

IDFPR MEDICAL CANNABIS RULES

EFFECTIVE FROM MAY 20, 2019 to PRESENT

1 TITLE 68: PROFESSIONS AND OCCUPATIONS
2 CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
3 SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS
4

5 PART 1290
6 RULES FOR ADMINISTRATION OF THE COMPASSIONATE
7 USE OF MEDICAL CANNABIS PILOT PROGRAM
8

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92

93 AUTHORITY: Implementing and authorized by the Compassionate Use of Medical Cannabis
94 Pilot Program Act [410 ILCS 130].

95

96 SOURCE: Adopted at 38 Ill. Reg. 16875, effective July 24, 2014; emergency amendment at 38
97 Ill. Reg. 17798, effective August 8, 2014, for a maximum of 150 days; amended at 39 Ill. Reg.
98 695, effective December 29, 2014; emergency amendment at 42 Ill. Reg. 23202, effective
99 December 3, 2018, for a maximum of 150 days; emergency expired May 1, 2019; amended at 43
100 Ill. Reg. 6593, effective May 20, 2019.

101

102 SUBPART A: GENERAL PROVISIONS

103

104 **Section 1290.10 Definitions**

105

106 Definitions for this Part can be located in Section 10 of the Compassionate Use of Medical
107 Cannabis Pilot Program Act. The following definitions shall also apply to this Part:

108

109 "Act" means the Compassionate Use of Medical Cannabis Pilot Program Act [410
110 ILCS 130].

111

112 "ADA" means the Americans With Disabilities Act of 1990 (42 USC 12101).

113

114 "Address of record" means the address recorded by the Division in the applicant's
115 or registrant's application file or the registration file maintained by the Division.

116

117 "Administratively complete" means that a dispensary registration application
118 meets all requirements of the Act and this Part.

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120 "Applicant" means any person who is applying with the Department for
121 authorization to register a dispensary under the Act.

122
123 "Area zoned for residential use" means an area zoned exclusively for residential
124 use; provided that, in municipalities with a population over 2,000,000, "an area
125 zoned for residential use" means an area zoned as a residential district or a
126 residential planned development.

127
128 "Application date" is the date the application for authorization or registration was
129 delivered to and received by the Division, and the applicant received a receipt
130 noting that date.

131
132 "Authorization notice" means the notice sent by the Division to the applicant that
133 has been awarded an authorization. The authorization notice will include a
134 registry identification number to be used on all future communication with the
135 Division.

136
137 "Batch" means a specific harvest of cannabis or cannabis-infused products that are
138 identifiable by a batch number, every portion or package of which is uniform
139 within recognized tolerances for the factors that were subject to a laboratory test
140 and that appear in the labeling.

141
142 "Batch number" means a unique numeric or alphanumeric identifier assigned to a
143 batch by a cultivation center when the batch is first planted.

144
145 "Cannabis Control Act" means 720 ILCS 550.

146
147 "Cannabis" means *marihuana, hashish and other substances which are identified*
148 *as including any parts of the plant Cannabis sativa and including derivatives or*
149 *subspecies, such as Indica, of all strains of cannabis, whether growing or not; the*
150 *seeds thereof, the resin extracted from any part of such plant; and any compound,*
151 *manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or*
152 *resin, including tetrahydrocannabinol (THC) and all other cannabinol*
153 *derivatives, including its naturally occurring or synthetically produced*
154 *ingredients, whether produced directly or indirectly by extraction, or*
155 *independently by means of chemical synthesis or by a combination of extraction*
156 *and chemical synthesis; but shall not include the mature stalks of such plant, fiber*
157 *produced from such stalks, oil or cake made from the seeds of such plant, any*
158 *other compound, manufacture, salt, derivative, mixture, or preparation of such*
159 *mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the*

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160 *sterilized seed of such plant which is incapable of germination.* (Section 3 of the
161 Cannabis Control Act)

162
163 "CPA" means certified public accountant.

164
165 "Damaged" shall have its common meaning and include medical cannabis that is
166 unusable, unused, expired, spoiled, contaminated, deteriorated, mislabeled,
167 undesired, excess, adulterated, misbranded, deteriorated or in containers or
168 packaging that was tampered with or opened.

169
170 "Department" means the Illinois Department of Financial and Professional
171 Regulation.

172
173 "Director" means the Director of the Illinois Department of Financial and
174 Professional Regulation-Division of Professional Regulation or his or her
175 designee.

176
177 "Dispensing organization" or "dispensary organization" means a medical cannabis
178 dispensing organization as defined in the Act.

179
180 "Dispensary" means the physical premises where medical cannabis is dispensed
181 by a dispensing organization.

182
183 "Dispensing organization agent" or "dispensary agent" means a medical cannabis
184 dispensing organization agent as defined in the Act.

185
186 "Dispensing organization agent-in-charge" or "dispensary agent-in-charge" means
187 the person who has day to day control and management over the dispensary.

188
189 "Dispensing Organization District" or "District" means one of the 43
190 geographically dispersed areas identified in the Act and this Part where one or
191 more dispensing organizations may be located.

192
193 "Dispensing organization registration authorization" or "Authorization" is the
194 permission given by the Division to an applicant for a dispensing organization
195 allowing it to file documents to obtain a dispensary registration.

196
197 "Dispensing organization registration" or "Registration" authorizes the applicant
198 to open and operate a dispensing organization within the District designated by
199 the Division.

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"Division" means the Department of Financial and Professional Regulation-Division of Professional Regulation with the authority delegated by the Secretary.

"DOA" means the Illinois Department of Agriculture.

"DPH" means the Illinois Department of Public Health.

"Excluded offense" means:

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

a violation of a state or federal controlled substance law that was classified as a felony in the jurisdiction where the person was convicted, except that the Department may waive this restriction if the person demonstrates to the 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. (Section 10 of the Act)

"Financial interest" means any actual or future right to ownership, investment or compensation arrangement, either directly or indirectly, through business, investment, spouse, parent or child, in the dispensing organization. Financial interest does not include ownership of investment securities in a publicly-held corporation that is traded on a national securities exchange or over-the-counter market in the United States, provided the investment securities held by the person and the person's spouse, parent or child, in the aggregate, do not exceed five percent ownership in the dispensing organization.

"Fingerprint-based criminal history records check" means a fingerprint-based criminal history records check conducted by the ISP in accordance with the Act, 20 Ill. Adm. Code 1265.30 (Electronic Transmission of Fingerprint Requirements) or the Uniform Conviction Information Act (UCIA) [20 ILCS 2635].

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240 "Good standing" means the dispensing organization's registration is not under
241 investigation, is not on probation and is not subject to disciplinary or other
242 restrictions by the Division as defined in the Act or this Part.
243

244 "HIPAA" means the Health Insurance Portability and Accountability Act (45 CFR
245 164).
246

247 *"Illinois Cannabis Tracking System" means a web-based system established and*
248 *maintained by the Department of Public Health that is available to the*
249 *Department of Agriculture, the Department of Financial and Professional*
250 *Regulation, the Illinois State Police, and registered medical cannabis dispensing*
251 *organizations on a 24-hour basis to upload written certifications for Opioid*
252 *Alternative Pilot Program participants, to verify Opioid Alternative Pilot*
253 *Program participants, to verify Opioid Alternative Pilot Program participants'*
254 *available cannabis allotment and assigned dispensary, and the tracking of the*
255 *date of sale, amount, and price of medical cannabis purchased by an Opioid*
256 *Alternative Pilot Program participant. (Section 10(l-10) of the Act)*
257

258 "ISP" means Illinois Department of State Police.
259

260 "Limited access area" means a room or rooms under the control of the dispensing
261 organization and on the registered dispensary premises with access limited to
262 qualifying patients, provisional registration patients, Opioid Alternative Pilot
263 Program Participants, designated caregivers, dispensary agents, service
264 professionals working on jobs at the dispensary, or persons authorized by the Act
265 and this Part.
266

267 "Livescan" means an inkless electronic system designed to capture an individual's
268 fingerprint images and demographic data in a digitized format that can be
269 transmitted to ISP, for processing. The data is forwarded to the ISP Bureau of
270 Identification (BOI) over a virtual private network (VPN) and then processed by
271 ISP's Automated Fingerprint Identification System (AFIS). Once received at the
272 BOI for processing, the inquiry may then be forwarded to the Federal Bureau of
273 Investigation (FBI) electronically for processing.
274

275 "Livescan vendor" means an entity licensed by the Department to provide
276 commercial fingerprinting services under the Private Detective, Private Alarm,
277 Private Security, Fingerprint Vendor, and Locksmith Act of 2004 [225 ILCS 447].
278

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279 "Medical cannabis" means cannabis and its constituent cannabinoids, such as
280 tetrahydrocannabinol (THC) and cannabidiol (CBD), used as an herbal remedy or
281 therapy to treat disease or alleviate symptoms. Medical cannabis can be
282 administered in a variety of ways, including, but not limited to: vaporizing or
283 smoking dried buds; using concentrates; ingesting tinctures or tonics; applying
284 topicals such as ointments, balms; or consuming medical cannabis-infused food
285 products.

286
287 *"Medical cannabis container" means a sealed, traceable, food compliant, tamper*
288 *resistant, tamper evident container or package used for the purpose of*
289 *containment of medical cannabis from a cultivation center to a dispensing*
290 *organization. (Section 10(n) of the Act)*

291
292 *"Medical cannabis-infused products" means food, oils, ointments, or other*
293 *products containing cannabis that are not smoked (e.g., sodas, teas or capsules) as*
294 *defined in the Act. (Section 10(q) of the Act)*

295
296 "Monitoring" means continuous and uninterrupted video surveillance of
297 dispensary activities and oversight for potential suspicious actions. Monitoring
298 through video surveillance includes the purpose of summoning a law enforcement
299 officer to the premises during alarm conditions. The Division and law
300 enforcement agencies shall have the ability to access a dispensing organization's
301 monitoring system in real-time via a secure web-based portal.

302
303 "Notify" means to send via regular United States mail or email and United States
304 certified mail.

305
306 "OAPP" means the Opioid Alternative Pilot Program.

307
308 *"Opioid" means a narcotic drug or substance that is a Schedule II controlled*
309 *substance under Section 206(b)(1), (2), (3), or (5), or (c) of the Illinois Controlled*
310 *Substances Act. (Section 10(r-5) of the Act)*

311
312 *"Opioid Alternative Pilot Program participant" or "OAPP participant" means an*
313 *individual who has received a valid written certification to participate in the*
314 *Opioid Alternative Pilot Program for a medical condition for which an opioid has*
315 *been or could be prescribed by a physician based on generally accepted*
316 *standards of care. (Section 10(r-10) of the Act)*

317

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318 "Ownership structure" means a description of the business type, structure and
319 identity of each person with ownership, control or financial interest in the
320 dispensing organization.
321

322 "Person" includes, but is not limited to, a natural person, sole proprietorship,
323 partnership, joint venture, limited liability company, corporation, association,
324 agency, business entity, not-for-profit or organization.
325

326 "Point of sale" means a web-based system maintained by the dispensing
327 organization to track cannabis inventory, sales and currency. The dispensary's
328 point of sale equipment interfaces in real-time with the State verification system
329 and Illinois Cannabis Tracking System to record all sales.
330

331 "Principal officer" includes a dispensing organization applicant or registered
332 dispensing organization's board member, owner with more than one percent
333 interest of the total dispensing organization or more than five percent interest of
334 the total dispensing organization of a publicly traded company, president, vice
335 president, secretary, treasurer, partner, officer, member, manager member,
336 shareholder or person with a profit sharing, financial interest or revenue sharing
337 arrangement. The definition includes a person with authority to control the
338 dispensing organization, a person who assumes responsibility for the debts of the
339 dispensing organization and a person who is further defined in this Part.
340

341 "Promptly" means as soon as reasonably practicable, but not later than five days.
342

343 "*Provisional registration*" means a document issued by the Department of Public
344 Health to a qualifying patient who has submitted:

345
346 *an online application and paid a fee to participate in the Compassionate*
347 *Use of Medical Cannabis Pilot Program pending approval or denial of the*
348 *patient's application; or*
349

350 *a completed application for terminal illness. (Section 10(s-5) of the Act)*
351

352 "Public access area" is the dispensary's entrance, vestibule or waiting room area
353 accessible to the public and under the control of the registered dispensing
354 organization. Persons in the public access area must be present in furtherance of
355 the Act.
356

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357 "Registered" or "Registration" means a dispensing organization licensed by the
358 Division to operate a medical cannabis dispensary as defined in the Act.

359
360 "Restricted access area" means a room or rooms, or other contiguous area under
361 control of the dispensing organization and on the registered premises with access
362 limited to dispensary agents, the Division, ISP, emergency personnel and service
363 professionals as described in this Part, where cannabis is stored, held, packaged,
364 sold or processed for sale.

365
366 "Registration packet" is the information and documents submitted by a dispensing
367 organization authorized by the Division to register a dispensing organization.

368
369 "Secretary" means the Secretary of the Department.

370
371 "Service professional" means a person who must be present at the dispensary to
372 perform work, including but not limited to those installing or maintaining security
373 devices, delivering cannabis, or providing construction services.

374
375 *"State verification system" means a web-based system established and maintained*
376 *by the Department of Public Health that is available to the Department of*
377 *Agriculture, the Department of Financial and Professional Regulation, law*
378 *enforcement personnel, and registered medical cannabis dispensing organization*
379 *agents on a 24-hour basis for the verification of registry identification cards, the*
380 *tracking of delivery of medical cannabis to medical cannabis dispensing*
381 *organizations, and the tracking of the date of sale, amount, and price of medical*
382 *cannabis purchased by a registered qualifying patient. (Section 10(x) of the Act)*

383
384 "Trust" means a fiduciary relationship in which one party, known as a trustor,
385 gives another party, the trustee, the right to hold title to property or assets for the
386 benefit of a third party, the beneficiary.

387
388 "Veteran" means person who served in one of the five active-duty Armed
389 Services or their respective Guard or Reserve units, and who was discharged or
390 released from service under conditions other than dishonorable.

391
392 "Visitor" means a person authorized by the Division and the dispensary to enter a
393 dispensary's limited access area, as defined in this Part, and is not a qualifying
394 patient, designated caregiver, dispensary agent, emergency personnel or service
395 professional.

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397 *"Written certification" means a document dated and signed by a physician,*
398 *stating:*

399
400 *that the qualifying patient has a debilitating medical condition and*
401 *specifying the debilitating medical condition the qualifying patient has;*
402 *and*

403
404 *that:*
405
406 *the physician is treating or managing treatment of the patient's*
407 *debilitating medical condition; or*

408
409 *an Opioid Alternative Pilot Program participant has a medical*
410 *condition for which opioids have been or could be prescribed.*

411
412 *A written certification shall be made only in the course of a bona fide*
413 *physician-patient relationship, after the physician has completed an*
414 *assessment of either a qualifying patient's medical history or OAPP*
415 *participant, reviewed relevant records related to the patient's debilitating*
416 *condition, and conducted a physical examination. (Section 10(y) of the Act)*

417
418 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

419
420 **SUBPART B: DISPENSING ORGANIZATION DISTRICTS**

421
422 **Section 1290.20 Dispensing Organization Districts**

423
424 a) To geographically disperse 60 dispensing organizations throughout the State, the
425 following Dispensing Organization Districts are created with the accompanying
426 allocation of registrations.

427
428 1) That part of the State, outside of the Chicago metropolitan area, shall be
429 allocated 22 registrations as follows:

430
431 A) Illinois State Police Districts 1, 6, 7, 12, 13, 14, 17, 18, 19, 20, 21
432 and 22 shall each be a Dispensing Organization District and shall
433 be allocated one registration each.

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- B) Illinois State Police Districts 8, 9, 10, 11 and 16 shall each be a Dispensing Organization District and shall be allocated two registrations each.
 - 2) That part of the State within the Chicago metropolitan area but outside of Cook County shall be allocated 14 registrations as follows:
 - A) DeKalb County shall be a Dispensing Organization District and shall be allocated one registration.
 - B) DuPage County shall be a Dispensing Organization District and shall be allocated three registrations.
 - C) Grundy and Kendall Counties combined shall be a Dispensing Organization District and shall be allocated one registration.
 - D) Kane County shall be a Dispensing Organization District and shall be allocated two registrations.
 - E) Lake County shall be a Dispensing Organization District and shall be allocated three registrations.
 - F) McHenry County shall be a Dispensing Organization District and shall be allocated one registration.
 - G) Will County shall be a Dispensing Organization District and shall be allocated three registrations.
 - 3) That part of Cook County outside of the City of Chicago shall be allocated 11 registrations as follows:
 - A) Barrington, Hanover and Palatine Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - B) Elk Grove and Schaumburg Townships combined shall be a Dispensing Organization District and shall be allocated one registration.

