

21 Section 25-40. Study. By December 31, 2025, the Illinois
22 Cannabis Regulation Oversight Officer, in coordination with
23 the Board, must issue a report to the Governor and the General
24 Assembly which includes, but is not limited to, the following:
25 (1) Number of security incidents or infractions at each

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1 licensee and any action taken or not taken;
2 (2) Statistics, based on race, ethnicity, gender, and
3 participating community college of:
4 (A) students enrolled in career in cannabis
5 classes;
6 (B) successful completion rates by community
7 college students for the Certificate;
8 (C) postgraduate job placement of students who
9 obtained a Certificate, including both cannabis
10 business establishment jobs and non-cannabis business
11 establishment jobs; and
12 (3) Any other relevant information.

13 Section 25-45. Repeal. This Article is repealed on July 1,
14 2026.

15 ARTICLE 30.
16 CRAFT GROWERS

17 Section 30-3. Definition. In this Article, "Department"
18 means the Department of Agriculture.

19 Section 30-5. Issuance of licenses.

20 (a) The Department of Agriculture shall issue up to 40
21 craft grower licenses by July 1, 2020. Any person or entity
22 awarded a license pursuant to this subsection shall only hold

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1 one craft grower license and may not sell that license until
2 after December 21, 2021.
3 (b) By December 21, 2021, the Department of Agriculture

4 shall issue up to 60 additional craft grower licenses. Any
 5 person or entity awarded a license pursuant to this subsection
 6 shall not hold more than 2 craft grower licenses. The person or
 7 entity awarded a license pursuant to this subsection or
 8 subsection (a) of this Section may sell its craft grower
 9 license subject to the restrictions of this Act or as
 10 determined by administrative rule. Prior to issuing such
 11 licenses, the Department may adopt rules through emergency
 12 rulemaking in accordance with subsection (gg) of Section 5-45
 13 of the Illinois Administrative Procedure Act, to modify or
 14 raise the number of craft grower licenses assigned to each
 15 region and modify or change the licensing application process
 16 to reduce or eliminate barriers. The General Assembly finds
 17 that the adoption of rules to regulate cannabis use is deemed
 18 an emergency and necessary for the public interest, safety, and
 19 welfare. In determining whether to exercise the authority
 20 granted by this subsection, the Department of Agriculture must
 21 consider the following factors:

22 (1) The percentage of cannabis sales occurring in
 23 Illinois not in the regulated market using data from the
 24 Substance Abuse and Mental Health Services Administration,
 25 National Survey on Drug Use and Health, Illinois Behavioral
 26 Risk Factor Surveillance System, and tourism data from the

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1 Illinois Office of Tourism to ascertain total cannabis
 2 consumption in Illinois compared to the amount of sales in
 3 licensed dispensing organizations;

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

7 (3) Whether there is an adequate supply of cannabis and
 8 cannabis-infused products to serve purchasers;

9 (4) Whether there is an oversupply of cannabis in
 10 Illinois leading to trafficking of cannabis to states where
 11 the sale of cannabis is not permitted by law;

12 (5) Population increases or shifts;

13 (6) The density of craft growers in any area of the
 14 State;

15 (7) Perceived security risks of increasing the number

- 16 or location of craft growers;
- 17 (8) The past safety record of craft growers;
- 18 (9) The Department of Agriculture's capacity to
- 19 appropriately regulate additional licensees;
- 20 (10) The findings and recommendations from the
- 21 disparity and availability study commissioned by the
- 22 Illinois Cannabis Regulation Oversight Officer to reduce
- 23 or eliminate any identified barriers to entry in the
- 24 cannabis industry; and
- 25 (11) Any other criteria the Department of Agriculture
- 26 deems relevant.

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1 (c) After January 1, 2022, the Department of Agriculture

2 may by rule modify or raise the number of craft grower licenses

3 assigned to each region, and modify or change the licensing

4 application process to reduce or eliminate barriers based on

5 the criteria in subsection (b). At no time may the number of

6 craft grower licenses exceed 150. Any person or entity awarded

7 a license pursuant to this subsection shall not hold more than

8 3 craft grower licenses. A person or entity awarded a license

9 pursuant to this subsection or subsection (a) or subsection (b)

10 of this Section may sell its craft grower license or licenses

11 subject to the restrictions of this Act or as determined by

12 administrative rule.

