

ILLINOIS REGISTER

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF PROPOSED RULES

TITLE 68: PROFESSIONS AND OCCUPATIONS

CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1290

RULES FOR ADMINISTRATION OF THE COMPASSIONATE USE OF MEDICAL
CANNABIS PILOT PROGRAM

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SUBPART I: GENERAL

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Section

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AUTHORITY: Implementing and authorized by the Compassionate Use of Medical Cannabis Pilot Program Act [410 ILCS 130/1].

SOURCE: Adopted at 38 Ill. Reg. _____, effective _____.

Section 1290.10 Definitions

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

“Act” means the Compassionate Use of Medical Cannabis Pilot Program Act [410 ILCS 130/1].

“ADA” is the Americans with Disabilities Act of 1990 [42 USC 12101].

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

“Administratively complete” means that a dispensary registration application meets all requirements of the Act and this Part.

“Applicant” means any person who is applying with the Illinois Department of Financial and Professional Regulation for Authorization to register a dispensary under the Act.

“Application date” is the date the application for Authorization or Registration was delivered to and received by the Division, and the applicant received a receipt noting the date.

“Authorization notice” is the notice or letter sent by the Division to the applicant that has been granted an Authorization. The Authorization notice will include a registry identification number to be used on all future communication with the Division.

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

“Batch number” means a unique numeric or alphanumeric identifier assigned to a batch by a cultivation center when the batch is first planted.

"Cannabis" means *marihuana, hashish and other substances which are identified as including any parts of the plant Cannabis Sativa and including any and all derivatives or subspecies, such as Indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of such plant; and any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other cannabinol derivatives, including its naturally occurring or synthetically produced ingredients, whether produced directly or indirectly by extraction, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis; but shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination.* (Section 3 of the Cannabis Control Act)

“CPA” means certified public accountant.

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

"Department" means the Illinois Department of Financial and Professional Regulation.

“Director” means the Director of the Division of Professional Regulation in the Illinois Department of Financial and Professional Regulation.

“Dispensing organization” or “dispensary organization” means a medical cannabis dispensing organization as defined in the Act.

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“Dispensary premises” means the physical premises where medical cannabis is dispensed by a dispensary organization.

“Dispensing organization agent” or “dispensary agent” means a medical cannabis dispensing organization agent as defined in the Act.

“Dispensing organization agent in charge” or “dispensary agent in charge” means the person who has control and management over the dispensary.

“Dispensing organization backer” means any person or entity with a direct or indirect financial interest in the dispensing organization, but does not include a person or entity who holds an interest that does not exceed one per cent of the total ownership or interest rights in the dispensing organization and the person does not participate directly or indirectly in the control, management or operation of the dispensing organization.

“Dispensing organization District” or “District” means one of the 43 geographically dispersed areas identified in the Act and this Part where a dispensing organization may be located.

“Dispensary organization registration authorization” or “Authorization” is the permission given by the Division to an applicant for a dispensing organization allowing it to file documents to obtain a dispensary Registration.

“Dispensing organization registration” or “Registration” authorizes the applicant to open and operate a dispensary organization within the District designated by the Division.

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

“DPH” is the Illinois Department of Public Health.

“Financial interest” means any actual or future right to ownership, investment or compensation arrangement with another person, either directly or indirectly, through business, investment or 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 exchange or over-the-counter market, provided the investment securities held by the person,

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the person's spouse, parent or child, in the aggregate, do not exceed one per cent ownership in the dispensing organization.

"Fingerprint-based criminal history records check" means a fingerprint-based criminal history records check conducted by the Department of Illinois State Police in accordance with the Uniform Conviction Information Act (UCIA).

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

"ISP" means Illinois Department of State Police.

"Limited access area" means a building, room, or other area under the control of the dispensing organization and upon the registered premises with access limited to qualifying patients, designated caregivers, dispensary owners and other dispensary agents or service professionals.

"Livescan" means an inkless electronic system designed to capture an individual's fingerprint images and demographic data (name, sex, race, date of birth, etc.) in a digitized format that can be transmitted to the state central repository, Illinois State Police (ISP), for processing. The data is forwarded to the ISP, Bureau of Identification (BOI) over a Virtual Private Network (VPN) and then processed by the ISP's Automated Fingerprint Identification System (AFIS). Once received at the BOI for processing, the inquiry may then be forwarded to the Federal Bureau of Investigation (FBI) electronically for processing.