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- C) Maine and Wheeling Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - D) New Trier and Northfield Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - E) Evanston and Niles Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - F) Leyden, Norwood Park and Proviso Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - G) Berwyn, Cicero, Oak Park, River Forest and Riverside Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - H) Lemont, Lyons and Palos Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - I) Calumet, Stickney and Worth Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - J) Bremen, Orland and Rich Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
 - K) Bloom and Thornton Townships combined shall be a Dispensing Organization District and shall be allocated one registration.
- 4) The City of Chicago shall be allocated 13 registrations as follows:
- A) Jefferson Township shall be a Dispensing Organization District and shall be allocated two registrations.
 - B) Hyde Park Township shall be a Dispensing Organization District and shall be allocated two registrations.

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- C) Lake Township shall be a Dispensing Organization District and shall be allocated two registrations.
- D) Lakeview Township shall be a Dispensing Organization District and shall be allocated two registrations.
- E) North Township shall be a Dispensing Organization District and shall be allocated one registration.
- F) Rogers Park Township shall be a Dispensing Organization District and shall be allocated one registration.
- G) South Township shall be a Dispensing Organization District and shall be allocated one registration.
- H) West Township shall be a Dispensing Organization District and shall be allocated two registrations.

b) The Division has the authority to reallocate registrations by rule based on patient populations, geography, zoning, location or other reasonable criteria.

SUBPART C: APPLICATION REQUIREMENTS FOR A
MEDICAL CANNABIS DISPENSARY REGISTRATION AUTHORIZATION

Section 1290.30 Dispensing Organization Principal Officers

- a) In addition to the individuals identified in the dispensing organization's by-laws as principal officers, the following individuals are considered principal officers:
 - 1) If a corporation, the officers of the corporation;
 - 2) If a partnership, the partners;
 - 3) If a limited liability company, the members and managers of the limited liability company;
 - 4) If an association or cooperative, the members of the association or cooperative;

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- 554 5) If a joint venture, the individuals who signed the joint venture agreement;
555 and
556
557 6) If a business organization other than the types listed in subsections (a)(1)
558 through (5), the members of the business organization.
559
560 b) A dispensing organization may not be established as a trust. A trust may not have
561 an ownership interest in a registered dispensing organization.
562
563 c) If a dispensing organization parent company, holding company or any other entity
564 exerts management or control over the dispensing organization, that entity is a
565 dispensing organization principal officer, including the officers, board members
566 and the individuals with an ownership interest in it that have more than a one
567 percent ownership interest in the dispensing organization.
568

569 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)
570

571 **Section 1290.40 Dispensing Organization Authorization Process**
572

- 573 a) The Division shall review applications and issue authorizations according to the
574 requirements of the Act and this Part.
575
576 1) An applicant shall file an application with the Division for authorization to
577 register a dispensing organization.
578
579 2) Applications for authorizations shall be made on forms furnished by the
580 Division. The application shall be signed by all principal officers
581 certifying under penalty of perjury that all information contained in the
582 application is true and accurate.
583
584 3) An applicant is limited to one application for authorization per District.
585
586 4) The instructions on the application will reflect the total maximum number
587 of points available for each required criteria and bonus point category. The
588 instructions and application will also identify the minimum number of
589 points necessary from the required criteria to be eligible for consideration
590 of the bonus point categories. All applications will be reviewed and points
591 awarded based upon the same point system in a fair and unbiased manner.
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- 5) An applicant may submit separate applications for authorization in up to five Districts.
 - 6) Each application requires one application fee (see Section 1290.80). Applications for authorization will be scored in five required categories. Should the applicant meet the minimum percentage in the five required categories, it may be eligible to be scored in the bonus category. The required five categories and the bonus category will be scored based on the following point structure:
 - A) The suitability of the proposed dispensary category is 150 points.
 - B) The business and operation plan category is 200 points.
 - C) The security plan category is 200 points.
 - D) The recordkeeping and inventory plan category is 200 points.
 - E) The financial disclosure category is 150 points.
 - F) The bonus category is 100 points.
 - 7) If submitting an application in more than one District, the applicant shall identify the Districts it has applied in or Districts where it is registered.
 - 8) Each applicant must submit to and qualify through a fingerprint-based criminal history records check as set forth in Section 1290.230.
 - 9) The Division shall review each application to determine whether it meets the minimum criteria and shall determine qualified applicants.
 - 10) The Division may consider the location of a proposed dispensary relevant to other proposed or existing dispensaries, in the same or adjacent Districts, to ensure that dispensaries are geographically dispersed.
 - 11) If the Division determines that the number of qualified applicants exceeds the number of authorizations available, the Division will select the most qualified applicant in that District using the selection process established in Section 1290.60.

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- 633 12) Qualified applicants chosen through the selection process will receive an
634 authorization issued by the Division.
635
- 636 13) If the Division determines that a District has no qualified applicants or
637 fewer qualified applicants than authorized registrations, the Division shall
638 post a notification on the Division's website detailing the dates of the next
639 open application period.
640
- 641 14) No person or entity shall have a financial interest in more than five
642 registrations or hold itself out as an owner of more than five registrations.
643 No person shall be a principal officer in more than five registered
644 dispensing organizations. If a qualified applicant has been granted more
645 than five authorizations or registrations by the Division, the applicant shall
646 promptly notify the Division.
647
- 648 15) If a dispensing organization's registration is void or invalid for any reason,
649 including but not limited to revocation, suspension or nonrenewal, the
650 Division will post a notification on the Division's website detailing the
651 dates of the next open application period.
652
- 653 b) Upon receipt of the authorization notice, the applicant may submit for registration
654 approval.
655

656 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)
657

658 **Section 1290.50 Dispensing Organization – Application Requirements for Authorization**
659

- 660 a) Applications must be submitted on Division-provided forms and include the
661 following information:
662
- 663 1) The legal name of the proposed dispensing organization.
664
- 665 2) The name, address, telephone number, date of birth, social security
666 number and e-mail address of the proposed dispensing organization's
667 principal officers. A post office box may not be used.
668
- 669 3) The name of the proposed dispensary.
670
- 671 4) If the entity applying is a sole proprietorship, a copy of creation
672 documents.

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- 5) If the entity applying is a business organization other than a sole proprietorship, the following information for the entity applying:
 - A) The type of business organization.
 - B) If a partnership, a copy of any partnership or joint venture documents, and if there is no written agreement, a statement signed by all principal officers affirming there is no agreement.
 - C) If a limited liability company, a copy of the Articles of Organization, operating agreement, and certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website dated within seven days prior to the date the application is filed with the Division. Limited liability company applicants shall include a listing of all affiliated persons or business entities holding an ownership interest in the company.
 - D) If a corporation, the name of the registered agent, a copy of the Articles of Incorporation, Corporate Resolutions if any, and a certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website within seven days prior to the date the application is filed with the Division. If using an assumed name, a copy of the assumed name registration issued by the Secretary of State. Corporate applicants shall include a listing of all persons or businesses holding an ownership interest in the corporation.
 - E) If an unincorporated association, organization or not-for-profit organization, documents or agreements relevant to its creation, ownership, profit sharing and liability. If there are no documents as detailed in this subsection (a)(5)(E), a statement signed by all principal officers stating so.
 - 6) From each principal officer, a statement indicating whether that person:
 - A) Has held an ownership interest in a dispensing organization, other cannabis-related business, or its equivalent in another state or territory of the United States that had the dispensary registration or

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- 712 license suspended, revoked, placed on probationary status or
713 subjected to other disciplinary action.
714
- 715 B) Is a physician that will be on the dispensing organization's board of
716 directors or an employee, pursuant to Section 35(b)(5) of the Act.
717
- 718 C) Is a registered qualified patient, designated caregiver, provisional
719 patient or OAPP patient.
720
- 721 7) Disclosure of whether any principal officer has ever:
722
- 723 A) Filed for bankruptcy; or
724
- 725 B) Defaulted on alimony or child support obligation.
726
- 727 8) A resume for each principal officer, including whether that person has an
728 academic degree, certification or relevant experience with a medical
729 cannabis business or in a related industry.
730
- 731 9) A patient education plan detailing the benefits or drawbacks of cannabis
732 strains or products in connection with the debilitating conditions identified
733 in the Act and an OAPP participant education plan detailing the benefits or
734 drawbacks of cannabis strains or products in connection with medical
735 conditions for which opioids can be, or are, prescribed for, and initiatives
736 to keep product costs reasonable.
737
- 738 10) A description of the training and education that will be provided to
739 dispensary agents.
740
- 741 11) A copy of the proposed operating by-laws.
742
- 743 12) A copy of the proposed business plan that complies with the requirements
744 in this Part, including, at a minimum, the following:
745
- 746 A) A description of products intended to be offered;
747
- 748 B) A description of services to be offered; and
749
- 750 C) A description of the process of dispensing cannabis from a
751 restricted access area to a limited access area.

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- 13) A copy of the proposed security plan that complies with the requirements in this Part, including:
 - A) A description of the delivery process by which cannabis will be received from a cultivation center, including receipt of manifests and protocols that will be used to avoid diversion, theft or loss at the dispensary acceptance point;
 - B) The process or controls that will be implemented to monitor the dispensary, secure the premises, agents, patients, opioid participants and currency, and prevent the diversion, theft or loss of cannabis; and
 - C) The process to ensure that access to the limited access areas is restricted to qualifying patients, provisional registration patients, OAPP participants, designated caregivers, registered agents, service professionals or persons authorized by the Act and this Part.
- 14) A proposed inventory control plan that complies with this Part.
 - A) The process for integrating the dispensary's point of sale with the State verification system and Illinois Cannabis Tracking System using a program interface to record sales and patients, provisional patients, designated caregivers and OAPP participants in real time;
 - B) A description of the medical cannabis order fulfillment process for patients, provisional patients and OAPP participants;
 - C) A description of the patient, provisional patient and OAPP participant sale process;
 - D) A description of the process of dispensing cannabis from the restricted access area to the limited access area.
- 15) A proposed recordkeeping plan and State verification system for patients, provisional patients, designated caregivers and OAPP participants that complies with this Part.

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- 16) A copy of the current local zoning ordinance sections relevant to dispensary operations. Documentation, if any, 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 and the zoning provisions in Section 130 of the Act.
 - 17) 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.
 - 18) A copy of any proposed marketing or advertising plan or materials.
 - 19) A map of the area surrounding the proposed dispensary, extending a minimum of 1,000 feet from the property line in all directions. The map must clearly demonstrate that the property line of the proposed dispensary is not 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. The map must clearly demonstrate that the dispensary is not in an area zoned for residential use and identify the existing adjacent businesses. For purposes of this subsection (a)(19), "pre-existing" means existing as of the date the proposed dispensing organization submitted its application to the Division.
 - 20) A plot plan of the dispensary drawn to scale. The applicant shall submit general specifications of the building exterior and interior layout.
 - 21) A statement that the dispensing organization agrees to respond to the Division's supplemental requests for information.
- b) Financial Disclosure
The applicant shall provide a statement disclosing relevant business transactions and financial information connected with the application. Financial disclosures include:

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- 1) A Table of Organization, Ownership and Control, including the ownership structure and names of the principal officers of the dispensing organization.
 - 2) A current organization chart that includes position descriptions and the names and resumes of each person holding each position. The resumes shall establish specific skills, education, experience or significant accomplishments that are relevant to owning or operating a dispensing organization.
 - 3) Depending on business type as applicable, agreements between any two or more principal officers that relate to the assets, liabilities, property, revenue, royalties, profit or future profit of the dispensing organization or comparable documents that establish the legal structure of the applicant, operations, management and control.
 - 4) A copy of compensation agreements among any persons having a financial interest in the dispensing organization.
 - 5) The nature, type, terms, covenants and priorities of all outstanding debts, including but are not limited to bonds, loans, mortgages, trust deeds, lines of credit, notes issued or executed, or to be issued or executed, in connection with the proposed dispensary.
 - 6) Audited financial statements for the previous fiscal year, which shall include, but are not limited to, an income statement, balance sheet, statement of retained earnings or owners' equity, statement of cash flows, and all notes to those statements and related financial schedules, prepared in accordance with generally accepted accounting principles, with the accompanying independent auditor's report. The audit must be compiled by and certified by an auditor or CPA. If the applicant was formed within the year preceding the application, provide certified financial statements for the period of time the applicant has been in existence.
 - 7) Complete copies of all federal, state and foreign (with translation) tax returns filed by the principal officers of the proposed dispensing organization for the last three years, or for the period each principal officer has filed tax returns if less than three years.

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- 8) Disclosure of all funding sources used for the proposed dispensing organization, including documentation verifying the source of the funds and copies of closing documents in connection with the purchase of a registered business.
 - 9) The applicant has a continuing duty to promptly disclose material changes in the financial information provided to the Division. If an applicant is issued a registration, this duty of ongoing disclosure shall continue throughout the registered period.
 - c) Documentation acceptable to the Division that the applicant has at least \$400,000 in liquid assets under its control for each application. Documentation acceptable to the Division includes:
 - 1) A signed statement from an Illinois Licensed CPA or financial institution attesting to proof of \$400,000 in liquid assets under the control of a principal officer or the entity applying.
 - 2) The signed statement must be dated within 10 calendar days before the application is submitted.
 - 3) Documentation otherwise requested by the Division in writing.
 - d) An attestation under penalty of perjury signed and dated by each principal officer identified in subsection (a)(2):
 - 1) That the person has not been convicted of an excluded offense;
 - 2) That the information provided to the Division is true and correct;
 - 3) That, if the proposed organization is issued an authorization, the applicant will not operate until the Division approves the applicant's registration packet, the dispensary is inspected and the applicant obtains a registration from the Division;
 - 4) That the applicant acknowledges receipt and advisement of the notices contained in the application and agrees to and accepts the limitations of liability and the requirement to indemnify, hold harmless and defend the State of Illinois, including:

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- A) Limitation of Liability – the State of Illinois shall not be liable to the dispensing organization, dispensing organization employees, family members or guests, qualifying patients or caregivers, qualifying patient's or caregiver's employer or employees, family members or guests for any damage, injury, accident, loss, compensation or claim, based on, arising out of or resulting from the registrant's participation in the Compassionate Use of Medical Cannabis Pilot Program, including, but not limited to, the following: arrest, seizure of persons or property, prosecution pursuant to federal laws by federal prosecutors, any fire, robbery, theft, mysterious disappearance or any other casualty; or the actions of any other registrants or persons. This limitation of liability provision shall survive expiration or the early termination of the registration if the registration is granted; and

 - B) The Division requires each registrant to include a signed statement in the registration packet that, at minimum, certifies that the applicant has actual notice that, notwithstanding any State law:
 - i) Cannabis is a prohibited Schedule I controlled substance under federal law;

 - ii) Participation in the Compassionate Use of Medical Cannabis Pilot Program (program) is permitted only to the extent provided by the strict requirements of the Act and this Part;

 - iii) Any activity not sanctioned by the Act or this Part may be a violation of State law;

 - iv) Growing, distributing or possessing cannabis in any capacity, except through a federally-approved research program, is a violation of federal law;

 - v) Use of medical cannabis may affect an individual's ability to receive federal or state licensure in other areas;

 - vi) Use of medical cannabis, in tandem with other conduct, may be a violation of State or federal law;

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- 952 vii) Participation in the medical cannabis program does not
953 authorize any person to violate federal law or State law
954 and, other than as set out in Section 25 of the Act, does not
955 provide any immunity from or affirmative defense to arrest
956 or prosecution under federal law or State law; and
957
958 viii) Applicants shall indemnify, hold harmless and defend the
959 State of Illinois for any and all civil or criminal penalties
960 resulting from participation in the program.
961
962 C) The Division has the authority to include additional certifications
963 in the application that would be sufficient to ensure compliance
964 with the program and all other applicable laws.
965
966 e) All proposed principal officers must be natural persons. The Division will
967 communicate with the proposed dispensing organization's principal officers. The
968 Division will not communicate exclusively with a consultant or attorney working
969 on behalf of the proposed dispensing organization.
970
971 f) The non-refundable application fee (see Section 1290.80).