13 Section 30-10. Application.

14 (a) When applying for a license, the applicant shall

15 electronically submit the following in such form as the

16 Department of Agriculture may direct:

- 17 (1) the nonrefundable application fee of \$5,000 to be
- 18 deposited into the Cannabis Regulation Fund, or another
- 19 amount as the Department of Agriculture may set by rule
- 20 after January 1, 2021;
- 21 (2) the legal name of the craft grower;
- 22 (3) the proposed physical address of the craft grower;
- 23 (4) the name, address, social security number, and date
- 24 of birth of each principal officer and board member of the
- 25 craft grower; each principal officer and board member shall

1 be at least 21 years of age;

2 (5) the details of any administrative or judicial
3 proceeding in which any of the principal officers or board
4 members of the craft grower (i) pled guilty, were
5 convicted, fined, or had a registration or license
6 suspended or revoked or (ii) managed or served on the board
7 of a business or non-profit organization that pled guilty,
8 was convicted, fined, or had a registration or license
9 suspended or revoked;

10 (6) proposed operating bylaws that include procedures
11 for the oversight of the craft grower, including the
12 development and implementation of a plant monitoring
13 system, accurate recordkeeping, staffing plan, and
14 security plan approved by the Department of State Police
15 that are in accordance with the rules issued by the
16 Department of Agriculture under this Act; a physical
17 inventory shall be performed of all plants and on a weekly
18 basis by the craft grower;

19 (7) verification from the Department of State Police
20 that all background checks of the prospective principal
21 officers, board members, and agents of the cannabis
22 business establishment have been conducted;

23 (8) a copy of the current local zoning ordinance or
24 permit and verification that the proposed craft grower is
25 in compliance with the local zoning rules and distance
26 limitations established by the local jurisdiction;

1 (9) proposed employment practices, in which the
2 applicant must demonstrate a plan of action to inform,
3 hire, and educate minorities, women, veterans, and persons
4 with disabilities, engage in fair labor practices, and
5 provide worker protections;

6 (10) whether an applicant can demonstrate experience
7 in or business practices that promote economic empowerment
8 in Disproportionately Impacted Areas;

9 (11) experience with the cultivation of agricultural
10 or horticultural products, operating an agriculturally
11 related business, or operating a horticultural business;

12 (12) a description of the enclosed, locked facility
13 where cannabis will be grown, harvested, manufactured,
14 packaged, or otherwise prepared for distribution to a
15 dispensing organization or other cannabis business
16 establishment;

17 (13) a survey of the enclosed, locked facility,
18 including the space used for cultivation;

19 (14) cultivation, processing, inventory, and packaging
20 plans;

21 (15) a description of the applicant's experience with
22 agricultural cultivation techniques and industry
23 standards;

24 (16) a list of any academic degrees, certifications, or
25 relevant experience of all prospective principal officers,
26 board members, and agents of the related business;

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1 (17) the identity of every person having a financial or
2 voting interest of 5% or greater in the craft grower
3 operation, whether a trust, corporation, partnership,
4 limited liability company, or sole proprietorship,
5 including the name and address of each person;

6 (18) a plan describing how the craft grower will
7 address each of the following:

8 (i) energy needs, including estimates of monthly
9 electricity and gas usage, to what extent it will
10 procure energy from a local utility or from on-site
11 generation, and if it has or will adopt a sustainable
12 energy use and energy conservation policy;

13 (ii) water needs, including estimated water draw
14 and if it has or will adopt a sustainable water use and
15 water conservation policy; and

16 (iii) waste management, including if it has or will
17 adopt a waste reduction policy;

18 (19) a recycling plan:

19 (A) Purchaser packaging, including cartridges,

20 shall be accepted by the applicant and recycled.

21 (B) Any recyclable waste generated by the craft
22 grower facility shall be recycled per applicable State
23 and local laws, ordinances, and rules.