"Livescan vendor" means an entity licensed by the Department of Financial and Professional Regulation to provide commercial fingerprinting services under the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004.

"Medical cannabis" means cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), used as a remedy or therapy to treat disease or alleviate symptoms. Medical cannabis can be administered by a variety of methods, including, but not limited to: vaporizing or smoking; administering tinctures or tonics; applying topicals such as ointments, balms; or consuming infused food products.

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240 *“Medical cannabis container” means a sealed, traceable, food compliant, tamper*
241 *resistant, tamper evident container or package used for the purpose of*
242 *containment of medical cannabis from a cultivation center to a dispensing*
243 *organization. (Section 10 of the Act)*

244
245 “Medical cannabis infused products” means food, oils, ointments, sodas or teas,
246 capsules or other products containing cannabis that are not smoked as defined in
247 the Act.

248
249 “Monitoring” means continuous and uninterrupted video surveillance of
250 dispensary activities and oversight for potential suspicious actions. Monitoring
251 through video surveillance includes the purpose of summoning a law enforcement
252 officer to the premises during alarm conditions. The Division and law
253 enforcement agencies shall have the ability to access a dispensary organization’s
254 monitoring system in real-time via a secure web-based portal.

255
256 “Notify” means to send via regular United States mail and United States certified
257 mail.

258
259 “Ownership structure” means a showing of any person with an ownership or
260 financial interest in the dispensary organization.

261
262 “Person” includes but is not limited to a natural person, sole proprietorship,
263 partnership, joint venture, limited liability company, corporation, association,
264 agency, business, not-for-profit or organization.

265
266 “Principal officer” includes a prospective dispensing organization or dispensing
267 organization board member, owner, president, vice president, secretary, treasurer,
268 partner, officer, member, shareholder or person involved in a profit sharing
269 arrangement and is further defined in this Part.

270
271 “Registered” means licensed, permitted, or otherwise certified by the Department
272 of Financial and Professional Regulation as defined in the Act.

273
274 “Restricted Access Area” means a building, room, or other contiguous area under
275 control of the dispensing organization and upon the registered premises with
276 access limited to dispensary agents only, where cannabis is stored, weighed,
277 packaged, sold, or processed for sale.

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“Registration Packet” is the information and documents filed by the authorized dispensary organization with the Division to demonstrate all requirements in the Act and this Part are met prior to the Division issuing a dispensing organization registration.

“Secretary” means the Secretary of the Department of Financial and Professional Regulation.

Section 1290.20 Dispensing Organization Districts

- a) To implement the Act’s requirement that up to 60 dispensing organizations be geographically dispersed throughout the State the following dispensing organization Districts are created with the accompanying allocation of registrations:
 - 1) That part of the State, outside of the Chicago metropolitan area, shall be allocated 21 registrations as follows:
 - A) Illinois State Police Districts 1, 6, 7, 10, 12, 13, 14, 17, 18, 19, 20, 21, and 22 shall each be a dispensing organization District and shall be allocated one registration each,
 - B) Illinois State Police Districts 8, 9, 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 15 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 three registrations,

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- 319
- 320 E) Lake County shall be a dispensing organization District and shall
- 321 be allocated three registrations,
- 322
- 323 F) McHenry County shall be a dispensing organization District and
- 324 shall be allocated one registration,
- 325
- 326 G) Will County shall be a dispensing organization District and shall
- 327 be allocated three registrations.
- 328
- 329 3) That part of Cook County outside of the City of Chicago shall be allocated
- 330 11 registrations as follows:
- 331
- 332 A) Barrington, Hanover, and Palatine Townships combined shall be a
- 333 dispensing organization District and shall be allocated one
- 334 registration,
- 335
- 336 B) Elk Grove and Schaumburg Townships combined shall be a
- 337 dispensing organization District and shall be allocated one
- 338 registration,
- 339
- 340 C) Maine and Wheeling Townships combined shall be a dispensing
- 341 organization District and shall be allocated one registration,
- 342
- 343 D) New Trier and Northfield Townships combined shall be a
- 344 dispensing organization District and shall be allocated one
- 345 registration,
- 346
- 347 E) Evanston and Niles Townships combined shall be a dispensing
- 348 organization District and shall be allocated one registration,
- 349
- 350 F) Leyden, Norwood Park, and Proviso Townships combined shall be
- 351 a dispensing organization District and shall be allocated one
- 352 registration,
- 353
- 354 G) Berwyn, Cicero, Oak Park, River Forest, and Riverside Townships
- 355 combined shall be a dispensing organization District and shall be
- 356 allocated one registration,
- 357

