingly making a misrepresentation to a law enforcement official of any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution is a petty offense punishable by a fine of up to $1,000, which shall be in addition to any other

penalties that may apply for making a false statement or for the use of cannabis other than use undertaken under this Act.

(d) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, any person who makes a misrepresentation of a medical condition to a certifying health care professional or fraudulently provides material misinformation to a certifying health care professional in order to obtain a written certification is guilty of a petty offense punishable by a fine of up to $1,000.

(e) Any registered qualifying patient, provisional patient, designated ~~cardholder or registered~~ caregiver, or Opioid Alternative Patient Program participant who sells cannabis shall have his or her registry identification card revoked and is subject to other penalties for the unauthorized sale of cannabis.

(f) Any registered qualifying patient, provisional patient, or Opioid Alternative Patient Program participant who commits a violation of Section 11-502.1 of the Illinois Vehicle Code or refuses a properly requested test related to operating a motor vehicle while under the influence of cannabis shall have his or her registry identification card revoked.

(g) No registered qualifying patient, provisional patient, ~~or~~ designated caregiver, or Opioid Alternative Patient Program participant shall knowingly obtain, seek to obtain, or possess, individually or collectively, an amount of usable

cannabis from a registered medical cannabis dispensing organization that would cause him or her to exceed the authorized adequate medical supply under subsection (a) of Section 10.

(h) Nothing in this Act shall prevent a private business from restricting or prohibiting the medical use of cannabis on its property.

(i) Nothing in this Act shall prevent a university, college, or other institution of post-secondary education from restricting or prohibiting the use of medical cannabis on its property.

(Source: P.A. 101-363, eff. 8-9-19; 102-67, eff. 7-9-21.)

(410 ILCS 130/35)

Sec. 35. Certifying health care professional requirements.

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

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

(2) A certifying health care professional certifying a

patient's condition shall comply with generally accepted standards of medical practice, the provisions of the Act under which he or she is licensed and all applicable rules.

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

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

(b) A certifying health care professional may not:

(1) accept, solicit, or offer any form of remuneration from or to a qualifying patient, provisional patient, designated ~~primary~~ caregiver, Opioid Alternative Patient Program participant, cultivation center, or dispensing organization, including each principal officer, board member, agent, and employee, to certify a patient, other than accepting payment from a patient for the fee associated with the required examination, except for the limited purpose of performing a medical cannabis-related research study;

(1.5) accept, solicit, or offer any form of remuneration from or to a medical cannabis cultivation

center or dispensary organization for the purposes of referring a patient to a specific dispensary organization;

(1.10) engage in any activity that is prohibited under Section 22.2 of the Medical Practice Act of 1987, regardless of whether the certifying health care professional is a physician, advanced practice registered nurse, or physician assistant;

(2) offer a discount of any other item of value to a qualifying patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant who uses or agrees to use a particular designated ~~primary~~ caregiver or dispensing organization to obtain medical cannabis;

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

(4) hold a direct or indirect economic interest in a cultivation center or dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a certifying health care professional who recommends medical cannabis, except for the limited purpose of performing a medical

cannabis-related research study;

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

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

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

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

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

(e) A certifying health care professional who certifies a debilitating medical condition for a qualifying patient may notify the Department of Public Health in writing: (1) if the certifying health care professional has reason to believe either that the registered qualifying patient has ceased to suffer from a debilitating medical condition; (2) that the bona fide health care professional-patient relationship has terminated; or (3) that continued use of medical cannabis would result in contraindication with the patient's other medication. The registered qualifying patient's registry

identification card shall be revoked by the Department of Public Health after receiving the certifying health care professional's notification.

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

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

(410 ILCS 130/57)

Sec. 57. Designated caregivers ~~Qualifying patients~~.

(a) Qualifying patients or provisional patients that are under the age of 18 years shall not be prohibited from appointing up to 3 designated caregivers who meet the definition of "designated caregiver" under Section 10 so long as at least one designated caregiver is a biological parent or legal guardian.

(b) Qualifying patients and provisional patients that are 18 years of age or older shall not be prohibited from appointing up to 3 designated caregivers who meet the definition of "designated caregiver" under Section 10.

(c) Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, designated caregivers, qualifying patients, provisions patients, and Opioid Alternative Patient Program participants registered under this Act may purchase an adequate medical supply at any

dispensing organization that has been issued a Medical Cannabis Dispensing Organization license by the Department of Financial and Professional Regulation pursuant to Section 15-37 of the Cannabis Regulation and Tax Act.

(Source: P.A. 101-363, eff. 8-9-19.)

(410 ILCS 130/60)

Sec. 60. Issuance of registry identification cards.

(a) Except as provided in subsection (b), the Department of Public Health shall:

(1) verify the information contained in an application or renewal for a registry identification card submitted under this Act, and approve or deny an application or renewal, within 90 days of receiving a completed application or renewal application and all supporting documentation specified in Section 55;

(2) issue registry identification cards to a qualifying patient and his or her designated caregiver, if any, within 15 business days of approving the application or renewal; and

~~(3) enter the registry identification number of the registered dispensing organization the patient designates into the verification system; and~~

(3) ~~(4)~~ allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

Notwithstanding any other provision of this Act, the Department of Public Health shall adopt rules for qualifying patients and applicants with life-long debilitating medical conditions, who may be charged annual renewal fees. The Department of Public Health shall not require patients and applicants with life-long debilitating medical conditions to apply to renew registry identification cards.

(b) The Department of Public Health may not issue a registry identification card to a qualifying patient who is under 18 years of age, unless that patient suffers from seizures, including those characteristic of epilepsy, or as provided by administrative rule. The Department of Public Health shall adopt rules for the issuance of a registry identification card for qualifying patients who are under 18 years of age and suffering from seizures, including those characteristic of epilepsy. The Department of Public Health may adopt rules to allow other individuals under 18 years of age to become registered qualifying patients under this Act with the consent of a parent or legal guardian. Registered qualifying patients under 18 years of age shall be prohibited from consuming forms of cannabis other than medical cannabis infused products and purchasing any usable cannabis.

(c) A veteran who has received treatment at a VA hospital is deemed to have a bona fide health care professional-patient relationship with a VA certifying health care professional if the patient has been seen for his or her debilitating medical

condition at the VA hospital in accordance with VA hospital protocols. All reasonable inferences regarding the existence of a bona fide health care professional-patient relationship shall be drawn in favor of an applicant who is a veteran and has undergone treatment at a VA hospital.

(c-10) An individual who submits an application as someone who is terminally ill shall have all fees waived. The Department of Public Health shall within 30 days after this amendatory Act of the 99th General Assembly adopt emergency rules to expedite approval for terminally ill individuals. These rules shall include, but not be limited to, rules that provide that applications by individuals with terminal illnesses shall be approved or denied within 14 days of their submission.

(d) No later than 6 months after the effective date of this amendatory Act of the 101st General Assembly, the Secretary of State shall remove all existing notations on driving records that the person is a registered qualifying patient or his or her caregiver under this Act.

(e) Upon the approval of the registration and issuance of a registry card under this Section, the Department of Public Health shall electronically forward the registered qualifying patient's identification card information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of

patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. ~~This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.~~

(f) (Blank).

(g) Identifying information of registered qualifying patients is confidential and may not be combined or linked in any manner with any other list or database, except (i) as provided in this Section, (ii) to support the statutory purpose of the Adult Use Cannabis Health Advisory Committee, the Medical Cannabis Advisory Board, the Illinois Department of Public Health, or the Illinois Department of Human Services, or (iii) to support other medical research into the effects of medical cannabis, so long as the data are readily available, the requesting organization has standing as a research institution, the research is approved by the Department's Institutional Review Board and is compliant with

data governance, privacy regulations, including 45 CFR 164.512(i), as applicable, and other requirements as determined by the Department, and the identifying information of registered qualifying patients is removed after being used to match with other datasets. All research must protect and maintain the anonymity of medical cannabis patients and shall include only data related to patients who submitted initial applications after the effective date of this amendatory Act of the 104th General Assembly.

(Source: P.A. 100-1114, eff. 8-28-18; 101-363, eff. 8-9-19; 101-593, eff. 12-4-19.)

(410 ILCS 130/62)

Sec. 62. Opioid Alternative Patient ~~Pilot~~ Program.

(a) The Department of Public Health shall establish the Opioid Alternative Patient ~~Pilot~~ Program. Licensed dispensing organizations shall allow persons with a written certification from a certifying health care professional under Section 36 to purchase medical cannabis upon enrollment in the Opioid Alternative Patient ~~Pilot~~ Program. The Department of Public Health shall adopt rules or establish procedures allowing qualified veterans to participate in the Opioid Alternative Patient ~~Pilot~~ Program. For a person to receive medical cannabis under this Section, the person must present the written certification along with a valid driver's license or state identification card to the licensed dispensing

organization specified in his or her application. The dispensing organization shall verify the person's status as an Opioid Alternative Patient ~~Pilot~~ Program participant through the Department of Public Health's online verification system.

(b) The Opioid Alternative Patient ~~Pilot~~ Program shall be limited to participation by Illinois residents age 21 and older.

(c) The Department of Financial and Professional Regulation shall specify that all licensed dispensing organizations participating in the Opioid Alternative Patient ~~Pilot~~ Program use the Illinois Cannabis Tracking System. The Department of Public Health shall establish and maintain the Illinois Cannabis Tracking System. The Illinois Cannabis Tracking System shall be used to collect information about all persons participating in the Opioid Alternative Patient ~~Pilot~~ Program and shall be used to track the sale of medical cannabis for verification purposes.

Each dispensing organization shall retain a copy of the Opioid Alternative Patient ~~Pilot~~ Program certification and other identifying information as required by the Department of Financial and Professional Regulation, the Department of Public Health, and the Illinois State Police in the Illinois Cannabis Tracking System.

The Illinois Cannabis Tracking System shall be accessible to the Department of Financial and Professional Regulation, Department of Public Health, Department of Agriculture, and

the Illinois State Police.

The Department of Financial and Professional Regulation in collaboration with the Department of Public Health shall specify the data requirements for the Opioid Alternative Patient ~~Pilot~~ Program by licensed dispensing organizations; including, but not limited to, the participant's full legal name, address, and date of birth, date on which the Opioid Alternative Patient ~~Pilot~~ Program certification was issued, length of the participation in the Program, including the start and end date to purchase medical cannabis, name of the issuing physician, copy of the participant's current driver's license or State identification card, and phone number.

The Illinois Cannabis Tracking System shall provide verification of a person's participation in the Opioid Alternative Patient ~~Pilot~~ Program for law enforcement at any time and on any day.

(d) The certification for Opioid Alternative Patient ~~Pilot~~ Program participant must be issued by a certifying health care professional who is licensed to practice in Illinois under the Medical Practice Act of 1987, the Nurse Practice Act, or the Physician Assistant Practice Act of 1987 and who is in good standing and holds a controlled substances license under Article III of the Illinois Controlled Substances Act.

The certification for an Opioid Alternative Patient ~~Pilot~~ Program participant shall be written within 90 days before the participant submits his or her certification to the dispensing

organization.

The written certification uploaded to the Illinois Cannabis Tracking System shall be accessible to the Department of Public Health.

(e) Upon verification of the individual's valid certification and enrollment in the Illinois Cannabis Tracking System, the dispensing organization may dispense the medical cannabis, in amounts not exceeding 2.5 ounces of medical cannabis per 14-day period to the participant at the participant's specified dispensary for no more than 90 days.

An Opioid Alternative Patient ~~Pilot~~ Program participant shall not be registered as a medical cannabis cardholder. The dispensing organization shall verify that the person is not an active registered qualifying patient prior to enrollment in the Opioid Alternative Patient ~~Pilot~~ Program and each time medical cannabis is dispensed.

Upon receipt of a written certification under the Opioid Alternative Patient ~~Pilot~~ Program, the Department of Public Health shall electronically forward the patient's identification information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person has a written certification under the Opioid Alternative Patient

~~Pilot~~ Program and is a patient who is entitled to the lawful medical use of cannabis. If the person is no longer authorized to engage in the medical use of cannabis, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(e-5) The confidential list described in subsection (a) of Section 150 may not be combined or linked in any manner with any other list or database, except as provided in this Section. The confidential list may be linked by the Department of Public Health so long as the data are readily available, the requesting organization has standing as a bona fide agent of the Department of Public Health, the research is approved by the Department's Institutional Review Board, and the research is compliant with data governance, privacy, and other requirements as determined by the Department. All research must protect and maintain the anonymity of medical cannabis patients and shall include only data related to patients who have provided consent. The Department shall adopt rules to define a bona fide agent, the application process, confidentiality protections, and any other requirements it

deems necessary for the implementation of this Section.

(f) An Opioid Alternative Patient ~~Pilot~~ Program participant shall not be considered a qualifying patient with a debilitating medical condition under this Act and shall be provided access to medical cannabis solely for the duration of the participant's certification. Nothing in this Section shall be construed to limit or prohibit an Opioid Alternative Patient ~~Pilot~~ Program participant who has a debilitating medical condition from applying to the Compassionate Use of Medical Cannabis Program.

(g) A person with a provisional registration under Section 55 shall not be considered an Opioid Alternative Patient ~~Pilot~~ Program participant.

(h) (Blank). ~~The Department of Financial and Professional Regulation and the Department of Public Health shall submit emergency rulemaking to implement the changes made by this amendatory Act of the 100th General Assembly by December 1, 2018. The Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Human Services, the Department of Public Health, and the Illinois State Police shall utilize emergency purchase authority for 12 months after the effective date of this amendatory Act of the 100th General Assembly for the purpose of implementing the changes made by this amendatory Act of the 100th General Assembly.~~

(i) Dispensing organizations are not authorized to

dispense medical cannabis to Opioid Alternative Patient ~~Pilot~~ Program participants until administrative rules are approved by the Joint Committee on Administrative Rules and go into effect.

(j) (Blank). ~~The provisions of this Section are inoperative on and after July 1, 2025.~~

(Source: P.A. 101-363, eff. 8-9-19; 102-16, eff. 6-17-21.)

(410 ILCS 130/70)

Sec. 70. Registry identification cards.

(a) A registered qualifying patient or designated caregiver must keep their registry identification card in his or her possession at all times when engaging in the medical use of cannabis.