972
973 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

974
975 **Section 1290.60 Selection Process**

- 976
977 a) The Division will conduct a comprehensive, fair and impartial evaluation of the
978 applications timely received. It will award dispensing organization authorizations
979 on a competitive basis.
980
981 b) Applications will be assessed to determine whether they meet the mandatory
982 minimum qualification criteria. Application items are mandatory unless
983 otherwise indicated. An applicant that fails to submit the information required by
984 this Part may be disqualified prior to the review and scoring process.
985
986 c) The Division will accept applications, assigning each one a unique identification
987 number. During the selection process, the application will be reviewed and
988 referred to by its unique identification number.
989
990 d) An application will be disqualified if one or more of the prospective principal
991 officers has been convicted of an excluded offense.

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- e) When the Division receives more than one complete and timely filed application for an authorization in a District, the Division will choose the applicant through a selection and scoring process (see Section 1290.70).
 - f) The Division will rank each complete application based on its total score.
 - g) Authorizations will be issued to the applicants meeting at least the minimum criteria in each category and with the highest total score overall per District and based on the number of allocated registrations per District.
 - h) In the event that two or more applicants receive the same total high score, the Division will select the applicant that received the highest score in the security and recordkeeping categories. In the event that the applicants received the same score in the security and recordkeeping categories, the tied applicants will be interviewed by a panel of three Department employees selected by the Director. The panel will interview the applicants based on the information gathered during the application process. The panel will make a written recommendation to the Director, and the Director will review the recommendation and make a final written determination.
 - i) The Division may issue up to 60 dispensing organization authorizations. If the Division concludes that, during the first request for applications, no qualified applications are timely received for a District or Districts, the Division reserves the right to award fewer than 60 authorizations. If a second round of applications is required, the second round will be conducted in the same manner as the first.
 - j) An authorization notice will be sent to a successful applicant. The authorization notice will include a registry identification number to be used on all future communication with the Division.
 - k) Notwithstanding Section 1290.620, nothing in this Part is intended to confer a property or other right, duty, privilege or interest entitling an applicant to an administrative hearing upon denial of an application.
 - l) To reassign a registration, the Division will publish on its website, and in such other places as the Division deems appropriate, a notice of open applications for dispensary registration. The notice shall include:
 - 1) The number of registrations anticipated to be awarded;

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- 2) Information on how to obtain an application;
- 3) The deadline for receipt of applications;
- 4) Acceptable methods for submitting an application; and
- 5) The available District.

Section 1290.70 Selection Criteria

- a) Applicants must submit all required information, including that required in Section 1290.50. Failure by an applicant to submit all required information may result in the application being disqualified.
- b) If the Division receives an application with missing information, the Division may issue a deficiency notice to the applicant. The applicant shall have seven calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.
- c) The Division will award points to administratively complete applications based on the clarity, organization and quality of the applicant's responses to required information. Applicants will be awarded points according to the following categories:
 - 1) Suitability of the Proposed Dispensary
 - A) A demonstration that the proposed location is suitable for public access, the layout promotes safe dispensing of medical cannabis, it is sufficient in size, power allocation, lighting, parking, handicapped accessible parking spaces, ADA accessible entry and exits, product handling, and storage.
 - B) A statement of reasonable assurance that the issuance of a registration will not have a detrimental impact on the community.
 - 2) Security and Recordkeeping

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- 1071 A) The security plan will demonstrate the capability for the prevention
1072 of the theft or diversion of medical cannabis. The security plan
1073 will demonstrate safety procedures for dispensary employees,
1074 patients, provisional patients, OAPP participants and caregivers,
1075 and safe delivery and storage of cannabis and currency. It will
1076 demonstrate compliance with all security requirements in this Part.
1077
- 1078 B) A plan for recordkeeping, tracking and monitoring inventory,
1079 quality control and other policies and procedures that will promote
1080 standard recordkeeping and discourage unlawful activity. This
1081 plan will include the applicant's strategy to communicate with the
1082 Division and ISP on the destruction and disposal of cannabis.
1083
- 1084 3) Applicant's Business Plan, Financials and Operating Plan
1085
- 1086 A) The business plan shall describe, at a minimum, how the
1087 dispensing organization will be managed on a long-term basis.
1088 This shall include a description of the State verification system,
1089 dispensing organization's point of sale system, Illinois Cannabis
1090 Tracking System, purchases and denials of sale, confidentiality,
1091 and products and services to be offered.
1092
- 1093 B) The financial plan shall describe, at a minimum, the source of the
1094 \$400,000 liquid asset requirement and the amount and source of
1095 the organization's equity and debt commitment to ensure financial
1096 stability, including a demonstration of the immediate and long-
1097 term financial health and resources for the design, development
1098 and operation of the dispensary.
1099
- 1100 C) The operating plan shall include, at a minimum, a timetable that
1101 provides an estimated time from authorization through year one of
1102 registration and the assumptions used as the basis for those
1103 estimates. It will include best practices for day-to-day dispensary
1104 operation and staffing.
1105
- 1106 4) Knowledge and Experience
1107
- 1108 A) The applicant's principal officers must demonstrate experience and
1109 qualifications in business management or experience with the

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- 1110 medical cannabis industry. This includes ensuring optimal safety
1111 and accuracy in the dispensing and sale of cannabis.
1112
- 1113 B) The applicant must demonstrate knowledge of various cannabis
1114 product strains or varieties, and describe the types and quantities of
1115 products planned to be sold. This includes confirmation of
1116 whether the dispensary plans to sell medical cannabis
1117 paraphernalia or edibles.
1118
- 1119 d) The Division will award bonus points for preferred, but not required, initiatives
1120 based on the applicant's ability to meet requirements in the following categories:
1121
- 1122 1) Labor and Employment Practices: The applicant may describe plans to
1123 provide a safe, healthy and economically beneficial working environment
1124 for its agents, including, but not limited to, codes of conduct, healthcare
1125 benefits, educational benefits, retirement benefits, and living wage
1126 standards.
1127
- 1128 2) Research Plan: The applicant may provide the Division with a detailed
1129 proposal to conduct, or facilitate, a scientific study or studies related to the
1130 medicinal use of cannabis. The applicant may include in its proposal a
1131 detailed description of:
1132
- 1133 A) The methodology of the study to accurately assess the effects of
1134 cannabis;
1135
- 1136 B) The issues to be studied;
1137
- 1138 C) The methods that will be used to identify and select study
1139 participants;
1140
- 1141 D) The identity of each person or organization associated with the
1142 study, including the role of each;
1143
- 1144 E) The duration of the study and anticipated peer review; and
1145
- 1146 F) The intended use of the study results.
1147
- 1148 3) Community Benefits Plan: The applicant may provide a description of
1149 plans the applicant has to support the local community, the class of

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- 1150 citizens served, or a plan for reduction in product costs for indigent
1151 patients that qualify.
1152
- 1153 4) Substance Abuse Prevention Plan: The applicant may provide a detailed
1154 description of any plans it will take to combat substance abuse in its
1155 District, including the extent to which the applicant will partner or work
1156 with existing substance abuse programs.
1157
- 1158 5) Local Community/Neighborhood Report: The applicant may provide
1159 comments, concerns or support received regarding the potential impact of
1160 the proposed location on the local community and neighborhood.
1161
- 1162 6) Environmental Plan: The applicant may demonstrate an environmental
1163 plan of action to minimize the carbon footprint, environmental impact, and
1164 resource needs for the dispensary.
1165
- 1166 7) Verification of Minority-Owned, Female-Owned, Veteran-Owned or
1167 Disabled Person-Owned Business: The minority, female, veteran or
1168 disabled applicants must own at least 51% of the entity applying for
1169 registration. The percentage totals may include any combination of
1170 minority, female, veteran or disabled applicants. The minority, female,
1171 veteran or disabled applicant must also share in control of management
1172 and day-to-day operations of the dispensary. Documentation must be
1173 submitted at the time of application that demonstrates the respective status
1174 of the applicant, including, but not limited to, certification under the
1175 Business Enterprise for Minorities, Females, and Persons with Disabilities
1176 Act [30 ILCS 575] for minority, female or disabled person applicants, or a
1177 DD214 for veteran applicants. For purposes of this subsection, minority,
1178 female, and disabled shall be defined as found in Section 2 of the Business
1179 Enterprise for Minorities, Females, and Persons with Disabilities Act [30
1180 ILCS 575/2].
1181
- 1182 8) Illinois Based Applicants: Documentation that the applicant's principal
1183 place of business is headquartered in Illinois, including the names,
1184 addresses and verification of the applicant's proposed agents that reside in
1185 Illinois. The applicant may also provide a plan for generating Illinois-
1186 based jobs and economic development.
1187
- 1188 e) The Division may verify information contained in each application and
1189 accompanying documentation to assess the applicant's character and fitness to

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1190 operate a dispensary. In addition to the qualifications required in the Act and this
1191 Part, the Division may not grant an authorization or registration unless it is
1192 satisfied that the applicant is:

- 1193
1194 1) A person of good character, honesty and integrity;
1195
1196 2) A person whose background, including criminal record, reputation, habits
1197 and social or business associations, does not discredit or tend to discredit
1198 public confidence and trust in the Illinois medical cannabis industry or the
1199 State of Illinois, or pose a threat to the public health, security, safety,
1200 morals, good order and general welfare of the State of Illinois;
1201
1202 3) A person who does not create or enhance the dangers of unsuitable, unfair
1203 or illegal practices, methods and activities in the conduct of owning a
1204 medical cannabis dispensary;
1205
1206 4) A person who does not present questionable business practices and
1207 financial arrangements incidental to the conduct of owning a medical
1208 cannabis dispensary or otherwise;
1209
1210 5) A person who, either individually or through employees, demonstrates
1211 business ability and experience to establish, operate and maintain a
1212 business for the type of license for which application is made; and
1213
1214 6) A person who does not associate with, either socially or in business
1215 affairs, or employ, persons of notorious or unsavory reputation or who
1216 have extensive police records, or who have failed to cooperate with an
1217 officially constituted investigatory or administrative body.

1218
1219 f) The Division may, in its discretion, refuse to issue an authorization to any
1220 applicant:

- 1221
1222 1) Who is unqualified to perform the duties required of the applicant;
1223
1224 2) Who fails to disclose or states falsely any information called for in the
1225 application;
1226
1227 3) Who has been found guilty of a violation of the Act, or whose medical
1228 cannabis dispensary or cultivation center license was suspended,
1229 restricted, revoked or denied for just cause in any other state; or

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4) For any other just cause.

- g) Should the applicant be awarded an authorization, the information and plans provided in the application become a condition of the authorization. Dispensing organizations have a duty to disclose any material changes to the application. All changes shall be equal to or better than the original information or plans. Failure to comply with the conditions or requirements in the application may subject the dispensing organization to discipline, up to and including suspension or revocation of its authorization by the Division. Revocation of an authorization shall serve as a final administrative decision by the Division.

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.80 Fees

The following non-refundable fees shall be paid to the Division.

a) Application Fees:

- 1) The authorization application fee is \$5,000. One application fee is to be submitted with each application.
- 2) The registration fee is \$30,000. One registration fee is required for each registration.
- 3) The application fee for a dispensing organization agent is \$100. This fee includes the agent identification card.
- 4) The fee for a request to change the Division approved location of a dispensing organization within its assigned District is \$5,000.

b) Renewal Fees:

- 1) The annual renewal fee for a dispensing organization registration is \$25,000.
- 2) The annual renewal fee for a dispensing organization agent identification card is \$50.

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- 1270 c) General Fees:
1271
1272 1) The fee for the issuance of a replacement dispensing organization
1273 Registration is \$50.
1274
1275 2) The fee for the issuance of a replacement dispensing organization agent
1276 identification card is \$50.
1277
1278 d) All monies collected under the Act shall be deposited in the Compassionate Use
1279 of Medical Cannabis Fund in the State treasury.
1280

SUBPART D: DISPENSARY REGISTRATION

Section 1290.100 Dispensing Organization – Registration Process

- 1281
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1284
1285 a) No person may own, operate or act as a dispensing organization or represent that
1286 the person or organization is a registered dispensing organization unless first
1287 obtaining a registration from the Division.
1288
1289 b) The registration process shall include the following:
1290
1291 1) If the Division issues an authorization to an applicant, the Division will
1292 notify the applicant that it may file for a registration with the Division.
1293
1294 2) Only an applicant granted an authorization is permitted to register a
1295 dispensing organization.
1296
1297 3) A dispensing organization shall submit to the Division all supporting
1298 information and documents in a registration packet. The registration
1299 packet shall include all required registration materials in accordance with
1300 this Section and this Part. All registration materials shall be submitted
1301 together.
1302
1303 4) A dispensing organization must file the registration packet with the
1304 Division within 120 days after the date of the authorization notification,
1305 unless otherwise authorized by the Division.
1306
1307 5) The Division may identify incomplete or missing information from the
1308 registration packet, may request additional information from the applicant
1309 or may deny the registration packet.

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- 6) If a registration packet is denied by the Division, the dispensing organization may refile it within 10 business days with the information or documents that caused its denial. If the registration packet is denied by the Division more than three times, the Division may withdraw the authorization. A letter withdrawing an authorization shall serve as a final administrative decision by the Division.
- c) Once all required information and documents have been submitted, the Division will review the registration packet. The Division may request revisions and retains final approval over dispensary features. Once the registration packet is complete and meets the Division's approval, the Division will conditionally approve the registration. Final approval is contingent on the build-out and Division inspection.
- d) Upon completion of the dispensary, the dispensing organization shall request an inspection. The Division will inspect the dispensary to confirm compliance with the registration packet, the Act and this Part.
- e) A registration will be issued only after the completion of a successful inspection.
- f) Once the Division has issued a registration, the dispensary organization shall notify the Division of the proposed opening date.
- g) A dispensing organization is not prohibited from applying for a cultivation center permit in connection with DOA's rules.