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- 358 H) Lemont, Lyons, and Palos Townships combined shall be a
359 dispensing organization District and shall be allocated one
360 registration,
361
- 362 I) Calumet, Stickney and Worth Townships combined shall be a
363 dispensing organization District and shall be allocated one
364 registration,
365
- 366 J) Bremen, Orland, and Rich Townships combined shall be a
367 dispensing organization District and shall be allocated one
368 registration,
369
- 370 K) Bloom and Thornton Townships combined shall be a dispensing
371 organization District and shall be allocated one registration.
372
- 373 4) The City of Chicago shall be allocated 13 registrations as follows:
374
- 375 A) Jefferson Township shall be a dispensing organization District and
376 shall have two registrations,
377
- 378 B) Hyde Park Township shall be a dispensing organization District
379 and shall be allocated two registrations,
380
- 381 C) Lake Township shall be a dispensing organization District and
382 shall be allocated two registrations,
383
- 384 D) Lakeview Township shall be a dispensing organization District and
385 shall be allocated two registrations,
386
- 387 E) North Township shall be a dispensing organization District and
388 shall be allocated one registration,
389
- 390 F) Rogers Park Township shall be a dispensing organization District
391 and shall be allocated one registration,
392
- 393 G) South Township shall be a dispensing organization District and
394 shall be allocated one registration,
395
- 396 H) West Township shall be a dispensing organization District and
397 shall be allocated two registrations.

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

Section 1290.30 Principal Officers

- a) For purposes of this Part, in addition to the individual or individuals identified in the dispensary organization's by-laws as principal officers of the dispensary, the following individuals are considered principal officers:
- 1) If a corporation is applying for a dispensary organization registration, the officers of the corporation,
 - 2) If a partnership is applying for a dispensary organization registration, the partners,
 - 3) If a limited liability company is applying for a dispensary organization registration, the members of the limited liability company,
 - 4) If an association or cooperative is applying for a dispensary organization registration, the members of the association or cooperative,
 - 5) If a joint venture is applying for a dispensary organization registration, the individuals who signed the joint venture agreement, and
 - 6) If a business organization type other than the types of business organizations in subsections (A)(1) through (5), the members of the business organization.
- b) A proposed dispensing organization may not be established as a trust. A trust may not have an ownership interest in a registered dispensary organization.

Section 1290.40 Dispensary Organization Authorization Process and Requirements

- a) The Division shall review applications and issue Authorizations according to the requirements of the Act and this Part.
- 1) An applicant shall first file an application with the Division for Authorization to register a dispensary organization in accordance with the requirements of this Part.

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- 438
- 439 2) All applications for Authorizations shall be made on forms furnished by
- 440 the Division. The application shall be signed by all principal officers
- 441 certifying under penalties of perjury that all information contained in the
- 442 application is true and accurate.
- 443
- 444 3) An applicant may not submit more than one application for a dispensary
- 445 Authorization in any one District.
- 446
- 447 4) An applicant may submit separate applications for an Authorization in up
- 448 to five Districts.
- 449
- 450 5) Each application requires its own application fee.
- 451
- 452 6) If an applicant submits an application in more than one District, the
- 453 applicant shall identify the Districts where it has submitted applications or
- 454 Districts where it maintains a current registration.
- 455
- 456 7) The Division shall accept applications for 10 working days following the
- 457 date indicated on the Division's website.
- 458
- 459 8) Applications shall be considered received on the date delivered in-person
- 460 during regular business hours and received by a Division employee at the
- 461 Division's Chicago office.
- 462
- 463 9) The Division shall review each application to determine whether it meets
- 464 the application criteria.
- 465
- 466 10) The Division shall determine the qualified applicants in each District
- 467 based on the criteria set forth in this Part.
- 468
- 469 11) If the Division determines that a District has the same number of qualified
- 470 applicants as registrations, then the Division will grant an Authorization to
- 471 the qualified applicants in that District.
- 472
- 473 12) Upon receipt of the Authorization notice, the applicant may submit for
- 474 Registration approval as provided for in this Part.
- 475
- 476 13) If the Division determines that the number of qualified applicants exceeds
- 477 the number of Authorizations available in a District, then the Division

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shall select the most qualified applicant in that District in accordance with the selection process established in this Part.