(b) Registry identification cards shall contain the following:

(1) the name of the cardholder;

(2) a designation of whether the cardholder is a designated caregiver or qualifying patient;

(3) the date of issuance and expiration date of the registry identification card;

(4) a random alphanumeric identification number that is unique to the cardholder;

(5) if the cardholder is a designated caregiver, the random alphanumeric identification number of the registered qualifying patient the designated caregiver is

receiving the registry identification card to assist; and

(6) a photograph of the cardholder, if required by Department of Public Health rules.

(c) To maintain a valid registration identification card, a registered qualifying patient and designated caregiver must annually resubmit, at least 45 days prior to the expiration date stated on the registry identification card, a completed renewal application, renewal fee, and accompanying documentation as described in Department of Public Health rules. The Department of Public Health shall send a notification to a registered qualifying patient or registered designated caregiver 90 days prior to the expiration of the registered qualifying patient's or registered designated caregiver's identification card. If the Department of Public Health fails to grant or deny a renewal application received in accordance with this Section, then the renewal is deemed granted and the registered qualifying patient or registered designated caregiver may continue to use the expired identification card until the Department of Public Health denies the renewal or issues a new identification card.

(d) Except as otherwise provided in this Section, the expiration date is 3 years after the date of issuance.

(e) The Department of Public Health may electronically store in the card any or all of the information listed in subsection (b), along with the address and date of birth of the cardholder ~~and the qualifying patient's designated dispensary~~

~~organization~~, to allow it to be read by law enforcement agents.

(Source: P.A. 98-122, eff. 1-1-14; 99-519, eff. 6-30-16.)

(410 ILCS 130/75)

Sec. 75. Notifications to Department of Public Health and responses; civil penalty.

(a) The following notifications and Department of Public Health responses are required:

(1) A registered qualifying patient or Opioid Alternative Patient Program participant shall notify the Department of Public Health of any change in his or her name or address, or if the registered qualifying patient ceases to have his or her debilitating medical condition, within 10 days of the change.

(2) A registered designated caregiver shall notify the Department of Public Health of any change in his or her name or address, or if the designated caregiver becomes aware the registered qualifying patient passed away, within 10 days of the change.

(3) Before a registered qualifying patient changes his or her designated caregiver, the qualifying patient must notify the Department of Public Health.

(4) (Blank). ~~If a cardholder loses his or her registry identification card, he or she shall notify the Department within 10 days of becoming aware the card has been lost.~~

(b) When a cardholder notifies the Department of Public Health of items listed in subsection (a), but remains eligible under this Act, the Department of Public Health shall issue the cardholder a new registry identification card with a new random alphanumeric identification number within 15 business days of receiving the updated information and a fee as specified in Department of Public Health rules. If the person notifying the Department of Public Health is a registered qualifying patient, the Department shall also issue his or her registered designated caregiver, if any, a new registry identification card within 15 business days of receiving the updated information.

(c) If a registered qualifying patient ceases to be a registered qualifying patient or changes his or her registered designated caregiver, the Department of Public Health shall promptly notify the designated caregiver. The registered designated caregiver's protections under this Act as to that qualifying patient shall expire 15 days after notification by the Department.

(d) A cardholder who fails to make a notification to the Department of Public Health that is required by this Section is subject to a civil infraction, punishable by a penalty of no more than $150.

(e) (Blank). ~~A registered qualifying patient shall notify the Department of Public Health of any change to his or her designated registered dispensing organization. The Department~~

~~of Public Health shall provide for immediate changes of a registered qualifying patient's designated registered dispensing organization. Registered dispensing organizations must comply with all requirements of this Act.~~

(f) If the registered qualifying patient's certifying health care professional notifies the Department in writing that either the registered qualifying patient or Opioid Alternative Patient Program participant has ceased to suffer from a debilitating medical condition, that the bona fide health care professional-patient relationship has terminated, or that continued use of medical cannabis would result in contraindication with the patient's other medication, the card shall become null and void. However, the registered qualifying patient shall have 15 days to destroy his or her remaining medical cannabis and related paraphernalia.

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

(410 ILCS 130/85)

Sec. 85. Issuance and denial of medical cannabis cultivation permit.

(a) The Department of Agriculture may register up to 22 cultivation center registrations for operation. The Department of Agriculture may not issue more than one registration per each Illinois State Police District boundary as specified on the date of January 1, 2013. The Department of Agriculture may not issue less than the 22 registrations if there are

qualified applicants who have applied with the Department.

(b) The registrations shall be issued and renewed annually as determined by administrative rule.

(c) The Department of Agriculture shall determine a registration fee by rule.

(d) A cultivation center may only operate if it has been issued a valid registration from the Department of Agriculture. When applying for a cultivation center registration, the applicant shall submit the following in accordance with Department of Agriculture rules:

(1) the proposed legal name of the cultivation center;

(2) the proposed physical address of the cultivation center and description of the enclosed, locked facility as it applies to cultivation centers where medical cannabis will be grown, harvested, manufactured, packaged, or otherwise prepared for distribution to a dispensing organization;

(3) the name, address, and date of birth of each principal officer and board member of the cultivation center, provided that all those individuals shall be at least 21 years of age;

(4) any instance in which a business that any of the prospective board members of the cultivation center had managed or served on the board of the business and was convicted, fined, censured, or had a registration or license suspended or revoked in any administrative or

judicial proceeding;

(5) cultivation, inventory, and packaging plans;

(6) proposed operating by-laws that include procedures for the oversight of the cultivation center, development and implementation of a plant monitoring system, medical cannabis container tracking system, accurate record keeping, staffing plan, and security plan reviewed by the Illinois 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 medical cannabis containers on a weekly basis;

(7) experience with agricultural cultivation techniques and industry standards;

(8) any academic degrees, certifications, or relevant experience with related businesses;

(9) the identity of every person, association, trust, or corporation having any direct or indirect pecuniary interest in the cultivation center operation with respect to which the registration is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited;

(10) verification from the Illinois State Police that all background checks of the principal officer, board

members, and registered agents have been conducted ~~and those individuals have not been convicted of an excluded offense~~;

(11) provide a copy of the current local zoning ordinance to the Department of Agriculture and verify that proposed cultivation center is in compliance with the local zoning rules issued in accordance with Section 140;

(12) an application fee set by the Department of Agriculture by rule; and

(13) any other information required by Department of Agriculture rules, including, but not limited to a cultivation center applicant's experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business.

(e) An application for a cultivation center permit must be denied if any of the following conditions are met:

(1) the applicant failed to submit the materials required by this Section, including if the applicant's plans do not satisfy the security, oversight, inventory, or recordkeeping rules issued by the Department of Agriculture;

(2) the applicant would not be in compliance with local zoning rules issued in accordance with Section 140;

(3) (blank); ~~one or more of the prospective principal officers or board members has been convicted of an~~

~~excluded offense;~~

(4) one or more of the prospective principal officers or board members has served as a principal officer or board member for a registered dispensing organization or cultivation center that has had its registration revoked;

(5) one or more of the principal officers or board members is under 21 years of age;

(6) (blank); ~~a principal officer or board member of the cultivation center has been convicted of a felony under the laws of this State, any other state, or the United States;~~

(7) (blank); or ~~a principal officer or board member of the cultivation center has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction; or~~

(8) the person has submitted an application for a certificate under this Act which contains false information.

(Source: P.A. 102-538, eff. 8-20-21.)

(410 ILCS 130/100)

Sec. 100. Cultivation center agent identification card.

(a) The Department of Agriculture shall:

(1) verify the information contained in an application or renewal for a cultivation center identification card submitted under this Act, 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 cultivation center 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 cultivation center where the agent works; and

(4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

(b) A cultivation center agent must keep his or her identification card visible at all times when on the property of a cultivation center and during the transportation of medical cannabis to a registered dispensary organization.

(c) The cultivation center agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of cultivation center 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 holder; and

(4) a photograph of the cardholder.

(d) The cultivation center agent identification cards shall be immediately returned to the cultivation center upon

termination of employment.

(e) Any card lost by a cultivation center agent shall be reported to the Illinois State Police and the Department of Agriculture immediately upon discovery of the loss.

(f) (Blank). ~~An applicant shall be denied a cultivation center agent identification card if he or she has been convicted of an excluded offense.~~

(g) An agent applicant may begin employment at a cultivation center while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the cultivation center and the agent applicant shall be notified and the agent applicant must cease all activity at the cultivation center immediately.

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

(410 ILCS 130/105)

Sec. 105. Requirements; prohibitions; penalties for cultivation centers.

(a) The operating documents of a registered cultivation center shall include procedures for the oversight of the cultivation center, a cannabis plant monitoring system including a physical inventory recorded weekly, a cannabis container system including a physical inventory recorded weekly, accurate record keeping, and a staffing plan.

(b) A registered cultivation center shall implement a security plan reviewed by the Illinois State Police and including but 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 registered cultivation center facility and accessible to authorized law enforcement and the Department of Agriculture in real-time.

(c) A registered cultivation center may not be located within 2,500 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, part day child care facility, or an area zoned for residential use.

(d) All cultivation of cannabis for distribution to a registered dispensing organization must take place in an enclosed, locked facility as it applies to cultivation centers at the physical address provided to the Department of Agriculture during the registration process. The cultivation center location shall only be accessed by the cultivation center agents working for the registered cultivation center, Department of Agriculture staff performing inspections, Department of Public Health staff performing inspections, law enforcement or other emergency personnel, and contractors working on jobs unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.

(e) A cultivation center may not sell or distribute any cannabis to any individual or entity other than another cultivation center, a dispensing organization registered under this Act, or a laboratory licensed by the Department of Agriculture.

(f) All harvested cannabis intended for distribution to a dispensing organization must be packaged in a labeled medical cannabis container and entered into a data collection system.

(g) (Blank). ~~No person who has been convicted of an excluded offense may be a cultivation center agent.~~

(h) Registered cultivation centers are subject to random inspection by the Illinois State Police.

(i) Registered cultivation centers are subject to random inspections by the Department of Agriculture and the Department of Public Health.

(j) A cultivation center agent shall notify local law enforcement, the Illinois 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.

(k) A cultivation center shall comply with all State and federal rules and regulations regarding the use of pesticides.
(Source: P.A. 101-363, eff. 8-9-19; 102-538, eff. 8-20-21.)

(410 ILCS 130/115)

Sec. 115. Dispensing ~~Registration of dispensing~~

organizations. A dispensing organization may only operate if it has been issued a dispensing organization license from the Department of Financial and Professional Regulation, including an Early Approval Adult Use Dispensing Organization at a Same-Site License, an Adult Use Dispensing Organization License, or a Medical Cannabis Dispensing Organization License. If a dispensing organization holds both an Adult Use Dispensing Organization License and a corresponding Medical Cannabis Dispensing Organization License, the dispensing organization shall correspondingly adhere to the provisions of this Act, any administrative rules pursuant to this Act, the Cannabis Regulation and Tax Act, and any administrative rules adopted pursuant to the Cannabis Regulation and Tax Act.

~~(a) The Department of Financial and Professional Regulation may issue up to 60 dispensing organization registrations for operation. The Department of Financial and Professional Regulation may not issue less than the 60 registrations if there are qualified applicants who have applied with the Department of Financial and Professional Regulation. The organizations shall be geographically dispersed throughout the State to allow all registered qualifying patients reasonable proximity and access to a dispensing organization.~~

~~(a-5) The Department of Financial and Professional Regulation shall adopt rules to create a registration process for Social Equity Justice Involved Applicants and Qualifying~~

~~Applicants, a streamlined application, and a Social Equity Justice Involved Medical Lottery under Section 115.5 to issue the remaining available 5 dispensing organization registrations for operation. For purposes of this Section:~~

~~"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 sale, possession, use, cultivation, manufacture, or transport of cannabis.~~

~~"Qualifying Applicant" means an applicant that: (i) submitted an application pursuant to Section 15-30 of the Cannabis Regulation and Tax Act that received at least 85% of 250 application points available under Section 15-30 of the Cannabis Regulation and Tax Act as the applicant's final score; (ii) received points at the conclusion of the scoring process for meeting the definition of a "Social Equity Applicant" as set forth under the Cannabis Regulation and Tax Act; and (iii) is an applicant that did not receive a Conditional Adult Use Dispensing Organization License through a Qualifying Applicant Lottery pursuant to Section 15-35 of the Cannabis Regulation and Tax Act or any Tied Applicant Lottery conducted under the Cannabis Regulation and Tax Act.~~

~~"Social Equity Justice Involved Applicant" means an applicant that is an Illinois resident and one of the following:~~

~~(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% of ownership and control by one or more individuals who have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under subsection~~

~~(i) of Section 5.2 of the Criminal Identification Act; or~~

~~(3) an applicant with at least 51% ownership and control by one or more members of an impacted family.~~

~~(b) A dispensing organization may only operate if it has been issued a registration from the Department of Financial and Professional Regulation. The Department of Financial and Professional Regulation shall adopt rules establishing the procedures for applicants for dispensing organizations.~~

~~(c) When applying for a dispensing organization registration, the applicant shall submit, at a minimum, the following in accordance with Department of Financial and Professional Regulation rules:~~

~~(1) a non-refundable application fee established by rule;~~

~~(2) the proposed legal name of the dispensing organization;~~

~~(3) the proposed physical address of the dispensing organization;~~

~~(4) the name, address, and date of birth of each principal officer and board member of the dispensing organization, provided that all those individuals shall be at least 21 years of age;~~

~~(5) (blank);~~

~~(6) (blank); and~~

~~(7) (blank).~~

~~(d) The Department of Financial and Professional~~

~~Regulation shall conduct a background check of the prospective dispensing organization agents in order to carry out this Section. The Department of State Police shall charge a fee for conducting the criminal history record check, which shall be deposited in 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 Investigation criminal history records databases. The Department of State Police shall furnish, following positive identification, all Illinois conviction information to the Department of Financial and Professional Regulation.~~

~~(c) A dispensing organization must pay a registration fee set by the Department of Financial and Professional Regulation.~~

~~(f) An application for a medical cannabis dispensing organization registration must be denied if any of the following conditions are met:~~

~~(1) the applicant failed to submit the materials required by this Section, including if the applicant's plans do not satisfy the security, oversight, or recordkeeping rules issued by the Department of Financial~~

~~and Professional Regulation;~~

~~(2) the applicant would not be in compliance with local zoning rules issued in accordance with Section 140;~~

~~(3) the applicant does not meet the requirements of Section 130;~~

~~(4) one or more of the prospective principal officers or board members has been convicted of an excluded offense;~~

~~(5) one or more of the prospective principal officers or board members has served as a principal officer or board member for a registered medical cannabis dispensing organization that has had its registration revoked; and~~

~~(6) one or more of the principal officers or board members is under 21 years of age.~~

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

(410 ILCS 130/120)

Sec. 120. Dispensing organization agent identification card.