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.110 Dispensing Organization – Registration Requirements

- a) The registration packet shall be equal to or better than the information contained in the application, and shall provide additional detail on construction, start-up, operation, security measures and dispensing procedures.
- b) A person granted an authorization shall submit a registration packet to the Division that includes the following registration requirements:
 - 1) The legal name of the dispensing organization;

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- 1350 2) The name of the dispensary;
1351
1352 3) The registry identification number for the dispensing organization;
1353
1354 4) The proposed physical address of the dispensary facility;
1355
1356 5) The address, telephone number and e-mail address of the applicant's
1357 principal place of business, if different from the location where the
1358 medical cannabis will be dispensed. A post office box is not permitted;
1359
1360 6) The name, address, date of birth and social security number for each
1361 proposed dispensing organization agent;
1362
1363 7) The proposed hours of operation;
1364
1365 8) Any proposed text or graphic materials to be shown on the exterior of the
1366 proposed dispensary;
1367
1368 9) The distance from the proposed dispensary's property line to the property
1369 line of the closest pre-existing public or private preschool or elementary or
1370 secondary school or day care center, day care home, group day care home
1371 and part day child care facility. For purposes of this subsection (b)(9),
1372 "pre-existing" means existing as of the date the proposed dispensing
1373 organization submitted its application to the Division.
1374
1375 10) The anticipated date the dispensing organization will be ready for a
1376 Division inspection;
1377
1378 11) An attestation under penalty of perjury that the information provided to
1379 the Division for registration is true and correct;
1380
1381 12) Certification issued by the local jurisdiction's zoning office authorizing the
1382 use of the proposed plot as a dispensary;
1383
1384 13) A site plan drawn to scale of the proposed dispensary showing streets,
1385 traffic direction, sidewalks, trees, alleys, property lines, additional
1386 buildings on-site, parking areas and handicapped parking spaces, fences,
1387 exterior walled areas, garages, vehicle delivery access doors, hangars,
1388 security features and outdoor areas as applicable.
1389

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- 14) A floor plan or blueprint drawn to scale of the dispensary building that shall, at a minimum, show and identify:
- A) Layout and square footage of each room;
 - B) Overall square footage of the dispensary facility;
 - C) Name and function of each room;
 - D) Doorways or pathways between rooms;
 - E) Means of ingress and egress;
 - F) Location of restricted, limited and public access areas. All limited and restricted access areas shall be clearly described in the floor plan of the premises, in the form and manner determined by the Division, reflecting walls, partitions, counter heights, and all areas of entry and exit. The floor plan shall show all storage, disposal and retail sales areas;
 - G) Location of cannabis storage areas while the dispensary is open for business;
 - H) Location of cannabis storage areas while the dispensary is closed for business;
 - I) Location of the patient, provisional patient or OAPP participant counseling area;
 - J) Location of all safes and/or vaults that will be used to store cannabis, cannabis-infused products or currency, identifying day storage and night storage;
 - K) Location of each computer used to check qualifying patient cards, designated caregiver registry cards, provisional registrations and verify OAPP participants;
 - L) Location of each computer and cash register used for point of sale transactions and to access the State verification system and Illinois Cannabis Tracking System;

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- M) Location of bullet-proof glass, if any;
 - N) Location of drawer, grate or conduit through the bullet-proof glass, if any;
 - O) Location of bullet-proof walls, if any;
 - P) Location of fire exits;
 - Q) Location of each toilet facility;
 - R) Location of a break room and personal storage lockers, if any;
 - S) Location of each video camera;
 - T) Location of each panic button; and
 - U) Location of natural windows or skylights.
- 15) Policies and procedures that comply with the requirements in this Part, outlined in an Operation and Management Practices Plan, including:
- A) Inventory control and recordkeeping using the State verification system and Illinois Cannabis Tracking System;
 - B) Qualifying patient, designated caregiver, provisional patient and OAPP participant recordkeeping;
 - C) Dispensing medical cannabis to patients, designated caregivers, provisional patients, and OAPP participants that comply with the requirements in Sections 1290.430 and 1290.435;
 - D) Inventory control and recordkeeping using the dispensary's point of sale recordkeeping;
 - E) Security;
 - F) Patient care education and support;

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- 1470 G) Accessible business hours and safe dispensing; and
1471
1472 H) A staffing plan that ensures adequate staffing, training and
1473 education.
1474
- 1475 16) An explanation of related products or services to be offered, if any, other
1476 than cannabis.
1477
- 1478 17) A plan for working with cultivation centers to acquire medical cannabis
1479 and ensure the dispensary has a continuous supply for registered
1480 qualifying patients, designated caregivers, provisional patients and OAPP
1481 participants.
1482
- 1483 18) The estimated volume of cannabis it plans to store at the dispensary.
1484
- 1485 19) A detailed description of air treatment systems that will be installed to
1486 reduce odors.
1487
- 1488 20) A description of the features that will provide accessibility to qualifying
1489 patients, designated caregivers, provisional patients and OAPP
1490 participants as required by the ADA.
1491
- 1492 21) A plan detailing how the dispensing organization will perform a physical
1493 daily inventory of all medical cannabis to ensure inventory is balanced in
1494 the State verification system, Illinois Cannabis Tracking System and point
1495 of sale system.
1496
- 1497 22) An attestation that the dispensing organization will have a reinforced vault
1498 room with dimensions sufficient for storage of cannabis, cash and
1499 currency.
1500
- 1501 23) Documentation that the building meets State and local building and fire
1502 codes, and that all local ordinances are met for the proposed location.
1503
- 1504 24) A reasonable assurance that the issuance of a registration will not have a
1505 detrimental impact on the community.
1506
- 1507 25) A plan to prevent patient, provisional patient, designated caregiver and
1508 OAPP participant overflow in waiting rooms and patient care areas.
1509

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- 1510 26) A signed statement by each principal officer or agent that they will not
1511 divert medical cannabis.
1512
- 1513 27) The registration fee (see Section 1290.80).
1514
- 1515 28) Any additional information requested by the Division.
1516
- 1517 c) The registration packet shall be signed and dated by each principal officer.
1518
- 1519 d) Upon Division approval of the registration packet, the information and plans in
1520 the registration packet become a condition of the registration. Dispensing
1521 organizations have a duty to disclose any material changes to the information
1522 contained in the registration packet.
1523
- 1524 e) Once all registration documentation is complete, reviewed, confirmed, and meets
1525 the Division's approval, the Division may issue a conditional approval.
1526
- 1527 f) After receipt of a conditional approval, and when the dispensing organization is
1528 ready to open, it shall contact the Division for an inspection. The dispensary shall
1529 not open until it has passed inspection and the Division has issued a registration.
1530
- 1531 g) Prior to opening, the dispensing organization shall notify the Division of the
1532 proposed opening date.
1533
- 1534 h) The Division may refuse to issue a registration or a registration must be denied
1535 pursuant to Section 115(f) of the Act for a violation of this Part for any of the
1536 following reasons:
1537
- 1538 1) The applicant failed to submit the materials required by the Act and this
1539 Part;
1540
- 1541 2) The applicant selected a location that is not in compliance with local
1542 zoning rules and cannot cure the zoning deficiency in a reasonable time;
1543
- 1544 3) The applicant does not meet the requirements of Section 130 or 140 of the
1545 Act;
1546
- 1547 4) One or more of the principal officers has been convicted of an excluded
1548 offense;
1549

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- 1550 5) One or more of the principal officers has served as an owner or officer of a
1551 registered medical cannabis dispensing organization that had its
1552 registration revoked;
1553
1554 6) One or more of the principal officers is under 21 years of age;
1555
1556 7) One or more of the principal officers is a registered qualifying patient or a
1557 designated caregiver.
1558

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.120 Dispensing Organization – Financial Responsibility

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

- 1571
1572 a) Establishing and maintaining an escrow or surety account in a financial institution
1573 in the amount of \$50,000, with escrow terms, approved by the Division, that it
1574 shall be payable to the Division in the event of circumstances outlined in this
1575 Section.
1576
1577 1) A financial institution may not return money in an escrow or surety
1578 account to the dispensing organization that established the account or a
1579 representative of the organization unless the organization or representative
1580 presents a statement issued by the Division indicating that the account
1581 may be released.
1582
1583 2) The escrow or surety account shall not be canceled on less than 30 days'
1584 notice in writing to the Division, unless otherwise approved by the
1585 Division. If an escrow or surety account is canceled and the registrant
1586 fails to secure a new account with the required amount on or before the
1587 effective date of cancellation, the registrant's registration may be revoked.
1588 The total and aggregate liability of the surety on the bond is limited to the
1589 amount specified in the escrow or surety account.

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- b) Providing a surety bond in the amount of \$50,000, naming the dispensing organization as principal of the bond, with terms, approved by the Division, that the bond defaults to the Division in the event of circumstances outlined in this Section.
 - 1) The business name and registration number on the bond must correspond exactly with the business name and registration number in the Division's records.
 - 2) The bond must be written on a form approved by the Department.
 - 3) A copy of the bond must be received by the Division within 90 days after the effective date.
 - 4) The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Division. If a bond is canceled and the registrant fails to file a new bond with the Division in the required amount on or before the effective date of cancellation, the registrant's registration may be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.130 Changes to a Dispensing Organization Registration

- a) A registration shall be issued to the specific dispensing organization identified on the application and for the specific location proposed. The registration is valid only for the owner, premises and name designated on the registration and the location for which it is issued.
- b) A dispensing organization may not transfer or assign a registration.
- c) A dispensing organization shall provide written notice to the Division of the addition or removal of persons or entities listed as principal officers. Notice shall be provided to the Division a minimum of 10 business days prior to the change, unless impracticable and the Division approves a different time in writing.
- d) All proposed new principal officers shall be subject to the requirements of the Act and this Part.

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- 1630
1631 e) The Division may prohibit the addition of a principal officer to a dispensing
1632 organization for failure to comply with the Act or this Part.
1633
1634 f) A dispensing organization shall provide written notice to the Division of a change
1635 in more than 49% of the dispensary ownership. The Division will review the
1636 ownership structure to determine whether the change in ownership has had the
1637 effect of a transfer of the registration. The dispensing organization shall supply
1638 all ownership documents and change of ownership documents requested by the
1639 Division.
1640
1641 g) The dispensing organization shall provide the Division with the personal
1642 information for all new dispensary agents as required in this Part and all new
1643 dispensary agents shall be subject to the requirements of this Part. A dispensing
1644 organization agent must obtain an agent card from the Division before beginning
1645 work at a dispensary.
1646
1647 h) A principal officer not in compliance with the requirements of the Act and this
1648 Part shall be removed from his or her position with the dispensing organization or
1649 shall otherwise terminate his or her affiliation. Failure to do so may subject the
1650 dispensing organization to discipline, suspension or revocation of its registration
1651 by the Division.
1652
1653 i) Prior to remodeling, expansion, reduction or other physical, non-cosmetic
1654 alteration of a dispensary, the dispensing organization must notify the Division
1655 and confirm the alterations are in compliance with the Act and this Part.
1656
1657 j) It is the responsibility of the registered dispensing organization and its principal
1658 officers to promptly notify the Division of any change of the principal place of
1659 business address.

1660
1661 **Section 1290.140 Request to Relocate a Dispensary**

- 1662
1663 a) A dispensing organization may relocate a dispensary in the District where the
1664 dispensary is registered or awarded an authorization. To relocate a registered
1665 dispensary, the dispensing organization shall submit an application requesting the
1666 change and the relocation fee (see Section 1290.80) to the Division.
1667
1668 b) The new dispensary location shall meet all the requirements of the Act and this
1669 Part.

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- 1670
1671 c) If the information and documents submitted by the dispensing organization
1672 comply with the Act and this Part and the proposed location is equal to or better
1673 than the prior location, the Division will issue a conditional approval to relocate.
1674 The dispensary organization may continue to operate at the existing location, until
1675 the new location is ready. The dispensary organization may not operate two
1676 locations under the same registration number.
1677
1678 d) Once the new dispensary is finished, the dispensing organization shall notify the
1679 Division and request an inspection.
1680
1681 e) Prior to issuing a registration and approval to operate, the Division will inspect
1682 the dispensary to confirm compliance with the Act and this Part. Final approval
1683 for the dispensing organization to operate will be issued by the Division only after
1684 the completion of a successful inspection.
1685
1686 f) A dispensing organization shall not dispense medical cannabis at the new location
1687 until the Division approves the dispensary and issues an amended registration
1688 noting the new location.
1689
1690 g) Once the Division has issued an amended registration, the dispensing organization
1691 shall notify the Division of the proposed dispensary opening date.
1692
1693 h) The registration that includes the new address shall retain the expiration date of
1694 the previously issued registration.
1695
1696 i) An application for a relocation of a dispensary may not be combined with an
1697 application for renewing a dispensing organization registration. The Division shall
1698 process each application separately.
1699
1700 j) Should the dispensing organization relocate, it shall inform its existing patients of
1701 the new dispensary location.
1702

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.150 Dispensing Organization Renewals

- 1705
1706 a) Every dispensing organization registration issued under the Act shall expire
1707 annually, on the date it was issued. A registered dispensing organization shall
1708

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- 1709 receive written notice 90 days prior to the expiration of its registration that the
1710 registration will expire.
1711
- 1712 b) The Division will accept renewal applications within 45 days before the date a
1713 registration expires. Provided the dispensing organization is in compliance with
1714 the Act and this Part, and the renewal fee is paid, the Division shall renew the
1715 registration within 45 days after the renewal request submission. (See Section
1716 1290.80.)
1717
- 1718 c) If the dispensary premises is leased, when submitting for renewal the dispensing
1719 organization must provide documentation that the registered premises has been
1720 leased for the following calendar year.
1721
- 1722 d) Upon a dispensing organization's request for a renewal, the Division shall
1723 consider the dispensing organization's history of compliance with regulations
1724 promulgated under the Act, the number and severity of any violations, and the
1725 correction of violations, penalties or other enforcement actions.
1726
- 1727 e) The Director of the Division may deny a dispensing organization's request to
1728 renew a registration due to poor compliance history or if it has been disciplined
1729 under the Act or this Part.
1730
- 1731 f) If a renewal fee is not paid before the registration's expiration date, and the
1732 dispensing organization has not requested an extension of time to renew, the
1733 registration expires on the registration expiration date.
1734
- 1735 g) Dispensing medical cannabis on an expired registration is unlawful under the Act,
1736 unlicensed activity and grounds for discipline.
1737
- 1738 h) If the Division, after notice to the dispensing organization, denies the request to
1739 renew a registration and the registrant contests the non-renewal, it shall be entitled
1740 to an administrative hearing in accordance with the hearing rights prescribed in
1741 the Act and this Part.
1742

SUBPART E: REGISTRATION OF DISPENSING ORGANIZATION AGENTS

Section 1290.200 Dispensing Organization Agent-in-Charge

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1746
1747 a) Every dispensing organization shall designate, at a minimum, one agent-in-charge
1748 for each registered dispensary. The designated agent-in-charge must hold a

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- 1749 dispensing organization agent identification card. Maintaining an agent-in-charge
1750 is a continuing requirement for the registration, except as provided in subsection
1751 (g).
1752
- 1753 b) The agent-in-charge shall be a principal officer or a full-time agent of the
1754 dispensing organization and shall manage the dispensary. Managing the
1755 dispensary includes, but is not limited to, responsibility for opening and closing
1756 the dispensary, delivery acceptance, oversight of sales and dispensary agents,
1757 recordkeeping, inventory, dispensary agent training, and compliance with the Act
1758 and this Part. Participation in affairs also includes the responsibility for
1759 maintaining all files subject to inspection by the Division at the dispensary.
1760
- 1761 c) The agent-in-charge is responsible for promptly notifying the Division of any
1762 change of information required to be reported to the Division.
1763
- 1764 d) In determining whether an agent-in-charge manages the dispensary, the Division
1765 may consider the responsibilities identified in this Section, the number of
1766 dispensary agents under the supervision of the agent-in-charge, and the
1767 employment relationship between the agent-in-charge and the dispensing
1768 organization, including the existence of a contract for employment and any other
1769 relevant fact or circumstance.
1770
- 1771 e) The agent-in-charge is responsible for notifying the Division of a change in the
1772 employment status of all dispensing organization agents within five business days
1773 after the change, including notice to the Division if the termination of an agent
1774 was for diversion of product or theft of currency.
1775
- 1776 f) In the event of the separation of an agent-in-charge due to death, incapacity,
1777 termination or any other reason and if the dispensary does not have an active
1778 agent-in-charge, the dispensing organization shall immediately contact the
1779 Division and request a temporary certificate of authority allowing the continuing
1780 operation. The request shall include the name of an interim agent-in-charge until a
1781 replacement is identified, or shall include the name of the replacement. The
1782 Division shall issue the temporary certificate of authority promptly after it
1783 approves the request. If a dispensing organization fails to promptly request a
1784 temporary certificate of authority after the separation of the agent-in-charge, its
1785 registration shall cease until the Division approves the temporary certificate of
1786 authority or registers a new agent-in-charge. No temporary certificate of authority
1787 shall be valid for more than 90 days. The succeeding agent-in-charge shall
1788 register with the Division in compliance with this Part. Once the permanent

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- 1789 succeeding agent-in-charge is registered with the Division, the temporary
1790 certificate of authority is void. No temporary certificate of authority shall be
1791 issued for the separation of an agent-in-charge due to disciplinary action by the
1792 Division related to his or her conduct on behalf of the dispensing organization.
1793
- 1794 g) The dispensing organization agent-in-charge registration shall expire annually on
1795 the date it was issued. The agent-in-charge's registration shall be renewed
1796 annually. The Division shall review the dispensary's compliance history when
1797 determining whether to grant the request to renew.
1798
- 1799 h) Upon termination of an agent-in-charge's employment, the dispensing
1800 organization shall immediately reclaim the dispensary agent identification card.
1801 The dispensing organization shall promptly return the identification card to the
1802 Division.
1803
- 1804 i) The Division may deny an application for, or renewal of, or revoke an agent-in-
1805 charge identification card, or discipline an agent-in-charge, for any of the
1806 following reasons:
1807
- 1808 1) Submission of misleading, incorrect, false or fraudulent information in the
1809 application or renewal application;
1810
 - 1811 2) Violation of the requirements of the Act or this Part;
1812
 - 1813 3) Fraudulent use of the agent-in-charge identification card;
1814
 - 1815 4) Selling, distributing, transferring in any manner, or giving medical
1816 cannabis to any unauthorized person;
1817
 - 1818 5) Tampering with, falsifying, altering, modifying or duplicating an agent-in-
1819 charge identification card;
1820
 - 1821 6) Tampering with, falsifying, altering or modifying the surveillance video
1822 footage, point of sale system, Illinois Cannabis Tracking System, or the
1823 State verification system;
1824
 - 1825 7) Tampering with, falsifying, altering or modifying patient, provisional
1826 patient, designated caregiver or OAPP participant applications;
1827
 - 1828 8) Failure to notify the Division immediately upon discovery that the agent-