- 14) The Division will issue an Authorization notice to the qualified applicants chosen through the selection process.
- 15) If the Division determines that a dispensing organization District has no qualified applicants or fewer qualified applicants than authorized registrations, the Division shall post a notification on the Division's website that the Division will invite submission of additional applications. The Division shall accept applications for 10 working days following the date indicated on the Division's website. Applications shall be processed as provided in this Part.
- 16) No individual or entity shall hold more than 5 dispensary organization registrations. If, as a result of the process provided for in this Part, a qualified applicant has been granted more than five Authorizations or Registrations by the Division, the applicant shall promptly notify the Division. No person shall be a principal officer of more than five registered dispensing organizations.
- 17) If a dispensary organization's Registration is deemed void or invalid for any reason, including but not limited to revocation, suspension or nonrenewal, and therefore a District is without a registered dispensary organization, the Division shall post a notice on its website and list the date or dates that the Division will accept dispensary applications for the District. Applications shall be processed as provided in this Part and shall be subject to the limitations in this Part.
- 18) The dispensary organization must receive a Registration from the Division prior to opening and dispensing medical cannabis.

Section 1290.50 Dispensary Organization - Application for Authorization

- a) Authorization Applicants must file an application on Division-provided forms as described herein and submit the following information to the Division;
- b) The Authorization Application shall include the following information:
 - 1) The legal name of the proposed dispensing organization.

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- 518
- 519 2) The name, address, telephone number, date of birth and e-mail address of
- 520 the proposed dispensary organization's principal officers. A post office
- 521 box may not be used.
- 522
- 523 3) The name of the proposed dispensary.
- 524
- 525 4) If the entity applying is a sole proprietorship, a copy of any creation
- 526 documents or business license.
- 527
- 528 5) If the entity applying is a business organization other than a sole
- 529 proprietorship, the following information for the entity applying:
- 530
- 531 A) The type of business organization,
- 532
- 533 B) If a partnership, a copy of any partnership or joint venture
- 534 documents, and if there is no written agreement, a statement stating
- 535 there is no agreement signed by all principal officers,
- 536
- 537 C) If a limited liability company, a copy of the Articles of
- 538 Organization, operating agreement, and certificate of good
- 539 standing issued by the Secretary of State or obtained from the
- 540 Secretary of State's website within 7 days prior to the date the
- 541 application is filed with the Division. Limited liability company
- 542 applicants shall include a listing of all affiliated persons or
- 543 business entities holding an ownership interest in the company,
- 544
- 545 D) If a corporation, the name of the registered agent, a copy of the
- 546 Articles of Incorporation, Corporate Resolutions if any, and, a
- 547 certificate of good standing issued by the Secretary of State or
- 548 obtained from the Secretary of State's website within 7 days prior
- 549 to the date the application is filed with the Division. If using an
- 550 assumed name (d/b/a), a copy of the assumed name registration
- 551 issued by the Secretary of State. Corporate applicants shall also
- 552 include a listing of the registered agent, and a listing of all persons
- 553 or business entities holding an ownership interest in the
- 554 corporation,
- 555
- 556 E) If an unincorporated association, organization or not-for-profit
- 557 organization, documents or agreements relevant to its creation,

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ownership, profit sharing, and liability documents or if there are no documents, a statement stating there are no such documents signed by all the principal officers.

- 6) From each principal officer, a statement indicating whether that person:
 - A) Has held an ownership interest in a dispensing organization or its equivalent in another state or territory of the United States that had the dispensary registration or license suspended, revoked, placed on probationary status, or subject to any other disciplinary action,
 - B) Is a physician who certifies or intends to certify qualified patients for the use of medical cannabis or is in a partnership or other fee or profit-sharing relationship with a physician who certifies qualified patients for the use of medical cannabis,
 - C) Is a registered qualified patient or a designated caregiver,
 - D) Has an academic degree, certification or relevant experience with a medical cannabis business or in related industries.
- 7) A description of the plan to educate patients, on the benefits or drawbacks of cannabis products specific to a patient's condition, and a plan to keep product costs reasonable for patients.
- 8) A description of the training and education that will be provided to dispensary agents.
- 9) A copy of the proposed operating by-laws.
- 10) A copy of the proposed business plan, that complies with the requirements in this Part including at a minimum, the following:
 - A) A detailed description of products intended to be offered by the dispensary organization,
 - B) A detailed description of services to be offered by the dispensary organization including any patient education or instruction on the benefits of different cannabis strains or products, and,