(a) This Section does not apply to any dispensing organization agents who are employed at any dispensing organization issued an Adult Use Dispensing Organization License and a corresponding Medical Cannabis Dispensing Organization License under Section 15-37 of the Cannabis Regulation and Tax Act.

(a-5) The Department of Financial and Professional

Regulation shall:

(1) verify the information contained in an application or renewal for a dispensing organization agent identification card submitted under this Act, 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; and

(4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

(b) A dispensing agent must keep his or her identification card visible at all times when on the property of a 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 holder; 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) Any card lost by a dispensing organization agent shall be reported to the Illinois State Police and the Department of Financial and Professional Regulation immediately upon discovery of the loss.

(f) (Blank) ~~An applicant shall be denied a dispensing organization agent identification card if he or she has been convicted of an excluded offense~~.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.)

(410 ILCS 130/130)

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

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

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

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

containing cannabis.

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

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

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

(g) The area in a dispensing organization where medical cannabis is stored can only be accessed by dispensing organization agents working for the dispensing organization, Department of Financial and Professional Regulation staff

performing inspections, law enforcement or other emergency personnel, and contractors working on jobs unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.

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

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

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

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

(2.5) that the medical cannabis has the proper labeling required under State and federal law;

(3) (blank); and

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

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

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

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

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

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

(k) The health care professional-patient privilege as set forth by Section 8-802 of the Code of Civil Procedure shall apply between a qualifying patient and a registered dispensing

organization and its agents with respect to communications and records concerning qualifying patients' debilitating conditions.

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

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

(n) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation may revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action as the Department of Financial and Professional Regulation may deem proper with regard to the registration of any person issued under this Act to operate a dispensing organization or act as a dispensing organization agent, including imposing fines not to exceed $10,000 for each violation, for any violations of this Act and rules adopted in accordance with this Act. The procedures for disciplining a registered dispensing organization shall be determined by rule. All final administrative decisions of the Department of Financial and Professional Regulation are subject to judicial review under the Administrative Review Law and its rules. The term "administrative decision" is defined as in Section 3-101 of

the Code of Civil Procedure.

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

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

(q) The Department of Financial and Professional Regulation may issue nondisciplinary citations for minor violations which may be accompanied by a civil penalty not to exceed $10,000 per violation. The penalty shall be a civil penalty or other condition as established by rule. The citation shall be issued to the licensee and shall contain the licensee's name, address, and license number, a brief factual statement, the Sections of the law or rule allegedly violated, and the civil penalty, 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 of Financial and Professional Regulation within 30 days after the citation is served, then the citation shall become final and shall not be subject to appeal.

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

(410 ILCS 130/145)

Sec. 145. Confidentiality.

(a) The following information received and records kept by the Department of Public Health, Department of Financial and Professional Regulation, Department of Agriculture, Department of Commerce and Economic Opportunity, Office of the Executive Inspector General, or Illinois State Police for purposes of administering this Act are subject to all applicable federal privacy laws, confidential, and exempt from the Freedom of Information Act, and not subject to disclosure to any individual or public or private entity, except as necessary for authorized employees of those authorized agencies to perform official duties under this Act and except as necessary to those involved in enforcing the State Officials and Employees Ethics Act, and the following information received and records kept by Department of Public Health, Department of Agriculture, Department of Commerce and Economic Opportunity, Department of Financial and Professional Regulation, Office of the Executive Inspector General, and Illinois State Police, excluding any existing or non-existing Illinois or national criminal history record information as defined in subsection (d), may be disclosed to each other upon request:

(1) Applications and renewals, their contents, and supporting information submitted by qualifying patients, provisional patients, ~~and~~ designated caregivers, and Opioid Alternative Patient Program participants, including

information regarding their designated caregivers and certifying health care professionals.

(2) Applications and renewals, their contents, and supporting information submitted by or on behalf of cultivation centers and dispensing organizations in compliance with this Act, including their physical addresses. This does not preclude the release of ownership information of cannabis business establishment licenses.

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

(4) Any dispensing information required to be kept under Section 135, Section 150, or Department of Public Health, Department of Agriculture, or Department of Financial and Professional Regulation rules shall identify cardholders and registered cultivation centers by their registry identification numbers and medical cannabis dispensing organizations by their registration number and not contain names or other personally identifying information.

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

(b) Nothing in this Section precludes the following:

(1) Department of Agriculture, Department of Financial and Professional Regulation, or Public Health employees

may notify law enforcement about falsified or fraudulent information submitted to the Departments if the employee who suspects that falsified or fraudulent information has been submitted conferred with his or her supervisor and both agree that circumstances exist that warrant reporting.

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

(A) issued a written certification without a bona fide health care professional-patient relationship under this Act;

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

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

(3) The Department of Public Health, Department of Agriculture, and Department of Financial and Professional Regulation may notify State or local law enforcement about apparent criminal violations of this Act if the employee

who suspects the offense has conferred with his or her supervisor and both agree that circumstances exist that warrant reporting.

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

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

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

(b-5) 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 shall not be 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.

(c) (Blank). ~~Except for any ownership information released pursuant to subsection (b-5) or as otherwise authorized or required by law, it is a Class B misdemeanor with a $1,000 fine for any person, including an employee or official of the Department of Public Health, Department of Financial and~~

~~Professional Regulation, or Department of Agriculture or another State agency or local government, to breach the confidentiality of information obtained under this Act.~~

(d) The Department of Public Health, the Department of Agriculture, the Illinois 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. For the purposes of 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. (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)

(410 ILCS 130/150)

Sec. 150. Registry identification and registration certificate verification.

(a) The Department of Public Health shall maintain a confidential list of the persons to whom the Department of Public Health has issued registry identification cards and their addresses, phone numbers, and registry identification numbers. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(b) Within 180 days of the effective date of this Act, the

Department of Public Health, Department of Financial and Professional Regulation, and Department of Agriculture shall together establish a computerized database or verification system. The database or verification system must allow law enforcement personnel and medical cannabis dispensary organization agents to determine whether or not the identification number corresponds with a current, valid registry identification card. The system shall only disclose whether the identification card is valid, whether the cardholder is a registered qualifying patient, provisional patient, ~~or a registered~~ designated caregiver, or Opioid Alternative Patient Program participant ~~the registry identification number of the registered medical cannabis dispensing organization designated to serve the registered qualifying patient who holds the card,~~ and the registry identification number of the patient who is assisted by a registered designated caregiver who holds the card. The Department of Public Health, the Department of Agriculture, the Illinois 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. Notwithstanding any other requirements established by this subsection, the Department of Public Health shall issue registry cards to qualifying patients, the Department of Financial and Professional Regulation may issue registration cards to medical cannabis dispensing

organizations for the period during which the database is being established, and the Department of Agriculture may issue registration to medical cannabis cultivation organizations for the period during which the database is being established.

(c) For the purposes of 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.

(Source: P.A. 102-538, eff. 8-20-21.)

(410 ILCS 130/173)

Sec. 173. Conflicts of law. To the extent that any provision of this Act conflicts with any Act that allows the non-medical ~~recreational~~ use of cannabis, the provisions of that Act shall control.

(Source: P.A. 101-363, eff. 8-9-19.)

(410 ILCS 130/195)

Sec. 195. Definitions. For the purposes of this Law:

"Cultivation center" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis Program Act.

"Department" means the Department of Revenue.

"Dispensing organization" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis Program Act.

"Gross receipts" means the total selling price, or the

amount of sale, as defined in this Article, except that, in the case of charges and time sales, the amount thereof shall be included only when payments are received by the cultivator of medical cannabis, by a cultivator.

"Person" means an individual, partnership, corporation, or public or private organization.

"Qualifying patient" means a qualifying patient registered under the Compassionate Use of Medical Cannabis Program 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, or services, 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. "Selling price" or "amount of sale" does not include separately stated charges identified on the invoice by cultivators to reimburse themselves for their tax liability.

(Source: P.A. 101-363, eff. 8-9-19.)

(410 ILCS 130/200)

Sec. 200. Tax imposed.

(a) Beginning on January 1, 2014 and through June 30, 2026 ~~the effective date of this Act~~, a tax is imposed upon the privilege of cultivating medical cannabis at a rate of 7% of the sales price per ounce. Beginning July 1, 2026, a tax is imposed on the privilege of cultivating medical cannabis at

the rate of 7% of the gross receipts from the first sale of medical cannabis by a cultivator. The sale of any product that contains any amount of medical 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 medical cannabis when the seller and purchaser are affiliated persons or when the sale and purchase of medical cannabis is not an arm's length transaction and a value is not established for the medical 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 medical cannabis of like quality, character, and use in the area, then the Department shall establish a reasonable value based on sales of products of like quality, character, and use in the other areas of the State, taking into consideration any other relevant factors. The proceeds from this tax shall be deposited into the Compassionate Use of Medical Cannabis Fund created under the Compassionate Use of Medical Cannabis Program Act. This tax shall be paid by a cultivation center and is not the responsibility of a dispensing organization or a qualifying patient.

(b) 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.

(Source: P.A. 101-363, eff. 8-9-19.)

(410 ILCS 130/210)

Sec. 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 dispensing 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 60-20 ~~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. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

(410 ILCS 130/115.5 rep.)

Section 160. The Compassionate Use of Medical Cannabis Program Act is amended by repealing Section 115.5.

Section 165. The Cannabis Regulation and Tax Act is amended by changing Sections 1-10, 7-10, 7-15, 7-20, 10-10, 10-15, 15-10, 15-15, 15-20, 15-25, 15-35, 15-35.10, 15-36, 15-40, 15-45, 15-70, 15-85, 15-100, 15-135, 15-145, 15-155, 20-10, 20-15, 20-30, 20-35, 20-45, 25-35, 30-10, 30-30, 30-35, 30-45, 35-25, 35-30, 35-40, 40-5, 40-25, 40-30, 45-5, 50-5, 55-5, 55-21, 55-30, 55-65, 55-85, 60-5, 60-10, 65-5, 65-10, 65-30, 65-38, and 65-42 and by adding Sections 15-24, 15-37, 20-60, 35-18, 40-50, and 55-22 as follows:

(410 ILCS 705/1-10)

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

<u>"Adequate medical supply" means 2.5 ounces of usable cannabis during a period of 14 days that is derived solely from an intrastate source. Subject to the rules of the Department of Public Health, a patient may apply for a waiver in which a certifying health care professional provides a substantial</u>

medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care professional's professional judgment, 2.5 ounces is an insufficient adequate medical supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition. This definition may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health. The pre-mixed weight of medical cannabis used in making a cannabis-infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time.

"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; billboard advertising; and the

display of window and interior signs. "Advertise" does not mean exterior signage displaying only the name of the licensed cannabis business establishment.

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

"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.

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

"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 and does not include hemp, industrial hemp, or final consumer hemp cannabinoid products as defined under the Illinois Hemp Act. "Cannabis" also means cannabis flower, concentrate, and cannabis-infused products.

"Cannabis business establishment" means a cultivation center, craft grower, ~~processing organization,~~ infuser organization, dispensing organization, or transporting organization.

"Cannabis concentrate" means a product derived from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), 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, CO_2, ethanol, or isopropanol and with the intended use of smoking or making a cannabis-infused product. The use of any other solvent is expressly prohibited unless and until

it is approved by the Department of Agriculture.

"Cannabis container" means a sealed or resealable, 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 or cannabis concentrate that is not intended to be smoked.

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

"Cannabis plant monitoring system" or "plant monitoring system" means a system that includes, but is not limited to, testing and data collection established and maintained by the

cultivation center, craft grower, or infuser ~~processing~~ organization and that is available to the Department of Revenue, the Department of Agriculture, the Department of Financial and Professional Regulation, and the Illinois State Police for the purposes of documenting each cannabis plant and monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a customer from seed planting to final packaging.

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

"Cannabis transporter storage site" or "storage site" means a secure, physical, nonretail facility operated by an eligible transporter that is not affiliated with another cannabis business establishment. "Cannabis transporter storage site" or "storage site" includes a facility that an eligible transporter may use to transfer, temporarily store, or both transfer and temporarily store cannabis and cannabis infused products in accordance with this Act and rules adopted under it.

"Clone" means a plant section from a female cannabis plant not yet rootbound, growing in a water solution or other

propagation matrix, that is capable of developing into a new plant.

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

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

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

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

processing, or selling cannabis or cannabis-infused products.

"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 an infuser ~~a processing~~ organization. A craft grower may contain up to 14,000 ~~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 an infuser ~~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.

"Designated caregiver" means a person who assists no more than one registered qualifying patient with the patient's medical use of cannabis, except the parent or legal guardian of a registered qualifying patient may assist each of their children who are registered qualifying patients.

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

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

"Dispensing organization" or "dispensary" 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, or infuser ~~processing~~ organization licensed by the Department of Agriculture, or another dispensary licensed by the Department of Financial and Professional Regulation, 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, "dispensing organization" or "dispensary" includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License or Early Approval Adult Use Dispensing Organization License at a Secondary Site, or an entity that has obtained a Medical Cannabis Dispensing Organization License under Section 15-37 of this Act.

"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 Program Act as of the effective date of this Act to begin cultivating, infusing, packaging, transporting (unless otherwise provided in this Act), processing, and selling cannabis or cannabis-infused product to cannabis business establishments for resale to purchasers as permitted by this Act as of January 1, 2020.

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

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

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

"Enclosed, locked facility" means a room, greenhouse,

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

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

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

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

"Financial institution" has the same meaning as "financial organization" as defined in Section 1501 of the Illinois

Income Tax Act, and also includes the holding companies, subsidiaries, and affiliates of such financial organizations.

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

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

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

"Individual" means a natural person.

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

"Infuser organization agent" means a principal officer, board member, employee, or other agent of an infuser organization.

"Infuser organization agent identification card" means a document issued by the Department of Agriculture that identifies a person as an infuser organization agent.