24 (C) Any cannabis waste, liquid waste, or hazardous
25 waste shall be disposed of in accordance with 8 Ill.
26 Adm. Code 1000.460, except, to the greatest extent

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1 feasible, all cannabis plant waste will be rendered
2 unusable by grinding and incorporating the cannabis
3 plant waste with compostable mixed waste to be disposed
4 of in accordance with 8 Ill Adm. Code 1000.460(g)(1).

5 (20) a commitment to comply with local waste
6 provisions: a craft grower facility must remain in
7 compliance with applicable State and federal environmental
8 requirements, including, but not limited to:

9 (A) storing, securing, and managing all
10 recyclables and waste, including organic waste
11 composed of or containing finished cannabis and
12 cannabis products, in accordance with applicable State
13 and local laws, ordinances, and rules; and

14 (B) Disposing liquid waste containing cannabis or
15 byproducts of cannabis processing in compliance with
16 all applicable State and federal requirements,
17 including, but not limited to, the cannabis
18 cultivation facility's permits under Title X of the
19 Environmental Protection Act.

20 (21) a commitment to a technology standard for resource
21 efficiency of the craft grower facility.

22 (A) A craft grower facility commits to use
23 resources efficiently, including energy and water. For
24 the following, a cannabis cultivation facility commits
25 to meet or exceed the technology standard identified in
26 paragraphs (i), (ii), (iii), and (iv), which may be

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1 modified by rule:

2 (i) lighting systems, including light bulbs;

3 (ii) HVAC system;

4 (iii) water application system to the crop;

5 and

6 (iv) filtration system for removing
7 contaminants from wastewater.

8 (B) Lighting. The Lighting Power Densities (LPD)
9 for cultivation space commits to not exceed an average
10 of 36 watts per gross square foot of active and growing
11 space canopy, or all installed lighting technology
12 shall meet a photosynthetic photon efficacy (PPE) of no
13 less than 2.2 micromoles per joule fixture and shall be
14 featured on the DesignLights Consortium (DLC)
15 Horticultural Specification Qualified Products List
16 (QPL). In the event that DLC requirement for minimum
17 efficacy exceeds 2.2 micromoles per joule fixture,
18 that PPE shall become the new standard.

19 (C) HVAC.

20 (i) For cannabis grow operations with less
21 than 6,000 square feet of canopy, the licensee
22 commits that all HVAC units will be
23 high-efficiency ductless split HVAC units, or
24 other more energy efficient equipment.

25 (ii) For cannabis grow operations with 6,000
26 square feet of canopy or more, the licensee commits

1 that all HVAC units will be variable refrigerant
2 flow HVAC units, or other more energy efficient
3 equipment.

4 (D) Water application.

5 (i) The craft grower facility commits to use
6 automated watering systems, including, but not
7 limited to, drip irrigation and flood tables, to
8 irrigate cannabis crop.

9 (ii) The craft grower facility commits to
10 measure runoff from watering events and report
11 this volume in its water usage plan, and that on

12 average, watering events shall have no more than
13 20% of runoff of water.

14 (E) Filtration. The craft grower commits that HVAC
15 condensate, dehumidification water, excess runoff, and
16 other wastewater produced by the craft grower facility
17 shall be captured and filtered to the best of the
18 facility's ability to achieve the quality needed to be
19 reused in subsequent watering rounds.

20 (F) Reporting energy use and efficiency as
21 required by rule; and

22 (22) any other information required by rule.

23 (b) Applicants must submit all required information,
24 including the information required in Section 30-15, to the
25 Department of Agriculture. Failure by an applicant to submit
26 all required information may result in the application being

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1 disqualified.

2 (c) If the Department of Agriculture receives an
3 application with missing information, the Department of
4 Agriculture may issue a deficiency notice to the applicant. The
5 applicant shall have 10 calendar days from the date of the
6 deficiency notice to resubmit the incomplete information.
7 Applications that are still incomplete after this opportunity
8 to cure will not be scored and will be disqualified.