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- 598 C) A detailed description of the process that a dispensary organization
599 will take to ensure that access to the premises will be limited to,
600 qualifying patients, designated caregivers, registered agents and
601 security personnel.
602
- 603 11) A copy of the proposed security plan that complies with the requirements
604 in this Part including:
605
- 606 A) A detailed description of the process by which cannabis will be
607 received from a cultivation center, including protocols that will be
608 used to avoid diversion, theft or loss at the dispensary acceptance
609 point, and,
610
- 611 B) A detailed description of the process or controls that will be
612 implemented to prevent the diversion, theft or loss of cannabis,
613 security of the premises, agents, patients and currency.
614
- 615 12) A copy of the proposed inventory control plan that complies with the
616 requirements in this Part.
617
- 618 13) A copy of the proposed qualifying patient recordkeeping plan and
619 verification system that complies with the requirements in this Part.
620
- 621 14) A copy of the current relevant local zoning ordinance and verification
622 from the local zoning office that the proposed dispensary location is in
623 compliance with the local zoning rules or restrictions.
624
- 625 15) For the building or land to be used as the proposed dispensary:
626
- 627 A) If the property is not owned by the applicant, a written statement
628 from the property owner and landlord, if any, certifying consent
629 that the applicant may operate a dispensary on the premises, and,
630
- 631 B) If the property is owned by the applicant, confirmation of
632 ownership.
633
- 634 16) A copy of any proposed marketing or advertising plan including any
635 educational materials such as brochures, posters or promotional materials.
636
- 637 17) A map of the area surrounding the proposed dispensary, extending a
638 minimum of one thousand feet from the property line in all directions. The

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map must clearly demonstrate that 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, part day child care facility. The map must clearly demonstrate that the dispensary is not in an area zoned for residential use in accordance with the Act.

18) A plot plan of the dispensary drawn to scale. If the proposed dispensary building is in existence at the time of the application, the applicant shall submit general plans and specifications for the building interior layout. If the building is not in existence at the time of application, the applicant shall submit general plans for the exterior and interior layout for the building to be constructed.

19) A statement that dispensary organization agrees to respond to supplemental requests for information from the Division.

c) Financial Disclosure: The applicant shall provide a financial statement disclosing relevant business transactions and financial information connected with the application. 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. Financial disclosures include:

1) The ownership structure of the dispensing organization including percentage ownership of each principal officer,

2) A current organization chart that includes position descriptions and the names and resumes of each person holding each position. The resumes shall establish each agent's specific skills, education, experience or significant accomplishments that are relevant to owning or operating a dispensary organization,

3) Depending on business type as applicable: agreements between any two or more principal officers of the proposed dispensary organization that relate to the assets, property, profit or future profit of the organization or other comparable documents that establish the legal structure of the applicant or relate to the business entity, management or control of the applicant,

4) A copy of compensation agreements with dispensing organization backers or persons having an indirect financial interest in the dispensing

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organization,

- 5) A copy of a compensation agreement that provides, or will provide, payment or any financial benefit to the principal officers whether in the form of salary, wages, commissions, fees, stock options, interest, bonuses or otherwise,
- 6) The nature, type, terms, covenants and priorities of all outstanding bonds, loans, mortgages, trust deeds, lines of credit, notes, or other forms of indebtedness issued or executed, or to be issued or executed, in connection with the opening or operating of the proposed dispensary,
- 7) Audited financial statements for the previous fiscal year, which shall include, but not be limited to, an income statement, balance sheet, statement of retained earnings or owners' equity, statement of cash flows, and all notes to such statements and related financial schedules, prepared in accordance with generally accepted accounting principles, along with the accompanying independent auditor's report. The audit must be compiled by and certified by a licensed auditor or CPA. If the applicant was formed within the year preceding this application, provide certified financial statements for the period of time the applicant has been in existence.
- 8) Complete copies of all federal, state and foreign (with translation) tax returns filed by the owners or principal officers of the proposed dispensing organization for the last 3 years, or for such period the owners or principal officers have filed such returns if less than three years.
- 9) Complete copies of the most recently filed federal, state and/or foreign (with translation) tax returns filed by each: (i) dispensing organization backer; and (ii) each backer member identified in the application.
- 10) Disclosure of all funding sources used to acquire or develop the business for which the Registration is sought, including independent documentation concerning the source of those funds and copies of closing documents in connection with the purchase of a registered business.
- 11) Projected expenditures expected before the dispensary is operational.
- 12) Projected annual revenue.