"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 room or other area under the control of a cannabis dispensing organization licensed under this Act and upon the licensed premises where cannabis sales occur with access limited to purchasers, dispensing organization owners and other dispensing organization agents,

or service professionals conducting business with the dispensing organization, or, if sales to registered qualifying patients, caregivers, provisional patients, and Opioid Alternative Patient ~~Pilot~~ Program participants licensed pursuant to the Compassionate Use of Medical Cannabis Program Act are also permitted at the dispensary, registered qualifying patients, caregivers, provisional patients, and Opioid Alternative Patient ~~Pilot~~ Program participants.

"Medical cannabis dispensing organization license" means a license issued to an entity holding an Adult Use Dispensing Organization License enabling the license holder to acquire cannabis or cannabis-infused products from a registered cultivation center, craft grower, infuser organization, or transporting organization for the purpose of dispensing cannabis, cannabis-infused products, paraphernalia, or related supplies and educational materials to registered qualifying patients, provisional patients, designated caregivers, and Opioid Alternative Patient Program participants.

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

"Opioid Alternative Patient Program participant" means an individual who has received a valid written certification to participate in the Opioid Alternative Patient Program for a medical condition for which an opioid has been or could be prescribed by a certifying health care professional based on generally accepted standards of care.

"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, designated ~~or~~ caregiver, provisional patient, or Opioid Alternative Patient Program participant under the Compassionate Use of Medical Cannabis Program 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, an Illinois Person with a Disability Identification Card, or voter registration. No person may have more than one primary residence.

"Principal officer" includes a cannabis business establishment applicant or licensed cannabis business establishment's board member, owner with more than 5% ~~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.~~

"Processor license" means a license issued to an infuser organization that is licensed by the Department of Agriculture under subsection (f) of Section 35-31 to extract raw materials from cannabis flower.

"Provisional patient" means a qualifying patient who has received a provisional registration from the Department of Public Health.

~~"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" includes ~~does not include~~ a cardholder under the Compassionate Use of Medical Cannabis Program Act using the cardholder's

card at a dispensing organization that is authorized to serve registered qualifying patients, provisional patients, designated caregivers, and Opioid Alternative Patient Program participants.

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

"Qualifying patient" or "qualified patient" means a person who has been diagnosed by a certifying health care professional as having a debilitating medical condition as defined under the Compassionate Use of Medical Cannabis Program Act.

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

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

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

2 of the following:

(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;

(8) tax records; or

(9) 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 <u>are members</u> member of an impacted family <u>that have been impacted by arrests, convictions, or adjudications of delinquency that are eligible for expungement under this Act</u>.

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.

<u>"Social Equity Lottery Licensee" means a holder of an adult use cannabis dispensary license or a conditional adult use cannabis dispensary license awarded through a lottery held under subsection (c) of Section 15-35.20 of this Act.</u>

"Tied Applicant" means an application submitted by a Dispensary Applicant pursuant to Section 15-30 that received

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

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

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

"Transporting organization" or "transporter" means an organization or business that is licensed by the Department of Agriculture to transport cannabis or cannabis-infused product 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.

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

(410 ILCS 705/7-10)

Sec. 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 Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, or 15-35.10 or subsection (c) of Section 15-35.20 to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant";

(2) to provide grants to Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, or 15-35.10 or subsection (c) of Section 15-35.20 to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to

Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant";

(3) to compensate the Department of Commerce and Economic Opportunity for any costs related to the provision of financial assistance ~~low interest loans and grants~~ to Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, or 15-35.10 or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant";

(4) to pay for outreach that may be provided or targeted to attract and support Social Equity Applicants, ~~and~~ Qualified Social Equity Applicants, and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, or 15-35.10 or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a

"Social Equity Applicant";

(5) to provide financial assistance to, to support lending to, to support private investment in, or to facilitate access to the facilities needed to commence operations as a cannabis business establishment for Qualified Social Equity Applicants, Social Equity Lottery Licensees, and holders of a conditional or adult use dispensing organization licenses issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant" ~~(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;

(6.5) to enter into financial intermediary agreements to facilitate lending to or investment in Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization licenses issued pursuant to Section 15-25, 15-35, or 15-35.10 or subsection (c) of

Section 15-35.20, with the goal of ensuring the availability of facilities necessary to operate a cannabis business establishment, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant";

(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) (Blank).

(c-5) In addition to any other transfers that may be provided for by law, on July 1, 2023, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $40,000,000 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.

(Source: P.A. 103-8, eff. 6-7-23.)

(410 ILCS 705/7-15)

Sec. 7-15. Loans, financial assistance, and grants to Qualified Social Equity Applicants and Social Equity Lottery Licensees.

(a) The Department of Commerce and Economic Opportunity shall establish grant, ~~and~~ loan, and financial assistance programs, subject to appropriations from the Cannabis Business Development Fund, for the purposes of providing financial assistance, loans, grants, and technical assistance to Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization licenses issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant".

(b) The Department of Commerce and Economic Opportunity

has the power to:

(1) provide Cannabis Social Equity loans, financial assistance, and grants from appropriations from the Cannabis Business Development Fund to assist Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20 in gaining entry to, and successfully operating in, the State's regulated cannabis marketplace, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant";

(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 the financial assistance ~~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;

(6.5) enter into financial intermediary agreements and charge fees to financial institutions required to facilitate lending to or investment in Qualified Social Equity Applicants and holders of a conditional or adult use dispensing organization licenses issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20, with the goal of ensuring the availability of facilities necessary to operate a cannabis business establishment, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10; the Department of Commerce and Economic Opportunity may review that an applicant for a loan

continues to meet the statutory definition of a "Social Equity Applicant";

(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; and ~~.~~

(9) review that an applicant for financial assistance meets the statutory definition of a "Social Equity Applicant" as that term is defined in Section 1-10 of this Act, for the purposes of providing financial assistance pursuant to this Section.

(c) Financial assistance ~~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, forgiveness, 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; and~~.~~

(3) may be distributed by lottery if the Department

determines that the amount of funding available is insufficient to provide an adequate amount of funding for all of the applicants eligible to receive financial assistance. The Department may communicate the number of awards for financial assistance available on the application for financial assistance. The Department may use competitive criteria to establish which applicants are eligible to receive financial assistance.

(d) Grants made under this Section shall be awarded on a competitive ~~and annual~~ basis in compliance with ~~under~~ the Grant Accountability and Transparency Act; however, to the extent registration with the federal System for Award Management requires a grant applicant to certify compliance with all federal laws, the grant applicants under this Section shall not be required to register for a unique entity identifier through the federal System for Award Management to be qualified to receive financial assistance under this Section, so long as federal law prohibits the cultivation and sale of cannabis. Grants made under this Section shall further and promote the goals of this Act, including promotion of Social Equity Applicants, Qualified Social Equity Applicants, and holders of a conditional or adult use dispensing organization license issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10 and the Department of Commerce and

Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant", as well as including promotion of job training and workforce development~~,~~ and technical assistance to Social Equity Applicants, Qualified Social Equity Applicants, and holders of a conditional or adult use dispensing organization licenses issued pursuant to Section 15-25, 15-35, 15-35.10, or subsection (c) of Section 15-35.20, so long as the entity meets the definition of a "Social Equity Applicant" pursuant to Section 1-10 and the Department of Commerce and Economic Opportunity may review that an applicant for a loan continues to meet the statutory definition of a "Social Equity Applicant".

(d-5) Financial intermediary agreements to provide financial assistance must further the goals set forth in this Act and shall result in financing or lease costs that are affordable or below market rate.

(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.

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

(410 ILCS 705/7-20)

Sec. 7-20. Fee waivers.

(a) For Social Equity Applicants and any dispensing organization issued an adult use dispensing organization license pursuant to a lottery conducted under subsection (c) of Section 15-35.20 of this Act, 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 gross 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.

(d) The Department of Agriculture shall provide hardship waivers for craft grower, infuser, and transporter license and

renewal fees due to the Department pursuant to the following:

(1) The craft grower, infuser, and transporter organization attests that the craft grower, infuser, and transporter organization or applicant for renewal, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, have no more than 2 other licenses for cannabis business establishments in the State.

(2) For craft grower, infuser, and transporter organizations that have a total of $50,000 or less of reported gross income for the prior fiscal year, the Department shall waive the full license or renewal fee. The craft grower, infuser, and transporter organization shall verify its income to the Department.

(3) For craft grower, infuser, and transporter organizations that have a gross income of more than $50,000 and less than or equal to $750,000, the Department shall waive 50% of the full license or renewal fee. The craft grower, infuser, and transporter organization shall verify its income to the Department.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/10-10)

Sec. 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) 60 ~~30~~ grams of cannabis flower;

(2) no more than 1000 ~~500~~ milligrams of THC contained in cannabis-infused product;

(3) 10 ~~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 60 ~~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) 30 ~~15~~ grams of cannabis flower;

(2) 5 ~~2.5~~ grams of cannabis concentrate; and

(3) 500 ~~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 as a qualified registered medical patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program

participant.

(d-1) No qualified patient, provisional patient, designated caregiver, or Opioid Alternative Patient Program participant shall knowingly obtain, seek to obtain, or possess, individually or collectively, an amount that would cause the individual to exceed that individual's adequate medical supply ~~under the Compassionate Use of Medical Cannabis Program Act~~.

(e) (Blank). ~~Cannabis and cannabis derived substances regulated under the Industrial Hemp Act are not covered by this Act.~~

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

(410 ILCS 705/10-15)

Sec. 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 this Act, the Compassionate Use of Medical Cannabis Program Act, or ~~by~~ the Community College Cannabis Vocational ~~Pilot~~ Program.

(b) Notwithstanding any other provisions of law authorizing ~~the~~ possession of ~~medical~~ cannabis or cannabis-infused products by a qualified registered medical patient, provisional patient, designated caregiver, or Opioid

Alternative Patient Program participant, 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.

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

(410 ILCS 705/15-10)

Sec. 15-10. Medical cannabis dispensing organization ~~exemption~~. Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, this ~~This~~ Article does not apply to medical cannabis dispensing organizations registered pursuant to Section 15-15 or Section 15-37 of this Act ~~under the Compassionate Use of Medical Cannabis Pilot Program Act, except where otherwise specified~~.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/15-15)

Sec. 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 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 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, for at least a year, a Social Equity Applicant intending to seek a license or 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 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.

(b-5) Beginning 90 days after the effective date of this amendatory Act of the 102nd General Assembly, an Early Approval Adult Use Dispensing Organization licensee whose license was issued pursuant to this Section may apply to relocate within the same geographic district where its existing associated medical cannabis dispensing organization dispensary licensed under the Compassionate Use of Medical Cannabis Program Act is authorized to operate. A request to relocate under this subsection is subject to approval by the Department. An Early Approval Adult Use Dispensing Organization's application to relocate its license under this subsection shall be deemed approved 30 days following the submission of a complete application to relocate, unless sooner approved or denied in writing by the Department. If an application to relocate is denied, the Department shall provide, in writing, the specific reason for denial.

An Early Approval Adult Use Dispensing Organization may request to relocate under this subsection if:

(1) its existing location is within the boundaries of a unit of local government that prohibits the sale of adult use cannabis; or

(2) the Early Approval Adult Use Dispensing

Organization has obtained the approval of the municipality or, if outside the boundaries of a municipality in an unincorporated area of the county, the approval of the county where the existing license is located to move to another location within that unit of local government.

At no time may an Early Approval Adult Use Dispensing Organization dispensary licensed under this Section operate in a separate facility from its associated medical cannabis dispensing organization dispensary licensed under the Compassionate Use of Medical Cannabis Program Act. The relocation of an Early Approval Adult Use Dispensing Organization License under this subsection shall be subject to Sections 55-25 and 55-28 of this Act.

(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 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 Program Act must maintain an adequate supply of cannabis and cannabis-infused products for purchase by qualifying patients, designated caregivers, provisional patients, and Opioid Alternative Patient ~~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 Program Act and this Act shall prioritize serving qualifying patients, designated caregivers, provisional patients, and Opioid Alternative Patient ~~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 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 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 that informs the license holder that it may apply to renew its Early Approval Adult Use Dispensing Organization License on forms provided by the Department. 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 permanently 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 Program Act, or rules adopted pursuant to those Acts;

(3) the dispensing organization has completed a Social Equity Inclusion Plan as provided by parts (A), (B), and (C) of paragraph (8) of subsection (b) of this Section or has made substantial progress toward completing a Social Equity Inclusion Plan as provided by parts (D) and (E) of paragraph (8) of subsection (b) of this Section; and

(4) the dispensing organization is in compliance with this Act and rules.

(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 that informs the license holder that it may apply for an Adult Use Dispensing Organization License on forms provided by the Department. 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 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 (k) and (l) of this Section, the dispensing organization shall cease serving purchasers and cease all operations until it receives a renewal or an Adult Use Dispensing Organization License, as the case may be.

(n) A dispensing organization agent who holds a valid dispensing organization agent identification card issued under the Compassionate Use of Medical Cannabis 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) If the Department suspends, permanently revokes, or otherwise disciplines 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 Program Act, the Department may consider the suspension, permanent revocation, or other discipline of the medical cannabis dispensing organization license.

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

(q) Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, the Department may update any existing Early Approval Adult Use Dispensing Organization License to become both an Adult Use Dispensing Organization License issued under Section 15-36 and a corresponding Medical Cannabis Dispensing Organization License under Section 15-37.

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

(410 ILCS 705/15-20)

Sec. 15-20. Early Approval Adult Use Dispensing Organization License; secondary site.

(a) Any medical cannabis dispensing organization holding a valid registration under the Compassionate Use of Medical

Cannabis 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 Program Act.

(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 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) (Blank).

(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 (a) 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, for at least a year, a Social Equity Applicant intending to seek a license or a licensee that qualifies as a Social Equity Applicant. 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. Principal officers shall not be required to submit to the fingerprint and background check requirements of Section 5-20.