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- 1829 in-charge identification card has been lost, stolen or destroyed;
1830
1831 9) Failure to notify the Division within five business days after a change in
1832 the information provided in the application for an agent-in-charge
1833 identification card;
1834
1835 10) Conviction of an excluded offense or any incident listed in Section
1836 1290.200 or 1290.510 following the issuance of an agent-in-charge
1837 identification card;
1838
1839 11) Overdispensing; or
1840
1841 12) For any unethical, dishonorable and unprofessional conduct.
1842

1843 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)
1844

Section 1290.210 Dispensing Organization Agents

- 1845
1846
1847 a) All principal officers, agents-in-charge and agents of the dispensing organization
1848 are dispensing organization agents and shall hold an agent identification card. No
1849 person shall enter a dispensary to begin work at a dispensary prior to holding an
1850 agent identification card.
1851
1852 b) Only a dispensing organization principal officer or an agent-in-charge may apply
1853 for an agent identification card for himself or herself or other dispensary agents.
1854
1855 c) A dispensing organization agent shall visibly display an agent identification card
1856 issued by the Division at all times while at the dispensary.
1857
1858 d) An agent registration application shall be submitted by a dispensing organization
1859 principal officer or agent-in-charge on forms provided by the Division, along with
1860 the following:
1861
1862 1) The name of the dispensing organization employing the agent, and the
1863 address of the dispensary;
1864
1865 2) A full set of fingerprints submitted to ISP as outlined in this Part;
1866
1867 3) A copy of the applicant's valid driver's license or State issued
1868 identification;

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- 4) Electronic picture of applicant;
 - 5) A document verifying the applicant's place of residency, such as a bank statement, cancelled check, insurance policy, etc. The document must contain the applicant's full residence address;
 - 6) A sworn statement that the applicant has not been convicted of an excluded offense in any jurisdiction;
 - 7) The applicant's social security number;
 - 8) The registration fee (see Section 1290.80); and
 - 9) Any additional information requested by the Division in the verification process.
- e) The Division will deny an application or renewal of an agent identification card for a person convicted of an excluded offense.
 - f) If no excluded offense is found relating to the fingerprints, the applicant has submitted all required information and the applicant is otherwise qualified under the Act, the Division may approve the application or renewal. Within 15 days after approving an application or renewal, the Division shall issue an agent identification card that will be valid for the period specified on the face of the card and will be renewable upon the conditions set forth in this Part.
 - g) Dispensing organization agents have access to restricted access areas. They are responsible for the sale of cannabis and dispensary operations. Agents may accept deliveries from cultivation centers, and must document sales in compliance with the Act and this Part.
 - h) It is the responsibility of each registered dispensing organization to notify the Division of an agent's change of address.
 - i) Dispensing organization agents must promptly report any diversion or theft, or suspicion of diversion or theft, of cannabis or currency to the Division.
 - j) At least 30 days prior to the expiration of an agent identification card, the dispensing organization or the agent shall request the Division renew the annual

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- 1909 agent identification card, include any information requested by the Division, and
1910 authorize ISP to conduct a criminal background check.
1911
- 1912 k) No dispensing organization shall, after the expiration of an agent identification
1913 card, employ or retain the holder of the card in any capacity. Upon expiration of
1914 an agent registration, the agent shall not enter the dispensary.
1915
- 1916 l) Upon termination of employment, the agent identification card shall be
1917 immediately returned to the dispensing organization. The dispensing organization
1918 shall promptly return the agent identification card to the Division.
1919
- 1920 m) The agent identification card is not transferable. It is the property of the State of
1921 Illinois and shall be surrendered upon demand of the Director.
1922
- 1923 n) A dispensing organization agent shall promptly report an arrest and any
1924 subsequent conviction of an excluded offense to the dispensing organization and
1925 to the Division.
1926
- 1927 o) Should the Division not be able to obtain the State or federal criminal records
1928 check from ISP as required by the Act and this Part, the Division may contract
1929 with a private detective or investigating agency licensed under the Private
1930 Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith
1931 Act of 2004 [225 ILCS 447] and in good standing with the Department for the
1932 purpose of conducting the records checks.
1933
- 1934 p) The Division may deny an application for, or a renewal of, or revoke an agent
1935 identification card, or discipline an agent, for any of the following reasons:
1936
- 1937 1) Submission of misleading, incorrect, false or fraudulent information in the
1938 application or renewal application;
 - 1939 2) Violation of the requirements of the Act or this Part;
 - 1940 3) Fraudulent use of the agent identification card;
 - 1941 4) Selling, distributing, transferring in any manner, or giving medical
1942 cannabis to any unauthorized person;
 - 1943 5) Tampering with, falsifying, altering, modifying or duplicating an agent
1944 identification card;
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- 6) Tampering with, falsifying, altering or modifying the surveillance video footage, point of sale system, Illinois Cannabis Tracking System, or the State verification system;
 - 7) Tampering with, falsifying, altering or modifying patient, provisional patient, designated caregiver or OAPP participant applications;
 - 8) Failure to notify the Division within five business days after becoming aware that the agent identification card has been lost, stolen or destroyed;
 - 9) Failure to notify the Division within five business days after a change in the information provided in the application for an agent identification card or renewal;
 - 10) Conviction of an excluded offense following the issuance of an agent identification card;
 - 11) For conduct that demonstrates incompetence or unfitness to work in a dispensary; or
 - 12) For any unethical, dishonorable or unprofessional conduct.

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.220 Persons with Significant Influence or Control; Disassociation

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- a) Any individual in connection with the dispensing organization who is not a principal officer or agent, and who may significantly influence or control the activities of the dispensing organization, other than a bank or other licensed lending institution holding a mortgage or other lien, may be subject to a background investigation or an examination of the business relationship with the dispensary.
 - b) The Division may order the disassociation of any person from the dispensing organization if the person fails to cooperate with the Division's investigation or if the person would be prohibited from being a principal officer pursuant to the Act and this Part. The order issued by the Director shall be directed to the applicant or registrant, and non-compliance with the order may result in the revocation, suspension or other discipline of the registration.

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Section 1290.230 State and Federal Criminal History Records Check

- a) Persons required to submit to a State and federal criminal history records check for convictions of an excluded offense shall submit to a fingerprint-based criminal history records check by providing a full set of fingerprints in an electronic format to an ISP livescan vendor whose equipment has been certified by ISP or a fingerprint vendor agency licensed by the Department. Out-of-state residents unable to utilize an Illinois fingerprint vendor agency may request an ISP Fee Applicant Card from the Division for out-of-state fingerprint processing.
- b) The ISP will act as the Division's agent, receiving electronic fingerprints and conducting background checks of each individual applying for an agent identification card.
- c) ISP will conduct background checks for conviction information contained in the ISP and Federal Bureau of Identification criminal history databases, as permitted.
- d) For verification of a statutorily imposed duty to conduct background checks pursuant to the Act, ISP will transmit the results of the background check to the Division and the transmittal shall conclude the verification process.
- e) The electronic background checks shall be submitted as outlined in either the Uniform Conviction Information Act [20 ILCS 2635] or 20 Ill. Adm. Code 1265.30 (Electronic Transmission of Fingerprint Requirements).
- f) Electronic transmission of fingerprint data to ISP shall be accomplished utilizing livescan procedures or other comparable technology approved for use by ISP.
- g) Manual fingerprints will not be accepted and shall not be scanned and converted into an electronic format, unless otherwise approved by the Division.
- h) Fingerprints shall be taken within one month prior to the application date or renewal date for an agent identification card, unless otherwise approved by the Division.
- i) Fingerprint images of the individual being fingerprinted, and related alphanumeric identification data submitted, shall be submitted electronically to ISP.

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- 2028 j) If the fingerprints are rejected by ISP, the dispensary agent shall have his or her
2029 fingerprints collected electronically by a live scan fingerprint vendor a second
2030 time.
2031
- 2032 k) In the event of equipment malfunction or other special circumstance that make
2033 electronic transmission of fingerprint data impractical, the Division may allow
2034 limited use of paper fingerprint records.
2035
- 2036 l) The dispensing organization shall submit to the Division a copy of the livescan
2037 request form, with the agent identification card application or renewal and the
2038 receipt provided from the livescan fingerprint vendor containing the Transaction
2039 Control Number (TCN), as proof that fingerprints have been collected.
2040
- 2041 m) Dispensary agent identification card applications submitted without a copy of the
2042 livescan request form and receipt will be deemed incomplete and will not be
2043 processed until fingerprinting is completed.
2044
- 2045 n) Fees associated with the livescan fingerprint-based criminal history records check
2046 shall be the responsibility of the dispensing organization seeking an agent
2047 identification card.
2048

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

SUBPART F: DISPENSARY OPERATION

Section 1290.300 Operational Requirements

- 2055 a) It is the duty of the Division to enforce the provisions of the Act and this Part
2056 relating to the registration and oversight of dispensing organization, unless
2057 otherwise provided in the Act.
2058
- 2059 b) A dispensing organization awarded a registration shall operate in accordance with
2060 the representations made in its application and registration packet. It shall be in
2061 compliance with the Act and this Part while registered with the Division.
2062
- 2063 c) Only a dispensing organization that has been issued a registration by the Division
2064 shall own and operate a dispensary.
2065
- 2066 d) A dispensing organization must include the name of the dispensary on the
2067 packaging of any cannabis product it sells.

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- e) All medical cannabis and cannabis-infused products must be obtained from an Illinois registered cultivation center (see 8 Ill. Adm. Code 1000).
 - f) A dispensing organization shall inspect and count product received from the cultivation center before dispensing it.
 - g) A dispensing organization may only accept medical cannabis deliveries into a restricted access area. Deliveries may not be accepted through the public or limited access areas unless otherwise approved by the Division.
 - h) A dispensing organization shall maintain compliance with State and local building, fire and zoning requirements or regulations.
 - i) A dispensing organization shall submit a list to the Division of the names of all service professionals who 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 Division on the service professional list.
 - j) A registration shall allow the registrant to operate at a single location.
 - k) A dispensary may operate between 6 a.m. and 8 p.m. local time.
 - l) A dispensing organization must keep all lighting outside and inside the dispensary in good working order and wattage sufficient for security cameras.
 - m) A dispensing organization shall not:
 - 1) Produce or manufacture cannabis;
 - 2) Allow consumption of cannabis at the dispensary;
 - 3) Accept a cannabis product from a cultivation center unless it is pre-packaged and labeled in accordance with this Part, 8 Ill. Adm. Code 1000 and 77 Ill. Adm. Code 946;

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- 2106 4) Sell cannabis or cannabis-infused products to a consumer unless the
2107 individual presents an active registered qualifying patient, provisional
2108 patient, OAPP participant or designated caregiver card issued by DPH;
2109
- 2110 5) Enter into an exclusive agreement with any cultivation center.
2111 Dispensaries shall provide patients, provisional patients and participants
2112 an assortment of products from various cultivation centers. The Division
2113 may request that a dispensary diversify its products as needed;
2114
- 2115 6) Refuse to conduct business with a cultivation center that has the ability to
2116 properly deliver the product and is permitted by DOA, on the same terms
2117 as other cultivation centers with whom it is dealing;
2118
- 2119 7) Operate drive through windows;
2120
- 2121 8) Transport cannabis to residences of registered qualifying patients,
2122 provisional patients, OAPP participants or designated caregivers;
2123
- 2124 9) Operate a dispensary if its video surveillance equipment is inoperative;
2125
- 2126 10) Operate a dispensary if the point of sale equipment is inoperative;
2127
- 2128 11) Operate a dispensary if the State verification system or the Illinois
2129 Cannabis Tracking System is inoperative;
2130
- 2131 12) Have fewer than two people working at the dispensary at any time while
2132 the dispensary is open;
2133
- 2134 13) Contract with, pay, or have a profit sharing arrangement with third party
2135 groups that assist individuals with finding a physician or completing the
2136 patient or participant application; or
2137
- 2138 14) Pay a referral fee to a third-party group for sending patients or participants
2139 to a specific dispensary.
2140

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.320 Dispensary Access Oversight

IDFPR MEDICAL CANNABIS RULES

EFFECTIVE FROM MAY 20, 2019 to PRESENT

- 2145 a) Access to a dispensary is restricted as defined in the Act and this Part. No
2146 persons, except the following, are permitted entry into the restricted access areas
2147 in the dispensary:
2148
- 2149 1) Dispensing organization agents, the Division or the Division's authorized
2150 representative, ISP, or other federal or State officials performing duties as
2151 required by federal or State law;
2152
 - 2153 2) Cultivation center agents with cultivation center agent identification cards
2154 may deliver medical cannabis to a dispensary;
2155
 - 2156 3) Emergency personnel when necessary to perform official duties;
2157
 - 2158 4) In connection with Section 1290.300(i), a dispensing organization may
2159 allow service professionals to enter when working on a job that requires
2160 their presence at the dispensary, such as installing or maintaining security
2161 devices or providing construction services; and
2162
 - 2163 5) Any person, other than a dispensary agent, authorized to be at a dispensary
2164 pursuant to this subsection (a) and with access to the restricted access area
2165 must be accompanied at all times by a dispensing organization agent.
2166
- 2167 b) No person, except the following, are permitted entry into the dispensary's limited
2168 access areas:
2169
- 2170 1) Qualified patients, provisional patients, and designated caregivers;
2171
 - 2172 2) OAPP participants;
2173
 - 2174 3) Dispensing organization agents, the Division or the Division's authorized
2175 representative, ISP, or other federal, State or local representatives
2176 performing duties as required by federal or State law;
2177
 - 2178 4) Emergency personnel when necessary to perform official emergency
2179 duties;
2180
 - 2181 5) Cultivation center agents with cultivation center agent identification cards
2182 may access dispensaries to perform duties supporting the delivery of
2183 medical cannabis, including but not limited to educating dispensary agents
2184 and correcting mislabeled product;

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- 6) In connection with Section 1290.300(i), a dispensing organization may allow service professionals to enter when they are working on a job that requires their presence at the dispensary, such as installing or maintaining security devices or providing construction services;
- 7) Upon a dispensary's prior written request, the Division may approve a request to allow a visitor to enter the limited access area of a dispensary. The written request must include the name of the dispensing organization agent requesting the visit, the name of the visitor, the reason for the visit, and the date and time of the proposed visit. Visits must be for a purpose in furtherance of the Act. The Division must issue written approval before the dispensing organization allows a visitor access to the dispensary. Visitors are prohibited from entering the restricted access area.
- 8) Any person, other than a dispensary agent, authorized to be at a dispensary by this subsection (b) shall be monitored, while in the limited access area, at all times by a dispensing organization agent.
- d) All persons authorized to be at a dispensary pursuant to subsection (a) or (b) must present valid government issued identification with a picture prior to entry.
 - 1) Once the person is verified, a dispensing organization agent shall record the person in a log with the date, time and purpose of the visit. The log shall be maintained at the dispensary and made available to the Department, at any time, for a period of five years.
 - 2) A dispensing organization agent shall issue a numbered identification badge to persons authorized to be in a dispensary. Identification badges shall be worn while in the dispensary. All visitor identification badges shall be returned to a dispensing organization agent upon exit.
 - 3) The dispensing organization shall institute best practices to preserve confidentiality of patient and OAPP participant identity and patient and OAPP participant sales.

(Source: Added at 43 Ill. Reg. 6593, effective May 20, 2019)

SUBPART G: SECURITY AND RECORDKEEPING

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EFFECTIVE FROM MAY 20, 2019 to PRESENT

2225 **Section 1290.400 Inventory Control System**

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- a) A dispensing organization agent-in-charge shall have primary oversight of the dispensing organization's State verification system, its point of sale system, and Illinois Cannabis Tracking System. The inventory point of sale system shall be real-time, web-based and accessible by the Division 24 hours a day, seven days a week.