9 Section 30-15. Scoring applications.

10 (a) The Department of Agriculture shall by rule develop a
11 system to score craft grower applications to administratively
12 rank applications based on the clarity, organization, and
13 quality of the applicant's responses to required information.
14 Applicants shall be awarded points based on the following
15 categories:

- 16 (1) Suitability of the proposed facility;
- 17 (2) Suitability of the employee training plan;
- 18 (3) Security and recordkeeping;
- 19 (4) Cultivation plan;
- 20 (5) Product safety and labeling plan;
- 21 (6) Business plan;
- 22 (7) The applicant's status as a Social Equity

23 Applicant, which shall constitute no less than 20% of total
24 available points;

25 (8) Labor and employment practices, which shall

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1 constitute no less than 2% of total available points;

2 (9) Environmental plan as described in paragraphs
3 (18), (19), (20), and (21) of subsection (a) of Section
4 30-10;

5 (10) The applicant is 51% or more owned and controlled
6 by an individual or individuals who have been an Illinois
7 resident for the past 5 years as proved by tax records;

8 (11) The applicant is 51% or more controlled and owned
9 by an individual or individuals who meet the qualifications
10 of a veteran as defined in Section 45-57 of the Illinois
11 Procurement Code;

12 (12) A diversity plan that includes a narrative of not
13 more than 2,500 words that establishes a goal of diversity
14 in ownership, management, employment, and contracting to
15 ensure that diverse participants and groups are afforded
16 equality of opportunity; and

17 (13) Any other criteria the Department of Agriculture
18 may set by rule for points.

19 (b) The Department may also award up to 2 bonus points for
20 the applicant's plan to engage with the community. The
21 applicant may demonstrate a desire to engage with its community
22 by participating in one or more of, but not limited to, the
23 following actions: (i) establishment of an incubator program
24 designed to increase participation in the cannabis industry by
25 persons who would qualify as Social Equity Applicants; (ii)
26 providing financial assistance to substance abuse treatment

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1 centers; (iii) educating children and teens about the potential
2 harms of cannabis use; or (iv) other measures demonstrating a
3 commitment to the applicant's community. Bonus points will only
4 be awarded if the Department receives applications that receive

5 an equal score for a particular region.

6 (c) Should the applicant be awarded a craft grower license,
7 the information and plans that an applicant provided in its
8 application, including any plans submitted for the acquiring of
9 bonus points, shall be a mandatory condition of the license.
10 Any variation from or failure to perform such plans may result
11 in discipline, including the revocation or nonrenewal of a
12 license.

13 (d) Should the applicant be awarded a craft grower license,
14 the applicant shall pay a prorated fee of \$40,000 prior to
15 receiving the license, to be deposited into the Cannabis
16 Regulation Fund. The Department of Agriculture may by rule
17 adjust the fee in this Section after January 1, 2021.

18 Section 30-20. Issuance of license to certain persons
19 prohibited.

20 (a) No craft grower license issued by the Department of
21 Agriculture shall be issued to a person who is licensed by any
22 licensing authority as a cultivation center, or to any
23 partnership, corporation, limited liability company, or trust
24 or any subsidiary, affiliate, or any other form of business
25 enterprise having more than 10% legal, equitable, or beneficial

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1 interest, directly or indirectly, in a person licensed in this
2 State as a cultivation center, or to any principal officer,
3 agent, employee, or human being with any form of ownership or
4 control over a cultivation center except for a person who owns
5 no more than 5% of the outstanding shares of a cultivation
6 center whose shares are publicly traded on an exchange within
7 the meaning of the Securities Exchange Act of 1934.

8 (b) A person who is licensed in this State as a craft
9 grower, or any partnership, corporation, limited liability
10 company, or trust or any subsidiary, affiliate, or agent
11 thereof, or any other form of business enterprise licensed in
12 this State as a craft grower shall not have more than 10%
13 legal, equitable, or beneficial interest, directly or
14 indirectly, in a person licensed as a cultivation center, nor
15 shall any partnership, corporation, limited liability company,
16 or trust or any subsidiary, affiliate, or any other form of
17 business enterprise having any legal, equitable, or beneficial