(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, any principal officer or board member of the licensee, or any 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; 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 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 permanently 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 Program Act or rules adopted under that Act; and

(3) the dispensing organization has completed a Social Equity Inclusion Plan provided by paragraph (1), (2), or (3) of subsection (d) of this Section or has made substantial progress toward completing a Social Equity Inclusion Plan provided by paragraph (4) or (5) of subsection (d) 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 that informs the license holder that it may apply for an Adult Use Dispensing Organization License on forms provided by the Department. The Department shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant has met ~~meet~~ 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 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, permanently revokes, or otherwise disciplines 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 Program Act, the Department may consider the suspension, permanent revocation, or other discipline as grounds to take disciplinary action against the medical cannabis dispensing organization.

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

(Source: P.A. 104-417, eff. 8-15-25.)

(410 ILCS 705/15-24 new)

Sec. 15-24. Adult Use Dispensing Organization Licensee relocation.

(a) An Adult Use Dispensing Organization licensee may apply to relocate within the licensee's specific BLS Region consistent with this Section. A request to relocate under this

Section is subject to approval by the Department. An Adult Use Dispensing Organization's application to relocate its license under this Section shall be considered to be approved 30 days following the submission of a complete application to relocate, unless the request is sooner approved or denied in writing by the Department. If an application to relocate is denied, the Department shall provide, in writing, the specific reason for denial. An Adult Use Dispensing Organization may request to relocate under this Section only if:

(1) the Adult Use Dispensing Organization's existing location is within the boundaries of a unit of local government that prohibits the sale of adult use cannabis;

(2) the Adult Use Dispensing Organization has obtained the zoning approval of a new location by the municipality it currently operates in if the new location is within that same municipality, or if outside the boundaries of a municipality in an unincorporated area of the county, the zoning approval of a new location by the county where it currently operates in if the new location is within the same county, to move to a different location within that unit of local government; or

(3) the Adult Use Dispensing Organization has obtained the approval, as evidenced by a letter of intent or full zoning approval, to operate within the boundaries of a new unit of local government, so long as the new unit of local government is within the dispensing organization's

specific BLS Region.

(b) The relocation of an Adult Use Dispensing Organization Licensee under this Section shall be subject to Sections 55-25 and 55-28.

(410 ILCS 705/15-25)

Sec. 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 agency 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. The applicant shall provide evidence that the location is not within 1,500

feet of an existing dispensing organization, unless the applicant is a Social Equity Applicant or Social Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20. If an applicant is unable to find a suitable physical address in the opinion of the Department within 180 days of the issuance of the Conditional Adult Use Dispensing Organization License, the Department may extend the period for finding a physical address an additional 540 days if the Conditional Adult Use Dispensing Organization License holder demonstrates 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 either find a location within 720 days of being awarded a conditional license and become operational within 180 days thereafter or become operational within 720 days of being awarded a conditional license, the Department may, considering the totality of the circumstances, rescind the conditional license. If the conditional license holder does not become operational within 365 days after having found a location, the Department may mandate a date by which the conditional license holder shall become operational prior to the Department rescinding the conditional license. If the Department rescinds ~~shall rescind~~ the conditional license it may ~~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 all requirements for holding a Conditional Adult Use Dispensing Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a dispensing organization license. If the new awardee is unable to accept the Conditional Adult Use Dispensing Organization License, the Department may issue ~~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 720 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.

(g) The Department shall conduct a background check of the prospective organization agents in order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal history record check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Illinois State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed in the Illinois State Police and Federal Bureau of Identification criminal history records databases. The Illinois State Police shall furnish, following positive identification, all Illinois conviction information to the Department.

(Source: P.A. 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 5-13-22; 103-8, eff. 6-7-23.)

(410 ILCS 705/15-35)

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

(a) In addition to any of the licenses issued under

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

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

(1) Bloomington: 1.

(2) Cape Girardeau: 1.

(3) Carbondale-Marion: 1.

(4) Champaign-Urbana: 1.

(5) Chicago-Naperville-Elgin: 36.

(6) Danville: 1.

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

(8) Decatur: 1.

(9) Kankakee: 1.

(10) Peoria: 2.

(11) Rockford: 1.

(12) St. Louis: 3.

(13) Springfield: 1.

(14) Northwest Illinois nonmetropolitan: 1.

(15) West Central Illinois nonmetropolitan: 1.

(16) East Central Illinois nonmetropolitan: 1.

(17) South Illinois nonmetropolitan: 1.

(a-5) Prior to issuing licenses under subsection (a), the Department may adopt rules through emergency rulemaking in accordance with subsection (kk) 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 shall distribute the available licenses established under this Section subject to the following:

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

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

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

(4) A Dispensary Applicant is prohibited from becoming a Qualifying Applicant if a principal officer resigns

after the resulting final scores for all scored applications pursuant to Sections 15-25 and 15-30 are released.

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

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

(7) If, upon being selected for an available license established under this Section, a Qualifying Applicant exceeds the limits under paragraph (5) or (6), the Qualifying Applicant must choose which license to abandon and notify the Department in writing within 5 business days. If the Qualifying Applicant does not notify the Department as required, the Department shall refuse to issue the Qualifying Applicant all available licenses established under this Section obtained by lot in all BLS Regions.

(8) If, upon being selected for an available license established under this Section, a Qualifying Applicant has a principal officer who is a principal officer in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof, the licensees and the Qualifying

Applicant listing that principal officer must choose which license to abandon pursuant to subsection (d) of Section 15-36 and notify the Department in writing within 5 business days. If the Qualifying Applicant or licensees do not notify the Department as required, the Department shall refuse to issue the Qualifying Applicant all available licenses established under this Section obtained by lot in all BLS Regions.

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

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

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

Department may extend the period for finding a physical address an additional 540 days if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Department denies the extension or the Conditional Adult Use Dispensing Organization License holder is unable to either find a location within 720 days of being awarded a conditional license and become operational within 180 days thereafter or become operational within 720 days of being awarded a Conditional Adult Use Dispensing Organization License, the Department may, considering the totality of the circumstances, rescind the conditional license. If the conditional license holder does not become operational within 365 days after having found a location, the Department may mandate a date by which the conditional license holder shall become operational prior to the Department rescinding the conditional license. If ~~under this Section,~~ the Department rescinds ~~shall rescind~~ the Conditional Adult Use Dispensing Organization License, it may issue ~~and award~~ it pursuant to subsection (b), provided the applicant receiving the Conditional Adult Use Dispensing Organization License: (i) confirms a continued interest in operating a dispensing organization; (ii) can provide evidence that the applicant continues to meet all requirements for holding a Conditional Adult Use Dispensing Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Adult Use

Dispensing Organization License. If the new awardee is unable to accept the Conditional Adult Use Dispensing Organization License, the Department may issue ~~shall award~~ the Conditional Adult Use Dispensing Organization License pursuant to subsection (b). The new awardee shall be subject to the same required deadlines as provided in this subsection.

(d) If, within 720 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 may authorize the Conditional Adult Use Dispensing Organization License holder to transfer its Conditional Adult Use Dispensing Organization License to a BLS Region specified by the Department.

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

(f) The Department shall conduct a background check of the prospective dispensing organization agents in order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal history record

check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Illinois State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed with the Illinois State Police and the Federal Bureau of Investigation criminal history records databases. The Illinois State Police shall furnish, following positive identification, all Illinois conviction information to the Department.

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

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

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

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

(3) An applicant who has been found guilty of a violation of this Act, who has had any disciplinary order entered against the applicant by the Department, who has

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

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

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

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

(k) If an applicant is awarded a Conditional Adult Use

Dispensing Organization License under this Section, the information and plans provided in the application, including any plans submitted for bonus points, shall become a condition of the Conditional Adult Use Dispensing Organization License and any Adult Use Dispensing Organization License issued to the holder of the Conditional Adult Use Dispensing Organization License, except as otherwise provided by this Act or by rule. A dispensing organization has a duty to disclose any material changes to the application. The Department shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision regarding the awarding of a Conditional Adult Use Dispensing Organization License, including, but not limited to, suspending or permanently revoking a Conditional Adult Use Dispensing Organization License. Failure to comply with the conditions or requirements in the application may subject the dispensing organization to discipline up to and including suspension or permanent revocation of its authorization or Conditional Adult Use Dispensing Organization License by the Department.

(l) If an applicant has not begun operating as a dispensing organization within one year after the issuance of the Conditional Adult Use Dispensing Organization License under this Section, the Department may permanently 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 Conditional Adult Use Dispensing Organization License or may begin a new selection process to award a Conditional Adult Use Dispensing Organization License.

(Source: P.A. 102-98, eff. 7-15-21; 103-8, eff. 6-7-23.)

(410 ILCS 705/15-35.10)

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

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

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

(1) Bloomington: 1.

(2) Cape Girardeau: 1.

(3) Carbondale-Marion: 1.

(4) Champaign-Urbana: 1.

(5) Chicago-Naperville-Elgin: 36.

(6) Danville: 1.

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

(8) Decatur: 1.

(9) Kankakee: 1.

(10) Peoria: 2.

(11) Rockford: 1.

(12) St. Louis: 3.

(13) Springfield: 1.

(14) Northwest Illinois nonmetropolitan: 1.

(15) West Central Illinois nonmetropolitan: 1.

(16) East Central Illinois nonmetropolitan: 1.

(17) South Illinois nonmetropolitan: 1.

(a-5) Prior to issuing licenses under subsection (a), the Department may adopt rules through emergency rulemaking in accordance with subsection (kk) 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 shall distribute the available licenses established under this Section subject to the following:

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

(2) Within each BLS Region, the first Qualifying

Social Equity Justice Involved Applicant drawn will have the first right to an available license. The second Qualifying Social Equity Justice Involved Applicant drawn will have the second right to an available license. The same pattern will continue for each subsequent applicant drawn.

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

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

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

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

(7) If, upon being selected for an available license established under this Section, a Qualifying Social Equity Justice Involved Applicant exceeds the limits under paragraph (5) or (6), the Qualifying Social Equity Justice Involved Applicant must choose which license to abandon

and notify the Department in writing within 5 business days on forms prescribed by the Department. If the Qualifying Social Equity Justice Involved Applicant does not notify the Department as required, the Department shall refuse to issue the Qualifying Social Equity Justice Involved Applicant all available licenses established under this Section obtained by lot in all BLS Regions.

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

(9) All available licenses that have been abandoned under paragraph (7) or (8) shall be distributed to the

next Qualifying Social Equity Justice Involved Applicant drawn by lot.

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

(c) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of the award to identify a physical location for the dispensing organization's retail storefront. The applicant shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization, unless the applicant is a Social Equity Applicant or Social Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20. If an applicant is unable to find a suitable physical address in the opinion of the Department within 180 days from the issuance of the Conditional Adult Use Dispensing Organization License, the Department may extend the period for finding a physical address an additional 540 days if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Department denies the extension or the Conditional Adult Use Dispensing Organization License holder is unable to <u>either</u> find a location <u>within 720 days of being awarded a conditional license and become operational within 180 days thereafter</u> or

become operational within 720 days of being awarded a Conditional Adult Use Dispensing Organization License, the Department may, considering the totality of the circumstances, rescind the conditional license. If the conditional license holder does not become operational within 365 days after having found a location, the Department may mandate a date by which the conditional license holder shall become operational prior to the Department rescinding the conditional license. If ~~under this Section,~~ the Department rescinds ~~shall rescind~~ the Conditional Adult Use Dispensing Organization License it may issue ~~and award~~ it pursuant to subsection (b) and notify the new awardee at the email address provided in the awardee's application, provided the applicant receiving the Conditional Adult Use Dispensing Organization License: (i) confirms a continued interest in operating a dispensing organization; (ii) can provide evidence that the applicant continues to meet all requirements for holding a Conditional Adult Use Dispensing Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Adult Use Dispensing Organization License. If the new awardee is unable to accept the Conditional Adult Use Dispensing Organization License, the Department may issue ~~shall award~~ the Conditional Adult Use Dispensing Organization License pursuant to subsection (b). The new awardee shall be subject to the same required deadlines as provided in this subsection.

(d) If, within 720 ~~180~~ days of being awarded a Conditional Adult Use Dispensing Organization License, a dispensing organization is unable to find a location within the BLS Region in which it was awarded a Conditional Adult Use Dispensing Organization License under this Section because no jurisdiction within the BLS Region allows for the operation of an Adult Use Dispensing Organization, the Department may authorize the Conditional Adult Use Dispensing Organization License holder to transfer its Conditional Adult Use Dispensing Organization License to a BLS Region specified by the Department.

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

(f) The Department shall conduct a background check of the prospective dispensing organization agents in order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal history record check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Illinois State Police for the purpose of obtaining a State and federal criminal

records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed with the Illinois State Police and the Federal Bureau of Investigation criminal history records databases. The Illinois State Police shall furnish, following positive identification, all Illinois conviction information to the Department.

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

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

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

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

(3) An applicant who has been found guilty of a violation of this Act, who has had any disciplinary order entered against the applicant by the Department, who has entered into a disciplinary or nondisciplinary agreement with the Department, whose medical cannabis dispensing organization, medical cannabis cultivation organization, Early Approval Adult Use Dispensing Organization License, Early Approval Adult Use Dispensing Organization License

at a secondary site, Early Approval Cultivation Center License, Conditional Adult Use Dispensing Organization License, or Adult Use Dispensing Organization License was suspended, restricted, revoked, or denied for just cause, or whose cannabis business establishment license was suspended, restricted, revoked, or denied in any other state.

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

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

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

(k) If an applicant is awarded a Conditional Adult Use Dispensing Organization License under this Section, the information and plans provided in the application, including any plans submitted for bonus points, shall become a condition of the Conditional Adult Use Dispensing Organization License and any Adult Use Dispensing Organization License issued to

the holder of the Conditional Adult Use Dispensing Organization License, except as otherwise provided by this Act or by rule. Dispensing organizations have a duty to disclose any material changes to the application. The Department shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision regarding the awarding of a Conditional Adult Use Dispensing Organization License, including, but not limited to, suspending or permanently revoking a Conditional Adult Use Dispensing Organization License. Failure to comply with the conditions or requirements in the application may subject the dispensing organization to discipline up to and including suspension or permanent revocation of its authorization or Conditional Adult Use Dispensing Organization License by the Department.

(l) If an applicant has not begun operating as a dispensing organization within one year after the issuance of the Conditional Adult Use Dispensing Organization License under this Section, the Department may permanently 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 Conditional Adult Use Dispensing Organization License or may begin a new selection process to award a Conditional Adult Use Dispensing Organization License.

(Source: P.A. 102-98, eff. 7-15-21; 103-8, eff. 6-7-23.)