- b) A dispensing organization shall establish an account with the State verification system and Illinois Cannabis Tracking System that documents:
 - 1) Each sales transaction at the time of sale and each day's beginning inventory, acquisitions, sales, disposal and ending inventory.

 - 2) Acquisition of medical cannabis and medical cannabis-infused products from a permitted cultivation center, including:
 - A) A description of the products including the quantity, strain, variety and batch number of each product received;

 - B) The name and registry identification number of the permitted cultivation center providing the medical cannabis;

 - C) The name and registry identification number of the permitted cultivation center agent delivering the medical cannabis;

 - D) The name and registry identification number of the dispensing organization agent receiving the medical cannabis; and

 - E) The date of acquisition.

 - 3) The disposal of medical cannabis, including:
 - A) A description of the products, including the quantity, strain, variety, batch number and reason for the cannabis being disposed;

 - B) The method of disposal; and

 - C) The date and time of disposal.

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- 2265 c) A dispensing organization shall use a point of sale system that establishes and
2266 maintains a real time interface with the State verification system to track,
2267 consistent with the Act and this Part, patient and provisional patient limits, patient
2268 and provisional patient sales at the time of sale, inventory, currency and
2269 destruction.
- 2270
- 2271 d) A dispensing organization shall use a point of sale system that establishes and
2272 maintains a real time interface with the Illinois Cannabis Tracking System to track
2273 OAPP participant's limits, OAPP participant sales at the time of sale, inventory,
2274 currency, OAPP participant's chosen dispensary and written certification.
2275
- 2276 e) Upon medical cannabis delivery, a dispensing organization shall confirm the
2277 product's name, strain name, weight and identification number on the manifest
2278 matches the information on the medical cannabis product label and package. The
2279 product name listed and the weight listed in the State verification system and
2280 Illinois Cannabis Tracking System shall match the product packaging.
2281
- 2282 f) The agent-in-charge shall conduct daily inventory reconciliation documenting and
2283 balancing medical cannabis inventory by confirming the State verification system
2284 and Illinois Cannabis Tracking System matches the dispensing organization's
2285 point of sale system and the amount of physical product at the dispensary.
2286
- 2287 1) A dispensing organization must receive Division approval prior to
2288 completing an inventory adjustment. It shall provide a detailed reason for
2289 the adjustment. Inventory adjustment documentation shall be kept at the
2290 dispensary for two years from the date performed.
2291
- 2292 2) If, after the daily inventory reconciliation, the dispensing organization
2293 identifies an imbalance in the amount of medical cannabis due to mistake,
2294 the dispensing organization shall determine how the imbalance occurred
2295 and, immediately upon discovery, take and document corrective action. If
2296 the dispensing organization cannot identify the reason for the mistake
2297 within two calendar days after first discovery, it shall inform the Division
2298 immediately in writing of the imbalance and the corrective action taken to
2299 date. The dispensing organization shall work diligently to determine the
2300 reason for the mistake.
2301
- 2302 3) If the dispensing organization identifies an imbalance in the amount of
2303 medical cannabis after the daily inventory reconciliation or through other
2304 means due to theft, criminal activity or suspected criminal activity, the

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2305 dispensing organization shall immediately determine how the reduction
2306 occurred and take and document corrective action. Within 24 hours after
2307 the first discovery of the reduction due to theft, criminal activity or
2308 suspected criminal activity, the dispensing organization shall inform the
2309 Division and ISP in writing in connection with Section 1290.445.
2310

2311 4) The dispensing organization shall file an annual compilation report with
2312 the Division, including a financial statement that shall include, but not be
2313 limited to, an income statement, balance sheet, profit and loss statement,
2314 statement of cash flow, wholesale cost, and sales, and any other
2315 documentation requested by the Division in writing. The financial
2316 statement shall include any other information the Division deems
2317 necessary in order to effectively administer the Act and all rules, orders
2318 and final decisions promulgated under the Act. Statements required by
2319 this subsection (f)(4) shall be filed with the Division within 60 days after
2320 the end of the calendar year. The compilation report shall include a letter
2321 authored by a licensed CPA that it has been reviewed and is accurate
2322 based on the information provided. The dispensing organization, financial
2323 statement and accompanying documents are not required to be audited
2324 unless specifically requested by the Division.
2325

2326 g) A dispensing organization shall:

- 2327
- 2328 1) Maintain the documentation required in this Section in a secure locked
2329 location at the dispensing organization for five years from the date on the
2330 document;
 - 2331 2) Provide any documentation required to be maintained in this Section to the
2332 Division for review upon request; and
 - 2333 3) If maintaining a bank account, retain for a period of five years a record of
2334 each deposit or withdrawal from the account.
2335

2336

2337

2338 h) A dispensing organization shall not accept returns of medical cannabis. If
2339 cannabis is abandoned at the dispensary, it shall be accounted for and destroyed in
2340 compliance with this Part.
2341

2342 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

2343
2344

Section 1290.405 Storage Requirements

IDFPR MEDICAL CANNABIS RULES

EFFECTIVE FROM MAY 20, 2019 to PRESENT

- 2345
- 2346 a) Authorized On-Premises Storage. A dispensing organization must store inventory
- 2347 on the registered premises. All inventory stored on the registered premises must
- 2348 be secured in a restricted access area and tracked consistently with the inventory
- 2349 tracking rules.
- 2350
- 2351 b) A dispensary shall be of suitable size and construction to facilitate cleaning,
- 2352 maintenance and proper operations.
- 2353
- 2354 c) A dispensary shall maintain adequate lighting, ventilation, temperature, humidity
- 2355 control and equipment.
- 2356
- 2357 d) Containers storing medical cannabis that have been tampered with or opened shall
- 2358 be labeled with the date opened and quarantined from other medical cannabis
- 2359 products in the vault until they are disposed of.
- 2360
- 2361 e) Medical cannabis that was tampered with or damaged shall not be stored at the
- 2362 registered premises for more than seven calendar days.
- 2363
- 2364 f) Medical cannabis samples shall be in a sealed container. Samples shall be
- 2365 maintained in the restricted access area.
- 2366
- 2367 g) The dispensary storage areas shall be maintained in accordance with the security
- 2368 requirements (see Section 1290.410).
- 2369
- 2370 h) Medical cannabis must be stored at appropriate temperatures and under
- 2371 appropriate conditions to help ensure that its packaging, strength, quality and
- 2372 purity are not adversely affected.
- 2373

2374 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

2375

2376 **Section 1290.410 Security Requirements**

2377

- 2378 a) A dispensing organization shall implement security measures to deter and prevent
- 2379 entry into and theft of cannabis or currency.
- 2380
- 2381 b) A dispensing organization shall submit changes to the floor plan or security plan
- 2382 to the Division for pre-approval. All cannabis shall be maintained and stored in a
- 2383 restricted access area during construction.
- 2384

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- 2385 c) The dispensing organization shall implement security measures to protect the
2386 premises, registered qualifying patients, provisional patients, designated
2387 caregivers, OAPP participants and dispensing organization agents including, but
2388 not limited to the following:
2389
- 2390 1) Establish a locked door or barrier between the facility's entrance and the
2391 limited access area;
2392
 - 2393 2) Prevent individuals from remaining on the premises if they are not
2394 engaging in activity permitted by the Act or this Part;
2395
 - 2396 3) Develop a policy that addresses the maximum capacity and patient flow in
2397 the waiting rooms and patient care areas;
2398
 - 2399 4) Dispose of cannabis in accordance with this Part;
2400
 - 2401 5) During hours of operation, store and dispense all cannabis from the
2402 restricted access area. During operational hours, cannabis shall be stored
2403 in an enclosed locked room or cabinet and shall be accessible only to
2404 specifically authorized agents;
2405
 - 2406 6) When the dispensary is closed, store all cannabis and currency in a
2407 reinforced vault room in the restricted access area and in a manner as to
2408 prevent diversion, theft or loss;
2409
 - 2410 7) Keep the reinforced vault room and any other equipment or cannabis
2411 storage areas securely locked and protected from unauthorized entry;
2412
 - 2413 8) Keep an electronic daily log of dispensary agents with access to the
2414 reinforced vault room and knowledge of the access code or combination;
2415
 - 2416 9) Keep all locks and security equipment in good working order;
2417
 - 2418 10) The security and alarm system shall be operational at all times.
2419
 - 2420 11) Prohibit keys, if applicable, from being left in the locks, or stored or
2421 placed in a location accessible to persons other than specifically
2422 authorized personnel;
2423
 - 2424 12) Prohibit accessibility of security measures, including combination

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- 2425 numbers, passwords or electronic or biometric security systems to persons
2426 other than specifically authorized agents;
2427
- 2428 13) Ensure the dispensary interior and exterior premises are sufficiently lit to
2429 facilitate surveillance;
2430
- 2431 14) Ensure that trees, bushes and other foliage outside of the dispensary
2432 premises do not allow for a person or persons to conceal themselves from
2433 sight;
2434
- 2435 15) Develop emergency policies and procedures for securing all product and
2436 currency following any instance of diversion, theft or loss of cannabis, and
2437 conduct an assessment to determine whether additional safeguards are
2438 necessary; and
2439
- 2440 16) Develop sufficient additional safeguards in response to any special
2441 security concerns, or as required by the Division.
2442
- 2443 d) The Division may request or approve alternative security provisions that it
2444 determines are an adequate substitute for a security requirement specified in this
2445 Part. Any additional protections may be considered by the Division in evaluating
2446 overall security measures.
2447
- 2448 e) A dispensing organization shall provide additional security as needed and in a
2449 manner appropriate for the community where it operates.
2450
- 2451 f) Restricted Access Areas
2452
- 2453 1) All restricted access areas must be identified by the posting of a sign that
2454 shall be a minimum of 12" x 12" and that states "Do Not Enter –
2455 Restricted Access Area – Authorized Personnel Only" in lettering no
2456 smaller than one inch in height.
2457
- 2458 2) All restricted access areas shall be clearly described in the floor plan of the
2459 registered premises, in the form and manner determined by the Division,
2460 reflecting walls, partitions, counters and all areas of entry and exit. The
2461 floor plan shall show all storage, disposal and retail sales areas.
2462
- 2463 3) All restricted access areas must be secure, with locking devices that
2464 prevent access from the limited access areas.

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- g) 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:
 - A) A perimeter alarm on all entry points to the premises and glass break protection on perimeter windows;
 - B) Security shatterproof tinted film on exterior of perimeter windows;
 - C) 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 five minutes after the failure, either by telephone or text message;
 - D) 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 (PSAP) for the law enforcement agency having primary jurisdiction;
 - E) 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 resides shall be limited to persons that are essential to surveillance operations, law

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- 2505 enforcement authorities acting within their jurisdiction, security system
2506 service personnel and the Division. A current list of authorized dispensary
2507 agents and service personnel that have access to the surveillance
2508 equipment must be available to the Division upon request.
2509
- 2510 4) All security equipment shall be inspected and tested at regular intervals,
2511 not to exceed one month from the previous inspection and test to ensure
2512 the systems remain functional.
2513
- 2514 5) The security system shall provide protection against theft and diversion
2515 that is facilitated or hidden by tampering with computers or electronic
2516 records.
2517
- 2518 6) The dispensary shall ensure all access doors are not solely controlled by an
2519 electronic access panel to ensure that locks are not released during a power
2520 outage.
2521
- 2522 h) To monitor the dispensary, the dispensing organization shall incorporate
2523 continuous electronic video monitoring, including the following:
2524
- 2525 1) Monitors of 19-inches or greater;
2526
- 2527 2) Unobstructed video surveillance of all enclosed dispensary areas, unless
2528 prohibited by law, including all points of entry and exit that shall be
2529 appropriate for the normal lighting conditions of the area under
2530 surveillance. The cameras shall be directed so all areas are captured,
2531 including, but not limited to, safes, vaults, sales areas and areas where
2532 cannabis is stored, handled, dispensed or destroyed. Cameras shall be:
2533
- 2534 A) angled to allow for facial recognition, the capture of clear and
2535 certain identification of any person entering or exiting the
2536 dispensary area; and
2537
- 2538 B) in lighting sufficient during all times of night or day;
2539
- 2540 3) Unobstructed video surveillance of outside areas, the storefront and the
2541 parking lot, that shall be appropriate for the normal lighting conditions of
2542 the area under surveillance. Cameras shall be angled so as to allow for the
2543 capture of facial recognition, clear and certain identification of any person
2544 entering or exiting the dispensary, the immediate surrounding area, and

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- 2545 license plates of vehicles in the parking lot;
- 2546
- 2547 4) Twenty-four-hour recordings from all video cameras available for
- 2548 immediate viewing by the Division upon request. Recordings shall not be
- 2549 destroyed or altered and shall be retained for at least 90 days. Recordings
- 2550 shall be retained as long as necessary if the dispensing organization is
- 2551 aware of the loss or theft of cannabis; a pending criminal, civil or
- 2552 administrative investigation; or a legal proceeding for which the recording
- 2553 may contain relevant information;
- 2554
- 2555 5) The ability to immediately produce a clear, color still photo from the
- 2556 surveillance video, either live or recorded;
- 2557
- 2558 6) A date and time stamp embedded on all video surveillance recordings. The
- 2559 date and time shall be synchronized and set correctly and shall not
- 2560 significantly obscure the picture;
- 2561
- 2562 7) The ability to remain operational during a power outage and ensure all
- 2563 access doors are not solely controlled by an electronic access panel to
- 2564 ensure that locks are not released during a power outage;
- 2565
- 2566 8) Exporting of still images in an industry standard image format, including
- 2567 JPG, BMP and GIF. Exported video shall have the ability to be archived in
- 2568 a proprietary format that ensures authentication of the video and
- 2569 guarantees that no alteration of the recorded image has taken place.
- 2570 Exported video shall also have the ability to be saved in an industry
- 2571 standard file format that can be played on a standard computer operating
- 2572 system. All recordings shall be erased or destroyed prior to disposal;
- 2573
- 2574 9) A video surveillance system that is operational during a power outage with
- 2575 a four-hour minimum battery backup;
- 2576
- 2577 10) A video printer capable of immediately producing a clear still photo from
- 2578 any video camera image;
- 2579
- 2580 11) A video camera or cameras recording at each point of sale terminal
- 2581 allowing for the identification of the dispensary agent distributing the
- 2582 cannabis and any qualifying patient or designated caregiver purchasing
- 2583 medical cannabis. The camera or cameras shall capture the sale, the
- 2584 individuals and the computer monitors used for the sale;

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- 12) Storage of video recordings from the video cameras for at least 90 calendar days; and
- 13) A failure notification system that provides an audible and visual notification of any failure in the electronic video monitoring system.

i) All electronic video surveillance monitoring must record at least the equivalent of eight frames per second and be available to the Division and ISP 24 hours a day in real-time via a secure web-based portal with reverse functionality.

j) The dispensing organization shall maintain policies and procedures that include:

- 1) Security plan with protocols for patient, provisional patient, OAPP participant, caregiver and agent safety, and management and security of cannabis and currency, as outlined in the Act and this Part;
- 2) Restricted access to the areas in the dispensary that contain cannabis to authorized agents;
- 3) Identification of authorized agents;
- 4) Controlled access and prevention of loitering both inside and outside the dispensary;
- 5) Conducting electronic monitoring; and
- 6) Use of a panic button.

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.415 Recordkeeping

- a) Dispensing organization records must be maintained electronically and be available for inspection by the Division upon request. The dispensing organization shall develop recordkeeping policies and procedures consistent with this Part.
- b) Required written records include, but are not limited to, the following:

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- 2625 1) Operating procedures;
2626
2627 2) Inventory records, policies and procedures;
2628
2629 3) Security Records;
2630
2631 4) Audit records;
2632
2633 5) Staffing plan; and
2634
2635 6) Business records that shall include manual or computerized records of:
2636
2637 A) Assets and liabilities;
2638
2639 B) Monetary transactions;
2640
2641 C) Written or electronic accounts that shall include bank statements,
2642 journals, ledgers and supporting documents, agreements, checks,
2643 invoices, receipts and vouchers; and
2644
2645 D) Any other financial accounts reasonably related to the dispensary
2646 operations.
2647
2648 7) Storage and transfer of records. If a dispensary closes due to insolvency,
2649 revocation, bankruptcy or for any other reason, all records must be
2650 preserved at the expense of the dispensing organization for at least three
2651 years in a form and location in Illinois acceptable to the Division. The
2652 dispensing organization shall keep the records longer if requested by the
2653 Division. The dispensing organization shall notify the Division of the
2654 location where the dispensary records are stored or transferred.
2655
2656 8) All other records, policies and procedures required by the Act and this
2657 Part.
2658

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.420 Cleaning and Sanitation

- 2661
2662
2663 a) A dispensing organization shall ensure that any building or equipment used by a
2664 dispensing organization for the storage or sale of medical cannabis is maintained

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2665 in a clean and sanitary condition.