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- 721 13) Projected annual budget.
722
- 723 14) Disclosure of whether any principal officer has ever:
724
- 725 A) Filed for bankruptcy,
726
- 727 B) Defaulted on a student loan,
728
- 729 C) Defaulted on alimony or child support payment, or,
730
- 731 D) Been convicted of an excluded offense as defined in the Act.
732
- 733 d) Documentation acceptable to the Division that the person applying for
734 Registration has at least \$400,000 in liquid assets under their control for each
735 application for authorization submitted. Documentation acceptable to the Division
736 includes:
737
- 738 1) A signed statement from an Illinois Licensed Certified Public Accountant
739 or Financial Institution attesting to proof of \$400,000.00 in liquid assets
740 under the control of a principal officer(s) and/or entity applying, and,
741
- 742 2) Two copies of the signed statement are required, one must be dated at least
743 30 calendar days before the date of application, and one must be dated
744 within five days of the date the application is submitted to the Division.
745
- 746 e) A statement that, if the applicant is issued Authorization, the applicant will not
747 operate until the applicant submits a dispensary registration application that is
748 approved by the Division, the dispensary is inspected, and the applicant obtains a
749 dispensing organization registration from the Division.
750
- 751 f) An attestation under penalty of perjury signed by each principal officer that the
752 information provided to the Division is true and correct.
753
- 754 g) Each principal officer identified in subsection 1290.50(b)(2) shall submit under
755 penalty of perjury a signed and dated:
756
- 757 1) Attestation that the person has not been convicted of an excluded offense
758 as defined in the Act, and,
759
- 760 2) Each principal officer shall submit to a fingerprint-based criminal history
761 records check as set forth in this Part.

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h) All proposed principal officers must be natural persons. The Division will communicate only with the proposed dispensary organization's principal officers. The Division will not coordinate with a consultant working on behalf of the proposed dispensary organization.

i) The name of the proposed agent-in-charge.

j) The non-refundable application fee.

Section 1290.60 Selection Process

a) The Division will conduct a comprehensive, fair, and impartial evaluation of the applications timely received. It will award dispensary organization registrations on a competitive basis.

b) Applications will be assessed to determine whether they meet the mandatory minimum qualification criteria. All application items are mandatory unless otherwise indicated. An applicant that fails to submit the information required by this Part may be disqualified prior to the review and scoring process.

c) The evaluation process will include a criminal records check.

d) Applications meeting the minimum criteria will be scored based on the selection criteria detailed in this Part.

e) The Division may receive more than one administratively complete and timely filed application for a dispensary Authorization in a dispensing organization District. If the Division must choose an applicant, the Division shall choose the applicant through a deliberate selection process and overseen by a panel selected by the Director of the Division.

f) During the application intake process for an Authorization, the Division will accept applications, and assign each application a number sequentially. During the selection process, the application will be reviewed and referred to by its assigned application number.

g) The Division will rank each application based on its total score.

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- h) The Division may issue up to sixty 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 sixty Authorizations. If a second round of applications is requested, then the second round will be conducted in the same manner as the first.
- i) 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.
- j) A letter of denial to an applicant shall serve as a final administrative decision by the Division and shall be subject to the Administrative Review Law.