(410 ILCS 705/15-36)

Sec. 15-36. Adult Use Dispensing Organization License.

(a) A person is only eligible to receive or hold an Adult Use Dispensing Organization License if the person has been issued ~~awarded~~ a Conditional Adult Use Dispensing Organization License, an Early Approval Adult Use Dispensing Organization License, or an Early Approval Adult Use Dispensing Organization License at a Secondary Site pursuant to this Act or its administrative rules ~~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 license 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 this 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, including through any management contract, consultant contract, or other similar arrangement. ~~licensed under this Article. Further, no~~

(c-1) 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~~; no person who is ~~(2)~~ a principal officer of a dispensing organization or registered medical cannabis dispensing organization; and no ~~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 licensed under this Article, including through any management contract, consulting contract, or similar arrangement ~~Early Approval Adult Use Dispensing Organization Licenses, Early Approval Adult Use Dispensing Organization Licenses at a secondary site, Conditional Adult Use Dispensing Organization Licenses, or Adult Use Dispensing Organization Licenses~~.

(c-2) Notwithstanding subsections (c) and (c-1), if a person or entity enters an arrangement that could or does result in the person or entity receiving payments from a

dispensing organization in an amount exceeding any of the amounts in paragraphs (1) through (3) of this subsection, then, unless the dispensing organization is approved by the Department for a limited waiver as identified in this Section, the person or entity is considered to be a principal officer of the dispensing organization requiring the Department's approval and registration:

(1) 10% of the dispensing organization's monthly gross revenue;

(2) 50% of the dispensing organizations 's net profits in a calendar year; or

(3) $250,000, or an amount otherwise determined by the Department via administrative rulemaking, in a calendar year.

The Department may grant a limited waiver to the requirements of this subsection if the dispensing organization demonstrates good cause and there is no transfer of ownership and control.

~~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 or

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.

(e) As used in this Section:

"Equitable or beneficial ownership" includes the interests arising under or in connection with any arrangement that has the effect of granting the person or entity the power or authority to participate in the operation or management of the dispensing organization.

"Participating in the operation or management of a dispensing organization" includes, without limitation, controlling decisions regarding staffing, pricing, purchasing, marketing, store design, and hiring. "Participating in the operation or management" does not include third parties who provide administrative services marketed and delivered to the general population of business in Illinois, such as accounting or information technology support.

(Source: P.A. 104-417, eff. 8-15-25.)

(410 ILCS 705/15-37 new)

Sec. 15-37. Medical Cannabis Dispensing Organization License.

(a) Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, the Department may issue a Medical Cannabis Dispensing Organization License to any entity holding an Adult Use Dispensing Organization License.

(b) The Medical Cannabis Dispensing Organization License shall be issued to the same entity holding the Adult Use Dispensing Organization License and for the same address of the corresponding dispensary.

(c) The Department shall provide an approval process for issuing Medical Cannabis Dispensing Organization Licenses to corresponding Adult Use Dispensing Organization Licensees, which shall include, but shall not be limited to, the following:

(1) payment of a one-time, nonrefundable fee of $5,000, which shall be deposited into the Cannabis Regulation Fund;

(2) proof of the corresponding Adult Use Dispensing Organization License that is in active status;

(3) certification that the licensee shall comply with the requirements contained in the Compassionate Use of Medical Cannabis Program Act;

(4) the legal name of the dispensing organization;

(5) the physical address of the dispensing organization;

(6) affirmation that the dispensing organization understands it is prohibited from separating its Medical Cannabis Dispensing Organization License from its Adult Use Dispensing Organization License;

(7) proof of proper zoning for both medical and adult use sales in a form and manner prescribed by the Department; and

(8) any other information which the Department may request.

(d) If an Adult Use Dispensing Organization is issued a corresponding Medical Cannabis Dispensing Organization License, the entity holding the 2 corresponding licenses is prohibited from separating the 2 licenses from each other. In this subsection, "separating" means, but is not limited to, the following:

(1) relocating either license without relocating the other to the same facility; or

(2) changing the ownership for only one of the licenses.

(e) For the purpose of subsection (c) of Section 15-36, a dispensing organization holding an Adult Use Dispensing Organization License and a Medical Cannabis Dispensing Organization License at a single location pursuant to this Section 15-37 shall count as a single dispensing organization.

(410 ILCS 705/15-40)

Sec. 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) (blank); ~~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 organization agent must keep his or her identification card visible at all times when in the

dispensary. This may include providing the card via electronic means available upon request.

(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.

(c-5) A dispensing organization agent identification card issued pursuant to this Section authorizes a dispensing organization agent to perform work at the dispensing organization with both an Adult Use Dispensing Organization License and the corresponding Medical Cannabis Dispensing Organization License issued under Section 15-37 of this Act.

(d) (Blank). ~~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 Illinois State Police and the Department immediately upon discovery of the loss.

(g) An applicant shall be denied a dispensing organization agent identification card renewal 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 dispensing organization agent identification card ~~for the same employer regardless of what type of dispensing organization license the employer holds~~. For agent cards issued to all agents except agents-in-charge and principal officers, the card shall not be specific to any individual dispensing organization.

(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 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 and operating a watercraft or snowmobile 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 requirements ~~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 permanently 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 nonrefundable 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 every 2 years from the date of approval ~~between August 1 and August 15 of each odd-numbered year~~ and include a nonrefundable application fee of $2,000 to be deposited into the Cannabis Regulation Fund or a fee as may be set by rule.

(r) All persons applying to become or renewing their registrations to be agents, including agents-in-charge and principal officers, shall disclose any disciplinary action taken against them that may have occurred in Illinois, another state, or another country in relation to their employment at a cannabis business establishment or at any cannabis cultivation center, ~~processor,~~ infuser, dispensary, or other cannabis business establishment.

(s) An agent applicant may begin employment at a

dispensing organization while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the dispensing organization and the agent applicant shall be notified and the agent applicant must cease all activity at the dispensing organization immediately.

(t) The Department and the Department of Agriculture may develop and implement an integrated system to issue an agent identification card which identifies a dispensary agent licensed by the Department as well as any cultivator, craft grower, transporter, community college program, or infuser license or registration the agent may simultaneously hold.

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

(410 ILCS 705/15-45)

Sec. 15-45. Renewal.

(a) All ~~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) Dispensing organizations ~~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, except as provided in subsection (d-5):

(A) $60,000 or the proportional prorated amount, to be deposited into the Cannabis Regulation Fund; and

(B) $10,000 or the proportional prorated amount, to be deposited into the Compassionate Use of Medical Cannabis Fund, if the dispensing organization also holds a Medical Cannabis Dispensing Organization License issued pursuant to Section 15-37 of this Act.

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

(d-5) The Department of Financial and Professional Regulation shall provide hardship waivers for dispensing organization renewal fees due to the Department pursuant to the provisions below:

(1) The dispensing organization attests that the

dispensing organization or applicant for renewal, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, have no more than 2 other licenses for cannabis business establishments in the State.

(2) For dispensing organizations that have a gross income of $50,000 or less from the prior calendar year, the Department shall waive the full renewal fee. In order to qualify for this full waiver, the dispensing organization shall provide income verification from the Department of Revenue and any other information the Department may require in a form or manner prescribed by the Department.

(3) For dispensing organizations that have a gross income of more than $50,000 and less than or equal to $750,000 from the prior calendar year, the Department shall waive 50% of the full renewal fee. In order to qualify for this waiver, the dispensing organization shall provide income verification from the Department of Revenue and any other information the Department may require in a form or manner prescribed by the Department.

(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.
(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/15-70)

Sec. 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) (Blank) ~~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.

(c-5) A dispensing organization with a Medical Cannabis Dispensing Organization license may sell cannabis and cannabis-infused products purchased from any cultivation center, craft grower, infuser, or other dispensary to persons over 21 years of age and to qualifying patients, designated caregivers, provisional patients, and Opioid Alternative Patient Program participants.

(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 from a transporting organization, adult use cultivation center, craft grower, infuser organization, or other dispensing organization 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 2 a.m. ~~10 p.m.~~ local time, subject to local zoning ordinances or resolutions.

(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 must keep all air treatment systems that will be installed to reduce odors in good working order.

(m) A dispensing organization shall maintain a security guard or security guards to provide on-site security ~~must 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 to provide on-site security~~ at all hours of the dispensary's operation.

(n) 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.

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

(p) 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 dispensing organization is licensed under the Compassionate Use of Medical Cannabis Program Act, and the individual is registered under the Compassionate Use of Medical Cannabis Program or the purchaser has been verified to be 21 years of age or older;

(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,~~ transporter, 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) (Blank); ~~Operate drive-through windows;~~

(7.5) Separate an Adult Use Dispensing Organization License from a Medical Cannabis Dispensing Organization License issued under Section 15-37;

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

(9) Transport cannabis to residences or transport cannabis to other locations where purchasers may be for delivery, except for the limited circumstances provided in paragraph (5.5) of subsection (c) of Section 15-100;

(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, unless the applicant is a Social Equity Applicant or Social Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20;

(16) Sell <u>seed</u> clones or any other live plant material<u>, except to a qualifying medical patient, designated caregiver, provisional patient, or Opioid Alternative Patient Program participant</u>;

(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; <u>or</u>

(18) Sell cannabis, cannabis concentrate, or cannabis-infused products to a registered qualifying patient, provisional patient, designated caregiver, or an Opioid Alternative Patient Program participant without first affixing any warning label required under any State or federal law, rule, or regulation. ~~Violate any other requirements or prohibitions set by Department rules.~~

(q) It is unlawful for 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 Program Act~~ 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 in exchange for preferential placement on the dispensing organization's shelves, display cases, or website. 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.

(r) It is unlawful for 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 Program~~ to enter into any contract with any person licensed to cultivate, process, or transport cannabis whereby such dispensing 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.

(Source: P.A. 104-417, eff. 8-15-25.)

(410 ILCS 705/15-85)

Sec. 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 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;

(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, or if the agent's card application is pending the Department's approval, a temporary and unique identifier until the agent's card application is approved or denied by the Department;

(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

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.

(d) In accordance with this amendatory Act of the 104th General Assembly, a dispensing organization may offer pickup or drive-through locations for cannabis, cannabis concentrate, or cannabis-infused products.

(e) Notwithstanding Sections 11-502.1 and 11-502.15 of the Illinois Vehicle Code, the requirement that cannabis be inaccessible shall not apply to adult-use cannabis or medical cannabis lawfully purchased from a licensed dispensing organization if the cannabis is transported in a secured, sealed, odor-proof, child-resistant cannabis container that is in its original packaging.

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

(410 ILCS 705/15-100)

Sec. 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 in ~~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;

(5.5) During hours of operation, dispense all cannabis from the restricted access area, including a drive-through window, or from a pickup location in close proximity to the restricted access area. The dispensing organization

shall, prior to dispensing the cannabis, confirm compliance with Section 15-85 of this Act. As used in this paragraph, "pickup location in close proximity" means an area contiguous to the real property of the dispensary, such as a sidewalk or parking lot;

(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 dispensing 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 60 ~~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 Illinois 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.
(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/15-135)

Sec. 15-135. Investigations.

(a) Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the Department, the Department of Agriculture, the Department of Revenue, the Department of Public Health, the Illinois State Police, local law enforcement, local health officials, or as

provided by rule. Inspections shall be:

(1) standard to each agency's requirements pursuant to this Act and any administrative rules; and

(2) conducted using standardized inspection protocols, including uniform inspection checklists and evaluation criteria statewide.

Current inspection checklists shall be made available to licensees upon request. A written report summarizing the inspection shall be issued to the licensee within 45 calendar days of the inspection being completed. Any violation shall reference the specific provision violated in statute or administrative rule.

(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.

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

(410 ILCS 705/15-145)

Sec. 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 this 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 of 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; ~~.~~

(30) Engaging in a pattern of nonpayment or late payment for goods or services to a cannabis business establishment; or

(31) Engaging in predatory financial practices or financial collusion, including, but not limited to, bid-rigging and market allocation schemes.

(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.

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

(410 ILCS 705/15-155)

Sec. 15-155. Unlicensed practice; violation; civil

penalty; cease and desist order.

(a) In addition to any other penalty provided by law, any person who practices, offers to practice, attempts to practice, or holds oneself out to practice as a ~~licensed~~ dispensing organization ~~owner~~, principal officer, agent-in-charge, or agent sells or offers for sale cannabis, cannabis-infused products, cannabis concentrates, or cannabis flower without being licensed under this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Department of Financial and Professional Regulation in an amount not to exceed $10,000 for each offense as determined by the Department. Each day a person engages in unlicensed practice in violation of this Section constitutes a separate violation. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a hearing for the discipline of a licensee.

(a-5) Procedures for cease and desist orders under this Section are as follows:

(1) The Secretary of the Department of Financial and Professional Regulation may issue a cease and desist order to any person doing business without the required license, when, in the opinion of the Secretary, the person is violating or is about to violate any provision of this Act or any rule or requirement imposed in writing by the Department as a condition of granting any authorization

permitted by this Act. The cease and desist order under this Section may be issued before a hearing.

(2) The Secretary shall serve notice of the Secretary's action, including, but not limited to, a statement of the reasons for the action, either personally or by certified mail. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

(3) Within 10 days after service of the cease and desist order, the licensee or other person may request a hearing in writing. The Secretary shall schedule a hearing within 90 days after the request for a hearing unless otherwise agreed to by the parties.

(4) The Secretary may withdraw a cease and desist order at any time.

(5) The powers vested in the Secretary by this Section are in addition to any and all other powers and remedies vested in the Secretary by law, and nothing in this Section shall be construed as requiring that the Secretary shall employ the power conferred in this Section instead of or as a condition precedent to the exercise of any other power or remedy vested in the Secretary.

(6) The Secretary may seek to compel compliance with the cease and desist order in the circuit court through the Attorney General. Any person in violation of a cease and desist order issued by the Department is subject to

all penalties provided by law.

(b) The Department, the Attorney General, any State or local law enforcement agency, or any State's Attorney has the authority and power to investigate any and all unlicensed activity.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty or in accordance with the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of this State.

(d) A violation of subsection (a) is an unlawful practice under Section 2 of the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General under that Act shall be available for the enforcement of this Act.