2666

2667 b) The dispensary shall be free from infestation by insects, rodents or pests.

2668

2669 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

2670

2671 **Section 1290.425 Administration**

2672

2673 a) A dispensing organization shall operate continuously and maintain an
2674 uninterrupted supply of medical cannabis for qualifying patients, provisional
2675 patients, OAPP participants and designated caregivers.

2676

2677 b) A dispensary shall be open for a minimum of 35 hours a week, except as
2678 otherwise authorized by the Division.

2679

2680 c) A dispensing organization shall establish, maintain and comply with written
2681 policies and procedures as submitted in an Operations and Management Practices
2682 Plan, approved by the Division, for the security, storage, inventory and
2683 distribution of cannabis. These policies and procedures shall include methods for
2684 identifying, recording and reporting diversion, theft or loss, and for correcting
2685 errors and inaccuracies in inventories. At a minimum, dispensing organizations
2686 shall ensure the written policies and procedures provide for the following:

2687

2688 1) Conduct mandatory and voluntary recalls of cannabis products. The
2689 procedure shall be adequate to deal with recalls due to any action initiated
2690 at the request of the Division and any voluntary action by the dispensing
2691 organization to remove defective or potentially defective cannabis from
2692 the market or any action undertaken to promote public health and safety;

2693

2694 2) Prepare for, protect against, and handle any crises that affects the security
2695 or operation of a dispensary in the event of strike, fire, flood or other
2696 natural disaster, or other situations of local, State or national emergency;

2697

2698 3) Ensure that outdated, damaged, deteriorated, misbranded or adulterated
2699 cannabis is segregated from other cannabis and destroyed. This procedure
2700 shall provide for written documentation of the cannabis disposition;

2701

2702 4) Ensure the oldest stock of a cannabis product is distributed first. The
2703 procedure may permit deviation from this requirement, if such deviation is
2704 temporary and appropriate;

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- 5) Training of Agents
 - A) Train agents:
 - i) in the provisions of the Act and the Division's administrative rules;
 - ii) to effectively operate the point of sale system, the State verification system, Illinois Cannabis Tracking System, and proper inventory handling and tracking;
 - iii) to adhere to patient, provisional patient, OAPP participant and caregiver confidentiality requirements;
 - iv) in specific uses of cannabis or cannabis-infused products;
 - v) in regulatory inspection preparedness and law-enforcement interaction;
 - vi) in awareness of the legal requirements for maintaining status as an agent; and
 - vii) in other topics specified by the dispensing organization or the Division.
 - B) The dispensing organization shall maintain evidence of all training provided for every agent in its files and subject to inspection and audit by the Division. The dispensing organization shall ensure agents receive a minimum of eight hours of training annually, unless otherwise approved by the Division;
 - 6) Develop and maintain business records consistent with industry standards, including by-laws, consents, manual or computerized records of assets and liabilities, audits, monetary transactions, journals, ledgers and supporting documents, including agreements, checks, invoices, receipts and vouchers. These records shall be retained for five years;
 - 7) Inventory control, including:

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- A) Tracking qualifying patient and provisional patient records, including purchases, denials of sale and confidentiality;
 - B) Tracking OAPP participant records, including purchases, denials of sale, verification of written certification, selected dispensary, and confidentiality; and
 - C) Disposal of unusable or damaged cannabis as required by the Act and this Part; and
- 8) Patient and participant education and support, including:
- A) Updated information about the purported effectiveness of various forms and methods of medical cannabis administration;
 - B) Updated information about the purported effectiveness of strains of medical cannabis on specific conditions;
 - C) Current educational information issued by DPH about the health risks associated with the use or abuse of cannabis;
 - D) Whether possession of cannabis is illegal under federal law;
 - E) Information about possible side effects;
 - F) Prohibition on smoking medical cannabis in public places; and
 - G) Offer any other appropriate patient education or support materials.
- d) A dispensing organization shall maintain copies of the policies and procedures on the dispensary premises and provide copies to the Division upon request.
- e) A dispensing organization shall review dispensing organization policies and procedures at least once every 12 months from the issue date of the registration and update as needed or as requested by the Division.
- f) A dispensing organization shall ensure that each principal officer and each dispensary agent has a current agent identification card in the agent's immediate possession when the agent is at the dispensary.

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- 2785 g) A dispensing organization shall ensure that any identifying information about a
2786 qualifying patient, provisional patient, OAPP participant or caregiver is kept in
2787 compliance with the privacy and security rules of HIPAA (45 CFR 164).
2788
- 2789 h) A dispensing organization shall provide prompt written notice to the Division,
2790 including the date of the event, when a dispensing organization agent no longer is
2791 employed by the dispensing organization;
2792
- 2793 i) A dispensing organization shall promptly document and report any loss or theft of
2794 medical cannabis from the dispensary to ISP and the Division. It is the duty of
2795 any agent who becomes aware of the loss or theft to report it as provided in this
2796 Part. If the dispensing organization knows that a principal officer or dispensary
2797 agent has been arrested for or convicted of an excluded offense, the dispensing
2798 organization shall promptly notify the Division.
2799
- 2800 j) A dispensing organization shall post the following information in a conspicuous
2801 location in an area of the dispensary accessible to consumers:
2802
- 2803 1) The dispensing organization's registration; and
2804
- 2805 2) The hours of operation.
2806
- 2807 k) A dispensing organization shall not:
2808
- 2809 1) Allow a physician to conduct a physical examination of a patient for
2810 purposes of diagnosing a debilitating medical condition or a medical
2811 condition for which opioids have been or could be prescribed at the
2812 dispensary;
2813
- 2814 2) Allow a physician to hold a direct or indirect economic interest in the
2815 dispensary if the physician recommends the use of medical cannabis to
2816 patients or OAPP participants or is in a partnership or other fee or profit-
2817 sharing relationship with a physician who recommends medical cannabis;
2818
- 2819 3) Accept referral of patients or OAPP participants from a physician; or
2820
- 2821 4) Allow a physician to advertise at the dispensary.
2822
- 2823 l) A physician may work as an independent contractor with a dispensing
2824 organization, provided that the physician's involvement is limited exclusively to

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2825 designing, implementing or conducting non-proprietary medical research or
2826 studies.

2827
2828 m) Violation of any requirement under this Section may subject the dispensing
2829 organization to discipline, up to and including revocation of its registration.

2830
2831 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

2832
2833 **Section 1290.430 Dispensing Medical Cannabis to Patients and Provisional Patients**

2834
2835 a) *A person provided a written certification for a debilitating medical condition who*
2836 *has submitted a valid completed online application to the Department and his or*
2837 *her designated caregiver shall receive a provisional registration and shall be*
2838 *entitled to purchase medical cannabis from a specified licensed dispensing*
2839 *organization for a period of 90 days or until his or her application has been*
2840 *denied or he or she receives a registry identification card, whichever is earlier.*
2841 (Section 55(b) of the Act)

2842
2843 b) Before a dispensing organization allows a qualifying patient or designated
2844 caregiver into the limited access area, it must verify the person's identity by
2845 comparing the DPH issued patient identification card or designated caregiver card
2846 with an Illinois driver's license or State identification card or federally issued
2847 identification.

2848
2849 c) Before a dispensing organization allows a provisional patient into the limited
2850 access area, it must verify the person's identity by comparing the provisional
2851 patient's provisional registration along with State or federally issued
2852 identification.

2853
2854 d) Before a dispensing organization agent dispenses medical cannabis to a qualifying
2855 patient, provisional patient or a designated caregiver, the agent shall:

2856
2857
2858 1) Verify the validity of the qualifying patient or designated caregiver's DPH
2859 patient registry identification card or verify the validity of the provisional
2860 patient's provisional registration;

2861
2862 2) Confirm the qualifying patient, provisional patient or designated
2863 caregiver's registry identification number in the State verification system;

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- 3) Verify that the qualifying patient or designated caregiver has a current authorization by DPH to purchase medical cannabis;
 - 4) Verify that the provisional patient's provisional registration has not expired and is authorized by DPH to purchase medical cannabis;
 - 5) Verify that the amount of medical cannabis the qualifying patient, provisional patient or designated caregiver is requesting would not cause the qualifying patient or provisional patient to exceed the limit on obtaining no more than two and one-half ounces of medical cannabis during any 14-calendar-day period, unless approved by DPH; and
 - 6) Enter the following information into the State verification system for the qualifying patient, provisional patient or designated caregiver:
 - A) The dispensing organization agent's registry identification number;
 - B) The dispensing organization's identification number;
 - C) The amount, type and strain of medical cannabis dispensed;
 - D) Identity of the individual to whom the medical cannabis was dispensed, whether the qualifying patient, provisional patient or qualifying patient's designated caregiver; and
 - E) The date and time the medical cannabis was dispensed.
 - e) A dispensary may not dispense more than the DPH approved amount of usable cannabis to a qualifying patient, provisional patient or designated caregiver during a period of 14 days.
 - f) In the event a dispensing organization dispenses in excess of a patient's usable amount, it shall notify the Division in writing within 48 hours. The notification shall include the date and time of the transaction that caused the overage, the name of the agent in charge on duty, the amount of the overage, the patient or provisional patient's registry identification number and a detailed narrative of the circumstances surrounding the overage. The notification report shall outline the methods the dispensary will use to self-correct and prevent this type of over-dispensing from reoccurring.

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- 2905 g) A dispensing organization shall notify DPH if it determines a person is attempting
2906 to submit or did submit a fraudulent written certification in the patient application.
2907
2908 h) A dispensary that sells edible cannabis-infused products must do so in compliance
2909 with the Act, DPH's administrative rules and this Part.
2910

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.431 Dispensing Medical Cannabis to OAPP Participants

- 2914
2915 a) Before a dispensing organization allows an OAPP participant into the limited
2916 access area, it must verify the person's identity by comparing the OAPP
2917 participant's name and date of birth in the Illinois Cannabis Tracking System with
2918 a State or federally issued identification.
2919
2920 b) Before a dispensing organization agent dispenses medical cannabis to an OAPP
2921 participant, the agent shall:
2922
2923 1) Confirm the OAPP participant is in the Illinois Cannabis Tracking System
2924 and is authorized by DPH to purchase medical cannabis;
2925
2926 2) Verify the OAPP participant's identity by confirming the following:
2927
2928 A) Name, phone number, and participant's identity using a State or
2929 federal identification card;
2930
2931 B) Date of birth and that the participant is not under 21 years of age;
2932
2933 C) Original written certification was submitted in the application and
2934 includes the name of the issuing physician;
2935
2936 D) The written certification was issued within 90 days prior to
2937 registering in the Opioid Participant Pilot Program; and
2938
2939 E) The start and expiration date the OAPP participant can purchase
2940 medical cannabis;
2941
2942 3) Confirm the OAPP participant is not a registered qualifying patient or
2943 provisional patient;
2944

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- 2945 4) Verify that the amount of medical cannabis the OAPP participant is
2946 requesting would not cause the OAPP participant to exceed the limit of
2947 obtaining more than two and one-half ounces of medical cannabis during
2948 any 14-calendar day period; and
2949
- 2950 5) Enter the following information into the Illinois Cannabis Tracking
2951 System for the OAPP participant:
- 2952 A) The dispensing organization agent's identification number;
2953 B) The dispensing organization's registry identification number;
2954 C) The amount, type, strain, weight and usable weight of medical
2955 cannabis dispensed;
2956 D) Identity of the individual to whom medical cannabis was
2957 dispensed; and
2958 E) The date and time the medical cannabis was dispensed.
2959
- 2960 c) In the event a dispensing organization dispenses in excess of an OAPP
2961 participant's usable amount, it shall notify the Division in writing within 48 hours.
2962 The notification shall include the date and time of the transaction that caused the
2963 overage, the name of the agent-in-charge on duty, the amount of the overage, the
2964 OAPP participant's registry identification number, and a detailed narrative of the
2965 circumstances surrounding the overage. The notification report shall outline the
2966 methods the dispensary will use to self-correct and prevent this type of over-
2967 dispensing from reoccurring.
2968
- 2969 d) A dispensing organization shall notify DPH if it determines a person is attempting
2970 to submit or did submit a fraudulent written certification in an OAPP application.
2971

2972 (Source: Added at 43 Ill. Reg. 6593, effective May 20, 2019)

2973

2974 **Section 1290.435 Signage**

2975

2976 *Any dispensing organization that sells edible cannabis-infused products must display a placard*
2977 *that states the following: "Edible cannabis-infused products were produced in a kitchen not*
2978 *subject to public health inspections that may also process common food allergens." The placard*
2979 *shall be no smaller than 24 inches tall by 36 inches wide, with typed letters no smaller than 2*
2980

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2985 *inches. The placard shall be clearly visible and readable by customers and shall be written in*
2986 *English. (Section 80(a) of the Act) The signage shall be placed in the area where edible*
2987 *cannabis-infused products are sold, and may be translated into additional languages as needed.*
2988

2989 **Section 1290.440 Recall of Medical Cannabis**
2990

2991 a) A dispensing organization must establish a policy for communicating a recall for
2992 cannabis or a cannabis-derived product that has been shown to present a
2993 reasonable or a remote probability that use of or exposure to the product will
2994 cause serious adverse health consequences. This policy should include:
2995

2996 1) A mechanism to contact all patients, provisional patients, OAPP
2997 participants, and designated caregivers who have, or likely have, obtained
2998 the product from the dispensary. The communication must include
2999 information on the policy for return of the recalled product;
3000

3001 2) A mechanism to contact the cultivation center or vendor that manufactured
3002 the cannabis;
3003

3004 3) Communication with the Division, DOA and DPH within 24 hours; and
3005

3006 4) Outreach via media, as necessary and appropriate.
3007

3008 b) Any recalled cannabis product must be disposed of by the dispensing
3009 organization.
3010

3011 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)
3012

3013 **Section 1290.445 Report of Loss or Theft of Cannabis**
3014

3015 a) A dispensing organization shall promptly document and report any loss or theft of
3016 cannabis, criminal activity or suspected criminal activity to ISP and the Division.
3017

3018 b) The dispensing organization shall promptly make the report to the Division by
3019 phone, and in writing by email, within 24 hours after having reasonable cause to
3020 believe that cannabis has been lost or stolen from the dispensary or of the
3021 discovery of the loss or theft.
3022

3023 c) The report to the Division shall include the name and address of the dispensary,
3024 the amount and type of cannabis lost or stolen, the circumstances surrounding the

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3025 loss or theft, the date and time of the loss or theft, the date the loss or theft was
3026 discovered, the person who discovered the loss or theft and the person responsible
3027 for the loss or theft if known and any other information that the reporter believes
3028 might be helpful in establishing the cause of the loss or theft.

3029
3030 d) Persons required to make reports or cause reports to be made under this Section
3031 include dispensing organization agents and employees of the State of Illinois who
3032 are involved in investigating or regulating dispensaries if the report has not been
3033 made by the dispensary organization.

3034
3035 e) In addition to the persons required to report loss or theft of cannabis, any other
3036 person may make a report to the Division, or to any law enforcement officer, if
3037 the person has reasonable cause to suspect loss or theft of cannabis.

3038
3039 f) A person required to make reports or cause reports to be made under this Section
3040 who fails to comply with the requirements of this Section is guilty of, at a
3041 minimum, a Class A misdemeanor.

3042
3043 g) The Division shall initiate an administrative investigation of each report of loss or
3044 theft under the Act and this Part.

3045
3046 h) If, during the investigation of a report made pursuant to this Section, the Division
3047 obtains information indicating possible criminal acts, the Division shall refer the
3048 matter to the appropriate law enforcement agency for further investigation or
3049 prosecution.

3050
3051 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

3052
3053 **Section 1290.450 Destruction and Disposal**

3054
3055 a) Cannabis and cannabis-infused products must be destroyed by rendering it
3056 unusable following the methods set forth in this Section.