(e) Nothing in this Section prohibits a unit of local government from enacting a local law or ordinance to carry out enforcement activities and assess civil penalties against unlicensed cannabis activities.

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

(410 ILCS 705/20-15)

Sec. 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, were 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, was 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 Illinois 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 Illinois 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) The ~~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) (Blank). ~~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.

(d) (Blank).

(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.

(Source: P.A. 104-417, eff. 8-15-25.)

(410 ILCS 705/20-30)

Sec. 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 Illinois 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, infuser 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 center 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, the Illinois State Police, or as provided by rule.

(h) A cultivation center agent shall notify local law enforcement, the Illinois 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 center 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 or cannabis-infused products 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 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 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 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.

(p) Cultivation centers shall retain at least 60 days of camera storage in any location or otherwise provided by rule. The Department may require footage to be maintained for purposes of an investigation.

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

(410 ILCS 705/20-35)

Sec. 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 Illinois 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.

(f-5) An agent applicant may begin employment at a cultivation center while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the cultivation center and the agent applicant shall be notified and the agent applicant must cease all activity at the infuser organization immediately.

(g) The Department and the Department of Financial and Professional Regulation may develop and implement an integrated system to issue an agent identification card that identifies a cultivation center agent licensed by the Department, as well as any craft grower, transporter, dispensing organization, community college program, or infuser license or registration the agent may simultaneously hold.

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

(410 ILCS 705/20-45)

Sec. 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.

(e) The Department of Agriculture 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/20-60 new)

Sec. 20-60. Unlicensed practice; violation; civil penalty.

(a) In addition to any other penalty provided by law, any person who practices, offers to practice, attempts to practice, or holds oneself out to practice as a cultivation center, infuser, or craft grower, principal officer, agent-in-charge, or agent or who cultivates, processes,

distributes, sells, or offers for sale cannabis, cannabis-infused products, cannabis concentrates, or cannabis flower without being licensed under this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Department of Agriculture in an amount not to exceed $10,000 for each offense. Each day any person engages in unlicensed practice in violation of the provisions of this Section constitutes a separate offense. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding hearings for the discipline of a licensee.

(b) The Department, the Attorney General, any State or local law enforcement agency, or any State's Attorney has the authority and power to investigate any and all unlicensed activity described under this Section.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty or in accordance with the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of this State.

(d) In addition to any other remedies or penalties provided by law, a unit of local government may suspend or revoke any locally established licenses held by the person, prohibit the person from further operations, and seize any cannabis or THC product.

(e) A violation of subsection (a) is an unlawful practice under Section 2 of the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General under that Act shall be available for the enforcement of this Act.

(f) Nothing in this Section prohibits a unit of local government from enacting a local law or ordinance to carry out enforcement activities and assess civil penalties against unlicensed cannabis sales.

(410 ILCS 705/25-35)

(Section scheduled to be repealed on July 1, 2026)

Sec. 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 Illinois State Police and the Department of Agriculture immediately upon discovery of the loss.

(f) An agent applicant may begin employment at a Community College Cannabis Vocational Training ~~Pilot~~ Program while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the Community College Cannabis Vocational Training ~~Pilot~~ Program and the agent applicant shall be notified and the agent applicant must cease all activity at the Community College Cannabis Vocational Training ~~Pilot~~ Program immediately.

(g) 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.

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

(410 ILCS 705/30-10)

Sec. 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, were 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, was 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 Illinois 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 Illinois 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 craft grower ~~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) The ~~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) (Blank). ~~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.

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

(410 ILCS 705/30-30)

Sec. 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 Illinois 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, the Illinois State Police, or as provided by rule.

(i) A craft grower agent shall notify local law enforcement, the Illinois 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 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 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 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.

(r) Craft growers shall retain at least 60 days of camera storage in any location or otherwise provided by rule. The Department may require footage to be maintained for purposes of an investigation.

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

(410 ILCS 705/30-35)

Sec. 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 Illinois 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.

(f-5) An agent applicant may begin employment at a craft grower while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the craft grower and the agent applicant shall be notified and the agent applicant must cease all activity at the infuser organization immediately.

(g) The Department and the Department of Financial and

Professional Regulation may develop and implement an integrated system to issue an agent identification card that identifies a craft grower agent licensed by the Department as well as any cultivator, dispensary, transporter, community college program, or infuser license or registration the agent may simultaneously hold.

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

(410 ILCS 705/30-45)

Sec. 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.

(f) The Department of Agriculture 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/35-18 new)

Sec. 35-18. Social equity experience lottery.

(a) The Department shall, by rule, develop an application, submission, review, and deficiency process to issue at least 45 infuser licenses by January 1, 2027 and may issue up to 100 additional licenses beginning January 1, 2028. The licenses shall be issued to applicants that are 51% owned by individuals who meet the following social equity criteria:

(1) The applicant must satisfy one of the following geographic criteria:

(A) the individual must have resided for at least 5 of the preceding 10 years in a census tract that has a poverty rate of at least 20% according to the latest 5-year American Community Survey (Table S1701: Poverty Status in the Past 12 Months) that is publicly available at the start of the application submission window;

(B) the individual must have resided for at least 5 of the preceding 10 years in a census tract where at least 20% of the households receive assistance under the Supplemental Nutrition Assistance Program in the latest 5-year American Community Survey (Table S2201:

Food Stamps/Supplemental Nutrition Assistance Program (SNAP)) that is publicly available at the start of the application submission;

(C) the individual must have resided for at least 5 of the preceding 10 years in a census tract area classified as "low income and low access" where at least 100 households are more than one-half mile from the nearest supermarket and have no access to a vehicle or a significant number (at least 500 people) or share (at least 33%) of the population is greater than one mile from the nearest supermarket, supercenter, or large grocery store for an urban area or greater than 20 miles for a rural area, as classified by the latest United States Department of Agriculture Economic Research Service's Food Access Research Atlas data set that is publicly available at the start of the application submission window;

(D) the individual must have received Medicaid, Supplemental Security Income, Social Security Disability, or subsidized housing for at least 5 of the preceding 10 years; or

(E) the individual must have resided for at least 5 of the preceding 10 years in a census tract in the top 15th percentile for the percent of residents in the census tract failing to graduate from high school in that state, as classified by the latest 5-year

American Community Survey (Table S1501: Educational Attainment) that is publicly available at the start of the application submission window.

The Department may update or adjust the criteria in this paragraph (1) by rule.

(2) The individual must satisfy one of the following social equity criteria:

(A) the individual must have been arrested for, convicted of, or adjudicated delinquent for an offense, or substantially similar offense under federal or State law or under a substantially similar law of another State for possession of not more than 500 grams of cannabis or for manufacture, delivery, or possession with intent to deliver, or manufacture of cannabis up to 60 grams;

(B) the individual must have been a member of a justice-impacted family;

(C) the individual must have been a victim of an injury caused by a firearm, as defined in the Firearm Owners Identification Card Act, as evidenced in public or medical records.

As used in this subparagraph (C), "victim of an injury caused by a firearm" means:

(i) a person injured as a result of a firearm injury perpetrated or attempted against them;

(ii) the spouse, parent, or child of a person

killed or injured as a result of a firearm injury perpetrated or attempted against the person, or anyone living in the household of a person killed or injured in a relationship that is substantially similar to that of a parent, spouse, or child;

(iii) a person injured while attempting to assist a person against whom a firearm injury is being perpetrated or attempted, if that attempt of assistance would be expected of a reasonable person under the circumstances;

(iv) a person injured while assisting a law enforcement official apprehend a person who has perpetrated a firearm injury or prevent the perpetration of any such crime if that assistance was in response to the express request of the law enforcement official; or

(v) a person who personally witnessed a firearm injury.

"Victim of an injury caused by a firearm" does not include the offender who committed the criminal act or a person who provoked or incited the crime.

(b) The Department's rules governing the lottery shall include a bonus draw process for hemp business operators who meet any one or more of the following criteria:

(1) The applicant was registered with the Department as an industrial hemp processor under the Industrial Hemp

Act on or before May 1, 2026.

(2) The applicant held an industrial hemp cultivation license issued by the Department under the Industrial Hemp Act on or before May 1, 2026.

(3) The applicant demonstrates that, on or before May 1, 2026, it operated a business in Illinois that derived the majority of its gross receipts from the sale or manufacture of products containing hemp or hemp-derived cannabinoids. The Department may establish verification standards by rule.

(c) If the Department receives more than 45 applications, the Department shall conduct a lottery before determining applicant's eligibility for infuser licenses and before issuing the infuser license.

(d) After the Department publishes the official draw results, the Department shall conduct a verification process to confirm that drawn applicants meet the eligibility criteria established by this Section and by rule. Drawn applicants who are unable to provide sufficient documentation of their eligibility may be denied a license, and the Department may offer the next applicant drawn from the official results an opportunity to prove eligibility for licensure.

(e) The Department may also require, by rule, the submission of additional plans and exhibits, including, but not limited to, a security plan, infusing plan, employee training plan, product safety plan, and business plan.

(f) A principal officer may not be on more than one application.

(g) Each applicant shall pay a nonrefundable application fee of $2,500, which shall be deposited into the Cannabis Regulation Fund.

(h) If the Department determines that any information on an application or in supporting documents is not truthful, the applicant associated with the application shall be prohibited from:

(1) participating in the lottery;

(2) being a drawn applicant; and

(3) being issued an infuser license under this Section.

(410 ILCS 705/35-25)

Sec. 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 Illinois 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 Illinois State Police, local law enforcement, or as provided by rule.

(h) An infuser agent shall notify local law enforcement,

the Illinois 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 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 Program Act, or to any stockholders in any corporation engaged in 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 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, except if the infuser organization has also been issued a processor license under subsection (f) of Section 35-31.

(o) Infusing organizations shall retain at least 60 days of camera storage in any location or otherwise provided by rule. The Department may require footage to be maintained for purposes of an investigation.

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

(410 ILCS 705/35-30)

Sec. 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 an infuser ~~a transporting~~ agent shall be reported to the Illinois State Police and the Department of Agriculture immediately upon discovery of the loss.

(f) An agent applicant may begin employment at an infuser organization while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the infuser organization and the agent applicant shall be notified and the agent applicant must cease all activity at the infuser organization immediately.

(g) 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.

(h) The Department and the Department of Financial and Professional Regulation may develop and implement an integrated system to issue an agent identification card that identifies an infuser agent licensed by the Department as well as any cultivation center, craft grower, dispensary, transporter, or community college program license or registration the agent may simultaneously hold.

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

(410 ILCS 705/35-40)

Sec. 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/40-5)

Sec. 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.

(c) Entities awarded a license under this Article shall not be required to pay any fee required under Section 40-10 of this Article, the nonrefundable renewal fee required under Section 40-40 of this Article, or any other license fee required under this Article or by rule from January 1, 2024 to January 1, 2028 ~~2027~~.

(d) From January 1, 2023 through January 1, 2028 ~~2027~~, the Department shall not make the application available for transporting organization licenses.

(e) Upon completion of the disparity and availability study published by the Illinois Cannabis Regulation Oversight Officer under subsection (e) of Section 5-45, the Department

may modify or change the licensing application process to reduce or eliminate barriers and remedy discrimination identified in the study. Beginning January 1, 2028 ~~2027~~, the Department of Agriculture shall make the applications available 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 the applications no later than March 15 or the succeeding business day thereafter.

(Source: P.A. 103-578, eff. 12-8-23.)

(410 ILCS 705/40-25)

Sec. 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, transfer site, storage site, 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, the Illinois State Police, or as provided by rule.

(e) A transporting organization agent shall notify local law enforcement, the Illinois 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 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 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 Program Act.

(j) A transporting 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 transporting of cannabis when acting under his or her duties as a transportation organization agent. During these times, the transporting 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.

(p) A transporting organization may begin a delivery to a cannabis business establishment at any time during the day. A transporting organization may not be restricted from beginning a delivery based on a cannabis business establishment's listed business hours.

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

(410 ILCS 705/40-50 new)

Sec. 40-50. Cannabis transporter storage site.

(a) The Department of Agriculture shall establish a cannabis transporter storage site program for licensed

cannabis transporters that are not affiliated with a cultivation center, craft grower, or infuser. An eligible transporter may submit an application for modification to operate a cannabis transporter storage site. The Department shall review and approve the plans for a cannabis transporter storage site. Transporters shall not conduct operations at a cannabis transporter storage site until approved by the Department.

(b) A cannabis transporter storage site shall be used solely for:

(1) temporary storage of packaged, final form cannabis or cannabis-infused products for a period not to exceed 7 calendar days;

(2) consolidation or aggregation of cannabis or cannabis-infused products from multiple licensed cultivation centers, craft growers, infusers, or transporters into compliant outbound shipments; and

(3) secure handling of cannabis or cannabis-infused products rejected by a dispensing organization or other licensee, pending lawful return, redistribution, or other disposition as authorized by rule.

(c) All cannabis or cannabis-infused products received, stored, or dispatched at a cannabis transporter storage site shall remain subject to full seed-to-sale tracking requirements and shall be logged in the State's cannabis tracking system at receipt and dispatch.

(d) A cannabis transporter storage site does not authorize retail sales, processing, repackaging, relabeling, or alteration of cannabis or cannabis-infused products.

(e) A transporter may operate up to 5 cannabis transporter storage sites statewide.

(f) A cannabis transporter storage site shall be limited to transporting organizations that do not have a principal officer that is also a principal officer of a cultivation center, craft grower, or infuser.

(g) A transporter operating a cannabis transporter storage site may allow other transporters that are not affiliated with a cultivation center, craft grower or infuser and that do not operate their own cannabis transporter storage site to utilize the storage site and store product, subject to approval by the Department via an application for alteration. The transporter operating the storage site may charge a reasonable fee to recover associated costs.

(h) A cannabis transporter storage site facility shall:

(1) be fully enclosed from the outdoors, with locks or other security devices that permit access only by authorized individuals;

(2) be large enough to allow for 2 of the largest vehicles used by the transporter to have all doors and trunk or hatch open, sufficient room for an individual to walk around each vehicle without encumbrance, and transfer to take place out of ordinary public view;

(3) be separate from any other cannabis business establishment; and

(4) be equipped with a surveillance system which visually records and monitors all building entrances and exits, all parking lot areas, and rear alley areas immediately adjacent to the building, and covers the entire inside of the facility.