3057
3058 b) Any product to be destroyed shall be destroyed on the same day and time weekly
3059 unless otherwise approved by the Division on a case-by-case basis. A dispensing
3060 organization shall notify the Division and ISP of this day and time at the initial
3061 registration inspection. Any change in the day and time must be communicated to
3062 the Division and ISP at least three days before implementation.

3063

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- 3064 c) The allowable method to render cannabis waste unusable is by grinding and
3065 incorporating the cannabis waste with other ground materials so the resulting
3066 mixture is at least 50% non-cannabis waste by volume. Other methods to render
3067 cannabis waste unusable must be approved by the Division before
3068 implementation. Material used to grind with the cannabis falls into two
3069 categories, compostable waste and non-compostable waste.
3070
- 3071 1) Compostable Mixed Waste: Cannabis waste to be disposed as compost
3072 feedstock or in another organic waste method (for example, anaerobic
3073 digester) may be mixed with the following types of waste materials:
3074
- 3075 A) Food waste;
3076
3077 B) Yard waste; or
3078
3079 C) Other wastes as approved by the Division (e.g., agricultural
3080 material, biodegradable products and paper, clean wood, fruits and
3081 vegetables, plant matter).
3082
- 3083 2) Non-compostable Mixed Waste: Cannabis waste to be disposed in a
3084 landfill or by another disposal method may be mixed with the following
3085 types of waste materials:
3086
- 3087 A) Paper waste;
3088
3089 B) Cardboard waste;
3090
3091 C) Plastic waste;
3092
3093 D) Soil; or
3094
3095 E) Other wastes as approved by the Division (e.g., non-recyclable
3096 plastic, broken glass, leather).
3097
- 3098 d) Cannabis waste rendered unusable following the methods described in this
3099 Section can be disposed. Disposal of the cannabis waste rendered unusable may
3100 be delivered to a permitted solid waste facility for final disposition. Examples of
3101 acceptable permitted solid waste facilities include:
3102

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- 3103 1) Compostable Mixed Waste: Compost, anaerobic digester or other facility
3104 with approval of the jurisdictional health department.
3105
3106 2) Non-compostable Mixed Waste: Landfill, incinerator or other facility with
3107 approval of the jurisdictional health department.
3108
3109 e) All waste and unusable product shall be weighed, recorded and entered into the
3110 State verification system prior to rendering it unusable. This event shall be
3111 performed by an agent-in-charge, or under the supervision of the agent-in-charge,
3112 and conducted under video surveillance.
3113
3114 f) Electronic documentation of destruction and disposal shall be maintained for a
3115 period of at least five years.
3116

3117 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)
3118

3119 **Section 1290.455 Dispensary Advertisements**
3120

- 3121 a) No registered dispensing organization shall place or maintain, or cause to be
3122 placed or maintained, an advertisement of cannabis or a cannabis-infused product
3123 in any form or through any medium:
3124
3125 1) Within 1,000 feet of the perimeter of a school grounds, playground,
3126 recreation center or facility, child care center, public park or library, or
3127 any game arcade admission to which is not restricted to persons age 21
3128 years or older;
3129
3130 2) On or in a public transit vehicle or public transit shelter; or
3131
3132 3) On or in a publicly-owned or-operated property.
3133
3134 b) This Section does not apply to a noncommercial message.
3135

3136 **Section 1290.460 Closure of a Dispensary**
3137

3138 If a dispensing organization decides not to renew its registration or decides to close its business,
3139 it shall promptly notify the Division, not less than three months prior to the effective date of the
3140 closing date or as otherwise authorized by the Division.
3141

3142 **Section 1290.465 Zoning Rules Related to Dispensary**

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3143
3144 No local municipality or jurisdiction shall impose zoning ordinances, special use permits,
3145 conditions or requirements that conflict with the Act or this Part, that concern or address issues
3146 or subject matters that are within the regulatory jurisdiction of the Division, or that would
3147 otherwise place unreasonable restrictions on the location of dispensaries contrary to the mandate
3148 of the Act that dispensing *organizations shall be geographically dispersed throughout the State*
3149 *to allow all registered qualified patients reasonable proximity and access to a dispensing*
3150 *organization.* (Section 115(a) of the Act.)

3151

3152

SUBPART H: DISCIPLINE

3153

Section 1290.500 Investigations

3154

3155

3156

- a) Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the Division and ISP.

3157

3158

3159

- b) The Division 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 product, any labels or containers for cannabis, or paraphernalia.

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- c) The Division may conduct an investigation of an applicant, application, dispensing organization, principal officer, dispensary agent, service professional or any other party associated with a dispensing organization for an alleged violation of the Act or this Part or to determine qualifications to be granted a registration by the Division.

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- d) The Division may require an applicant or dispensing organization to produce documents, records or any other material pertinent to the investigation of an application or alleged violations of the Act or this Part. Failure to provide the required material may be grounds for denial or discipline.

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- e) Every person charged with preparation, obtaining or keeping records, logs, reports or other documents in connection with the Act and this Part, and every person in charge, or having custody, of those documents shall, upon request by the Division, make the documents immediately available for inspection and copying

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3183 by the Division, the Division's authorized representative or others authorized by
3184 law to review the documents.

3185
3186 f) All information collected by the Division in the course of an examination,
3187 inspection or investigation of a registrant or applicant, including, but not limited
3188 to, any complaint against a registrant filed with the Division and information
3189 collected to investigate a complaint, shall be maintained for the confidential use
3190 of the Division and shall not be disclosed, except as otherwise provided in the
3191 Act.

3192
3193 (Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

3194
3195 **Section 1290.510 Grounds for Discipline**

3196
3197 a) The Division, after notice to the applicant or registrant, may refuse to issue or
3198 renew, place on probation, temporarily suspend, suspend, or revoke a dispensing
3199 organization registration or agent identification card in any case in which the
3200 Division finds any of the following:

3201
3202 1) Material misstatement in furnishing information to the Division;

3203
3204 2) Violations of the Act or this Part;

3205
3206 3) Obtaining an authorization or registration by fraud or misrepresentation;

3207
3208 4) A pattern of conduct that demonstrates incompetence or unfitness to work
3209 in or operate a dispensary;

3210
3211 5) Aiding or assisting another person in violating any provision of the Act or
3212 this Part;

3213
3214 6) Failing to respond to a written request for information by the Division
3215 within 30 days;

3216
3217 7) Engaging in unprofessional, dishonorable or unethical conduct of a
3218 character likely to deceive, defraud or harm the public;

3219
3220 8) Discipline by another U.S. jurisdiction or foreign nation;

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- 9) A finding by the Division that the registrant, after having his or her registration 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 an excluded offense, a felony, or of two or more misdemeanors involving moral turpitude during the previous five years as shown by a certified copy of a court record;
 - 11) Excessive use or addiction to alcohol, narcotics, stimulants or any other chemical agent or drug;
 - 12) A finding by the Division of a discrepancy in a Division audit of medical cannabis;
 - 13) A finding by the Division of a substantial discrepancy in a Division audit of capital or funds;
 - 14) A finding by the Division of acceptance of medical cannabis from a source other than a cultivation center registered by DOA;
 - 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 Division within the timeframes established, or if not identified, 14 days, of any adverse final 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) Failing to comply with a subpoena issued by the Division;
 - 18) Failure to promptly inform the Division of any change of address;
 - 19) Disclosing customer names, personal information or protected health information in violation of any State or federal law;

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- 20) Operating a dispensary before obtaining a registration from the Division;
 - 21) Dispensing cannabis to any person other than a qualifying patient, provisional patient, designated caregiver, or OAPP participant with a valid registry identification card, provisional registration, or confirmation in the Illinois Cannabis Tracking System;
 - 22) A principal officer or agent-in-charge failing to report to the Division when he or she knows or should have known that an agent was using medical cannabis when the agent does not have a qualifying patient registry identification card, or provisional registration, or is not an OAPP participant;
 - 23) Dispensing cannabis when prohibited by the Act or this Part;
 - 24) Any fact or condition which, if it had existed at the time of the original application for the registration, would have warranted the denial of the registration;
 - 25) Permitting a person without a valid agent identification card to be employed by the dispensing organization;
 - 26) Failure to assign an agent-in-charge as required by this Part;
 - 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;
 - 29) Failing to prevent diversion, theft or loss of medical cannabis; or
 - 30) For any unethical, dishonorable or unprofessional conduct.
- b) If the Division determines that the dispensing organization committed a violation, the Division may take any disciplinary or non-disciplinary action as the Division may deem proper, including fines not to exceed \$10,000 for each violation.
- c) If the Division determines that a person or entity is a principal officer or holds a financial interest in more than five dispensary registrations in violation of this Part, the Division will suspend the registrations of all dispensaries held by that

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- 3302 person until the person is divested from all dispensing organizations that exceed
3303 the limit provided for in this Part. If the person or persons does not divest from
3304 all dispensing organizations that exceed the limit provided for in this Part within
3305 30 days, the Division will revoke the registration for the dispensaries, based on
3306 date acquired, that exceed the limit.
- 3307
- 3308 d) A notice of violation issued by the Division shall include a clear and concise
3309 statement of each violation, the statute or rule violated, the discipline sought and a
3310 notice of opportunity for hearing.
- 3311
- 3312 e) If a dispensing organization contests the violation, it shall provide written notice
3313 to the Division requesting a hearing within 10 days after service of the notice of
3314 violation.
- 3315
- 3316 f) Upon receipt of the request for hearing, the Division shall confirm receipt of the
3317 notice and hold an administrative hearing as provided in the Act and this Part.
- 3318
- 3319 g) If a dispensing organization does not contest a revocation notice, it may surrender
3320 its registration by written notice to the Division and return its registration.
- 3321
- 3322 h) The effective date of nonrenewal or revocation of a registration by the Division
3323 shall be any of the following:
- 3324
- 3325 1) Until otherwise ordered by the circuit court, revocation is effective on the
3326 date set by the Division in the revocation notice, or upon final action after
3327 hearing under the Act and this Part, whichever is later;
- 3328
- 3329 2) Until otherwise ordered by the circuit court, nonrenewal is effective on the
3330 date of expiration of the existing registration, or upon final action after
3331 hearing under the Act and this Part, whichever is later; however, a
3332 registration shall not be deemed to have expired if the Division fails to
3333 respond to a timely request for renewal under this Act or for a hearing to
3334 contest nonrenewal under this Part.
- 3335
- 3336 i) All fines imposed under this Section shall be paid within 60 days after the
3337 effective date of the order imposing the fine or as otherwise specified in the order.
- 3338
- 3339 j) A circuit court order establishing that an agent-in-charge or principal officer
3340 holding a registration is a person in need of mental health treatment may operate
3341 as a suspension of the registration.

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- k) In a contested case, administrative hearings conducted under the jurisdiction of the Department will be subject to 68 Ill. Adm. Code 1110 (DFPR hearing rules).

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)

Section 1290.520 Temporary Suspension

- a) The Director may temporarily suspend a registration or an agent registration without a hearing if the Director finds that public safety or welfare requires emergency action. The Director shall cause the temporary suspension by issuing a suspension notice in connection with the institution of proceedings for a hearing.
- b) If the Director temporarily suspends a registration or an agent registration without a hearing, the registrant is entitled to a hearing within 45 days after the suspension notice has been issued. The hearing shall be limited to the issues cited in the suspension notice, unless all parties agree.
- c) If the Division does not hold a hearing within 45 days after the date the suspension notice was issued, then the suspended registration shall be automatically reinstated and the suspension vacated.
- d) The suspended registrant may seek a continuance of the hearing date, during which time the suspension remains in effect and the registration shall not be automatically reinstated.
- e) Subsequently discovered causes of action by the Division after the issuance of the suspension notice, may be filed as a separate notice of violation. The Division is not precluded from filing a separate cause of action against the suspended registrant.

Section 1290.530 Consent to Administrative Supervision Order

In appropriate cases, the Division may resolve a complaint against a registrant through the issuance of a consent order for administrative supervision. A registrant subject to a consent order shall be considered by the Division to hold a registration in good standing.

Section 1290.540 Subpoenas; Oaths; Attendance of Witnesses (Repealed)

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3382 (Source: Repealed at 43 Ill. Reg. 6593, effective May 20, 2019)

3383

3384 **Section 1290.550 Request for Hearing (Repealed)**

3385

3386 (Source: Repealed at 43 Ill. Reg. 6593, effective May 20, 2019)

3387

3388 **Section 1290.560 Findings and Recommendations**

3389

3390 a) At the conclusion of a hearing, the hearing officer shall present the Director with
3391 a written report of the findings of fact, conclusions of law and recommendations.

3392 The report shall state whether the hearing officer finds the respondent liable or not
3393 liable. If the hearing officer finds the respondent liable, the hearing officer shall
3394 specify the violations. The hearing officer shall promptly serve a copy of the
3395 written report on the respondent.

3396

3397 b) The report of findings of fact, conclusions of law and recommendation of the
3398 hearing officer shall be a basis for the Director's order refusing to issue, restore or
3399 renew a registration, or otherwise discipline a registrant. If the Director disagrees
3400 with the recommendations of the hearing officer, the Director may issue an order
3401 in contravention of the hearing officer's recommendations. The finding is not
3402 admissible as evidence against the person in a criminal prosecution brought for a
3403 violation of this Act, but the hearing and finding is not a bar to a criminal
3404 prosecution brought for a violation of this Act.

3405

3406 **Section 1290.570 Restoration of Registration from Discipline**

3407

3408 At any time after the successful completion of a term of indefinite probation, suspension or
3409 revocation of a registration, the Division may restore the registration to active status, unless, after
3410 an investigation, the Director determines that restoration is not in the public interest. No person
3411 or entity whose registration has been revoked may apply for restoration, unless provided for in
3412 the Civil Administrative Code of Illinois.

3413

3414 **Section 1290.575 Appointment of a Hearing Officer**

3415

3416 The Director has the authority to appoint any attorney licensed to practice law in the State of
3417 Illinois to serve as the hearing officer in any action for refusal to issue, restore or renew a
3418 registration or to discipline a registrant. The hearing officer has full authority to conduct the
3419 hearing.

3420

3421 **Section 1290.580 Transcript; Record of Proceedings**

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3422
3423 The Division shall preserve a record of proceedings at the hearing of any case. The notice of
3424 hearing, notice of violation and all other documents in the nature of pleadings and written
3425 motions filed in the proceedings, the transcript of testimony, the report of the hearing officer, and
3426 the orders of the Division shall be the record of the proceedings.

3427
3428 **Section 1290.590 Certification of Record; Receipt**

3429
3430 The Division shall not be required to certify any record to the court, to file an answer in court or
3431 otherwise to appear in any court in a judicial review proceeding until the Division has received
3432 payment of the costs of furnishing and certifying the record from the plaintiff, costs that shall be
3433 determined by the Division. Failure on the part of the plaintiff to file a receipt in court is grounds
3434 for dismissal of the action.

3435
3436 **SUBPART I: GENERAL**

3437
3438 **Section 1290.600 Intergovernmental Cooperation**

- 3439
- 3440 a) Whenever the Division revokes or suspends a registration, it shall notify ISP,
3441 DOA, DPH and the police department or sheriff's office whose jurisdiction
3442 includes the registrant's dispensing location.
 - 3443
 - 3444 b) If ISP, any municipality, township, county or local law enforcement agency takes
3445 action relating to the operation of the registrant's dispensing location, it shall
3446 notify the Division of the action taken and the reason for the action within five
3447 days.
 - 3448

3449 **Section 1290.610 Variances**

- 3450
- 3451 a) The Director may grant variances from this Part in cases in which:
 - 3452
 - 3453 1) The applicable provision is not statutorily mandated;
 - 3454
 - 3455 2) No party will be injured by the granting of the variance; and
 - 3456
 - 3457 3) The rule from which the variance is granted would, in the particular case,
3458 be unreasonable or unnecessarily burdensome.
 - 3459
 - 3460 b) An approval for a variance may be revocable, may be granted for a limited period
3461 of time or may be granted subject to the conditions as the Director may prescribe.

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3463 **Section 1290.620 Administrative Decisions**

3464

3465 Final administrative decisions of the Division are subject to judicial review under the
3466 Administrative Review Law [735 ILCS 5/Art III]. The term "administrative decision" is defined
3467 as in Section 3-101 of the Code of Civil Procedure.
3468