(i) All cannabis and cannabis products shall be stored in a vault that meets the standards of 68 Ill. Adm. Code 1291.300(g) or as otherwise set by rule by the Department.

(j) The Department may adopt rules regarding facility specifications and operations of cannabis transporter storage sites.

(410 ILCS 705/45-5)

Sec. 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) $20,000 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; and ~~.~~

(6) $15,000 for each violation of this Act or rules adopted under this Act by a cannabis testing facility.

(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.

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

(410 ILCS 705/50-5)

Sec. 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 license ~~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 licensed by the Department of Agriculture;

(A-5) 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 and any other testing deemed necessary by the Department.

(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 CO_2-based or solvent based extract. After processing, the CO_2-based or solvent based extract must still pass all required tests.

(g) The Department of Agriculture shall establish, and, from time to time, revise, 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 dispensing organization must have those laboratory results available upon request to purchasers.

(j) The Department of Agriculture may adopt rules related to testing and licensing of laboratories in furtherance of this Act.

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

(410 ILCS 705/55-5)

Sec. 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, craft grower, or infuser organization.

(c) A cultivation center, craft grower, 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/55-21)

Sec. 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 sold 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 unless the sale is between or among a craft grower, infuser, or cultivation center.

(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 (e)(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 (e)(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, 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 under this Section, including warning labels, may be modified by rule by the Department of Agriculture.

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

(410 ILCS 705/55-22 new)

Sec. 55-22. Dispensing organization warning labels for medical cannabis.

(a) Prior to dispensing any cannabis, cannabis concentrate, or cannabis-infused products to a registered qualifying patient, provisional patient, designated caregiver, or an Opioid Alternative Patient Program participant, a dispensing organization shall affix to the outside of the product in a clear and visible manner a warning label specifically targeted to medical patients.

(b) The warning label required under this Section shall not cover or restrict in any manner the requirements under Section 55-21 of this Act.

(c) The warning label required under this Section shall be the same as or substantially similar to any language required for the same or similar purpose under federal law or federal

regulations.

(410 ILCS 705/55-30)

Sec. 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 Illinois 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, the Department of Commerce and Economic Opportunity, the

Office of the Executive Inspector General, and the Illinois State Police as necessary to perform official duties under this Article and to the Attorney General as necessary to enforce the provisions of this Act, and except as necessary to those involved in enforcing the State Officials and Employees Ethics Act. The following information received and kept by the Department of Financial and Professional Regulation or the Department of Agriculture may be disclosed to the Department of Public Health, the Department of Agriculture, the Department of Commerce and Economic Opportunity, the Department of Revenue, the Illinois State Police, the Office of the Executive Inspector General, or the Attorney General upon proper request:

(1) Applications and renewals, their contents, and supporting information submitted by or on behalf of dispensing organizations, cannabis business establishments, or Community College Cannabis Vocational Program licensees, in compliance with this Article, including their physical addresses; however, this does not preclude the release of ownership information about cannabis business establishment licenses, or information submitted with an application required to be disclosed pursuant to subsection (f);

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

(3) Information otherwise exempt from disclosure by

State or federal law; and.

(4) Information from 3 or fewer cannabis business establishments about plant, packaging, transfer, and sales information reported for purposes of the cannabis plant monitoring system; however, this does not preclude the release of such data aggregated to 4 or more businesses.

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

(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 or the Department of Agriculture 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 of Financial and Professional Regulation or the Department of Agriculture and information collected to investigate any such complaint, shall be maintained for the confidential use of the Department of

Financial and Professional Regulation or the Department of Agriculture and shall not be disclosed, except to those involved in enforcing the State Officials and Employees Ethics Act and as otherwise provided in this Act. A formal complaint against a licensee by the Department of Financial and Professional Regulation or the Department of Agriculture or any disciplinary order issued by the Department of Financial and Professional Regulation or the Department of Agriculture against a licensee or applicant shall be a public record, except as otherwise provided by law. 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 Illinois State Police, and the Department of Financial and Professional Regulation shall not share or disclose any Illinois or national criminal history record information, or the nonexistence or lack of such information, to any person or entity not expressly authorized by this Act.

(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.

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

(410 ILCS 705/55-65)

Sec. 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 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 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 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 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; and ~~.~~

(5) the Office of the Executive Inspector General pursuant to an investigation under the State Officials and Employees Ethics Act.

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

(410 ILCS 705/55-85)

Sec. 55-85. Medical cannabis.

(a) Nothing in this Act shall be construed to limit any privileges or rights of a qualifying ~~medical cannabis~~ patient including minor patients, designated ~~primary~~ caregiver, medical cannabis cultivation center, provisional patient and Opioid Alternative Patient Program participant or medical cannabis dispensing organization under the Compassionate Use

of Medical Cannabis Program Act, and where there is conflict between this Act and the Compassionate Use of Medical Cannabis Program Act as they relate to medical cannabis patients, the Compassionate Use of Medical Cannabis 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 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.

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

(410 ILCS 705/60-10)

Sec. 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/65-5)

Sec. 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 Program Act.

"Cannabis-infused product" means a 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.

"Qualifying patient" or "qualified patient" means a person who has been diagnosed by a certifying health care professional as having a debilitating medical condition as defined under the Compassionate Use of Medical Cannabis Program Act.

"Taxpayer" means a cannabis retailer who is required to collect the tax imposed under this Article.

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

(410 ILCS 705/65-10)

Sec. 65-10. Tax imposed.

(a) Beginning January 1, 2020, a tax is imposed upon purchasers for the privilege of using cannabis, and not for the purpose of resale, 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 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. Beginning 90 days after the effective date of this amendatory Act of the 104th General Assembly, the tax imposed under this Section shall not be imposed on cannabis or cannabis-infused products purchased by a qualified patient, designated caregiver, Opioid Alternative Patient Program participant, or provisional patient when purchasing cannabis or cannabis-infused products under this Act as part of that individual's adequate medical supply from a Medical Cannabis Dispensing Organization licensee, as these terms are defined under Section 1-10 of this Act of the 104th General Assembly.

(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.

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

(410 ILCS 705/65-30)

Sec. 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 <u>is</u> 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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/65-38)

Sec. 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 fails to file a return, willfully fails or refuses to make any payment to the Department of the tax imposed by this Article, 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, or 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 a rule of the Department for the administration and enforcement of this Article ~~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.

(Source: P.A. 101-27, eff. 6-25-19.)

(410 ILCS 705/65-42)

Sec. 65-42. Seizure and forfeiture. After seizing any cannabis as provided in Section 65-41, the Department must

hold a hearing and determine whether (i) the retailer was properly registered to sell the cannabis; (ii) the retailer possessed the cannabis in violation of this Act; (iii) the retailer possessed the cannabis in violation of any reasonable rule or regulation adopted by the Department for the enforcement of this Act; or (iv) the tax imposed by Article 60 had been paid on the cannabis at the time of its seizure by the Department. The Department is not required to hold such a hearing if a waiver and consent to forfeiture has been executed by the owner of the cannabis, if the owner is known, and by the person in whose possession the cannabis so taken was found, if that person is known and if that person is not the owner of said cannabis. 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 makes any of the findings listed in items (i) through (iv) ~~determines that the retailer was not properly registered at the time the~~

~~cannabis was seized~~, or upon receipt of a properly executed waiver and consent to forfeiture as provided in this Section, 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.

(Source: P.A. 103-1001, eff. 8-9-24.)

(410 ILCS 705/20-50 rep.)

(410 ILCS 705/25-45 rep.)

(410 ILCS 705/30-50 rep.)

Section 170. The Cannabis Regulation and Tax Act is amended by repealing Sections 20-50, 25-45, and 30-50.

Section 175. The Industrial Hemp Act is amended by changing Section 20 as follows:

(505 ILCS 89/20)

Sec. 20. Hemp products.

(a) A person shall not sell, offer for sale, give, or deliver a hemp-derived product to a person under 21 years of age unless the product is a consumable or topical hemp-derived cannabinoid product that does not contain:

(1) any cannabinoids that are incapable of being naturally produced by a Cannabis sativa L. plant;

(2) any cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant but that were synthesized or manufactured outside of the Cannabis sativa L. plant; or

(3) more than a per-container total of 0.4 milligrams of tetrahydrocannabinols, including tetrahydrocannabinolic acid, or any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol.

(b) A retailer shall verify the age of each purchaser of a hemp-derived product by examining the purchaser's valid government-issued photo identification. Verification shall be required for any purchaser who appears under 30 years of age.

(c) (Blank).

(d) Every hemp-derived product offered for sale in this State shall bear a label containing, at minimum:

(1) the product name;

(2) the net weight or volume of the product;

(3) a complete and accurate list of all ingredients in

the product in descending order of predominance;

(4) the identity and quantity of each cannabinoid present in the product, expressed in milligrams per serving and per container, including total THC;

(5) the number of servings per container;

(6) the batch or lot number of the product;

(7) the name, business address, and contact information of the manufacturer or distributor of the product; and

(8) an expiration or use by date for the product.

(e) The label and packaging of a hemp-derived product shall not contain:

(1) any information that is false or misleading, including a representation that the product is a cannabis product;

(2) any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases used to advertise to children;

(3) any information that imitates the trade dress, name, or packaging of any commercial non-cannabis or non-hemp food, candy, beverage, or product primarily marketed to children;

(4) any seal, flag, crest, coat of arms, or other insignia likely to mislead a purchaser into believing the product has been endorsed, made, or used by the State of

Illinois or any of its representatives, except where authorized by this Act;

(5) any health claim; or

(6) any information that misstates or omits cannabinoid content or ingredients.

(f) The Attorney General may enforce a violation of this Section 20 as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

~~Nothing in this Act shall alter the legality of hemp or hemp products that are presently legal to possess or own.~~

(Source: P.A. 100-1091, eff. 8-26-18.)

(505 ILCS 89/Act rep.)

Section 180. The Industrial Hemp Act is repealed on November 12, 2026.

Section 185. The Illinois Vehicle Code is amended by changing Sections 11-502.1 and 11-502.15 as follows:

(625 ILCS 5/11-502.1)

Sec. 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 secured, sealed or resealable, odor-proof, and child-resistant medical cannabis container that is inaccessible, unless subsection (e) of Section 15-85 of the Cannabis Regulation and Tax Act applies.

(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 secured, sealed or resealable, odor-proof, and child-resistant medical cannabis container that is inaccessible, unless subsection (e) of Section 15-85 of the Cannabis Regulation and Tax Act applies.

(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; and

(3) 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. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21; 102-558, eff. 8-20-21.)

(625 ILCS 5/11-502.15)

Sec. 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 secured, sealed or resealable, odor-proof, child-resistant cannabis container that is inaccessible, unless subsection (e) of Section 15-85 of the Cannabis Regulation and Tax Act applies.

(c) No passenger may possess cannabis within any passenger area of any motor vehicle upon a highway in this State except in a secured, sealed or resealable, odor-proof, child-resistant cannabis container that is inaccessible, unless subsection (e) of Section 15-85 of the Cannabis Regulation and Tax Act applies.

(d) Any person who knowingly violates subsection (a), (b), or (c) of this Section commits a Class A misdemeanor.

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

Section 190. The Cannabis Control Act is amended by changing Sections 4, 5, and 5.1 as follows:

(720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

Sec. 4. Except as otherwise provided in the Cannabis Regulation and Tax Act, ~~and~~ the Industrial Hemp Act, and the Illinois Hemp 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 Illinois State Police, the moneys shall be remitted by the circuit court clerk to the Illinois 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 60 ~~30~~ grams of any substance containing cannabis is guilty of a Class B misdemeanor;

(c) more than 60 ~~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.

Fines and assessments, such as fees or administrative costs, authorized under this Section shall not be ordered or imposed against a minor subject to Article III, IV, or V of the Juvenile Court Act of 1987, or a minor under the age of 18 transferred to adult court or excluded from juvenile court jurisdiction under Article V of the Juvenile Court Act of 1987, or the minor's parent, guardian, or legal custodian.

(Source: P.A. 102-538, eff. 8-20-21; 103-379, eff. 7-28-23.)

(720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

Sec. 5. Except as otherwise provided in the Cannabis Regulation and Tax Act, ~~and~~ the Industrial Hemp Act, and the Illinois Hemp 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 60 ~~30~~ grams of any substance containing cannabis is guilty of a Class 4 felony;

(d) more than 60 ~~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. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

(720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

Sec. 5.1. Cannabis trafficking.

(a) Except for purposes authorized by this Act, the Industrial Hemp Act, the Illinois Hemp 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. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

(720 ILCS 550/15.2 rep.)

Section 195. The Cannabis Control Act is amended by repealing Section 15.2.

Section 200. The Tobacco Accessories and Smoking Herbs Control Act is amended by changing Section 2 as follows:

(720 ILCS 685/2) (from Ch. 23, par. 2358-2)

Sec. 2. Purpose. The sale and possession of ~~marijuana, hashish,~~ cocaine, opium, and their derivatives~~,~~ is not only

prohibited by Illinois Law, but the use of these substances has been deemed injurious to the health of the user.

It has further been determined by the Surgeon General of the United States that the use of tobacco is hazardous to human health.

The ready availability of smoking herbs to persons under 21 years of age could lead to the use of tobacco and illegal drugs.

It is in the best interests of the citizens of the State of Illinois to seek to prohibit the spread of illegal drugs, tobacco or smoking materials to persons under 21 years of age. The prohibition of the sale of tobacco and snuff accessories and smoking herbs to persons under 21 years of age would help to curb the usage of illegal drugs and tobacco products, among our youth.

(Source: P.A. 101-2, eff. 7-1-19.)

Section 205. The Consumer Fraud and Deceptive Business Practices Act is amended by adding Section 2MMMM as follows:

(815 ILCS 505/2MMMM new)

Sec. 2MMMM. Violations of the Industrial Hemp Act, the Illinois Hemp Act, and Sections 15-155 and 20-60 of the Cannabis Regulation and Tax Act. A person commits an unlawful practice within the meaning of this Act when the person violates the Illinois Hemp Act, Section 20 of the Industrial

Hemp Act, subsection (a) of Section 15-155 or subsection (a) of Section 20-60 of the Cannabis Regulation and Tax Act.

Section 995. 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.

Section 997. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 999. Effective date. This Act takes effect upon becoming law, except that Sections 1 through 70 and Section 160 take effect on November 12, 2026.