Section 1290.70 Selection Criteria

- a) Each application shall address all requirements set forth in this Part. The failure by an applicant to address all of the requirements may result in the application being denied.
- b) After receipt of the application, the Division may issue a deficiency notice to the applicant citing inadequacies that may be cured by the applicant in the manner and timeframe set forth in the notification.
- c) The Division will score based on the quality of the application as compared to the requirements set forth in this Part:
- 1) Suitability of the proposed dispensary;
 - A) The applicant demonstrates that the proposed dispensary location is suitable for public access, the safe dispensing of medical cannabis, sufficient in size, power allocation, interior and exterior layout, lighting, parking, handicapped accessible parking spaces, ADA accessible entry and exits, any additional features beyond what is required by the ADA, product handling, and storage; and,
 - B) The applicant provides policies and practices for dispensary agents, to establish the day-to-day dispensary operation.
 - 2) Security Plan;

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- 841
- 842 A) The applicant's security plan demonstrates the capability for
- 843 adequate security, theft prevention and diversion of medical
- 844 cannabis and provides details on interfacing with ISP and the
- 845 Division. It shall specifically evidence compliance with all security
- 846 plan requirements in this Part.
- 847
- 848 B) The applicant's security plan demonstrates safety procedures for
- 849 dispensary employees, patients and caregivers; how currency will
- 850 be handled and kept safe; and includes a community deleterious
- 851 prevention plan.
- 852
- 853 C) The applicant details its plan for record keeping, tracking and
- 854 monitoring inventory, quality control and other policies and
- 855 procedures that will discourage unlawful activity. This plan shall
- 856 include the applicant's strategy to interface with the Division and
- 857 ISP on its plans for the destruction and disposal of cannabis.
- 858
- 859 D) The applicant's security plan shall detail the dispensary layout,
- 860 limited and restricted access areas, the enclosed, locked area that
- 861 will be used to secure or store medical cannabis, including when
- 862 the location is closed for business, all relevant security measures.
- 863
- 864 E) The applicant shall describe a detailed plan describing protocols
- 865 and methods for the safe and secure receipt of deliveries of
- 866 medical cannabis from cultivation centers.
- 867
- 868 3) Applicant's business plan and operating plan:
- 869
- 870 A) The applicant shall provide a business plan that describes at a
- 871 minimum, how the dispensary organization will operate on a long-
- 872 term basis. This shall include the applicant providing a detailed
- 873 description of the patient verification system, including purchases
- 874 and denials of sale, confidentiality, products and services to be
- 875 offered.
- 876
- 877 B) Amount and source of the equity and debt commitment for the
- 878 proposed dispensary that demonstrates the immediate and long-
- 879 term financial feasibility of the proposed financing plan, the

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relative availability of funds for capital and operating needs, and the financial capability to undertake the project.

- C) The business plan shall demonstrate a start-up timetable which provides an estimated time from registration of the dispensary to full operation, and the assumptions used for the basis of those estimates.

4) Knowledge and Experience:

- A) The applicant's principal officers must demonstrate experience in business management and/or medical industry experience or experience with the medical cannabis industry.
- B) The applicant must demonstrate knowledge of the various product strains or varieties to be sold, and describes the number and types of products to be sold. This section will include whether the dispensary plans to sell medical cannabis paraphernalia and edibles.

d) The Division will award additional points for preferred but not required initiatives based on the applicant's ability to meet requirements in the following categories:

- 1) Labor and Employment Practices: The applicant may describe plans to provide a safe, healthy and economically beneficial working environment for its agents, including, but not limited to, its plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and wage standards.
- 2) Research Plan: The applicant may provide the Division with a detailed proposal to conduct, or facilitate, a scientific study or studies related to the medicinal use of cannabis. To the extent it has been determined, the applicant may include in its proposal, a detailed description of:
- A) The methodology of the study,
- B) The issue(s) to be studied,
- C) The method(s) that will be used to identify and select study participants,

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- 920
- 921 D) The identity of all persons or organizations that will be worked
- 922 with in connection with the study, including the role of each,
- 923
- 924 E) The duration of the study and anticipated peer review, and,
- 925
- 926 F) The intended use of the study results.
- 927
- 928 3) Community Benefits Plan: The applicant may provide a detailed
- 929 description of plans the applicant has to support the community at the
- 930 local level if awarded a dispensary Registration, including any reduction
- 931 in product costs for indigent patients that qualify.
- 932
- 933 4) Substance Abuse Prevention Plan: The applicant may provide a detailed
- 934 description of any plans it will take to combat substance abuse in its
- 935 District, including the extent to which the applicant will partner or work
- 936 with existing substance abuse programs.
- 937
- 938 5) Local Community/Neighborhood Report: The applicant may provide
- 939 comments, concerns or support received regarding the potential impact of
- 940 the proposed location on the local community and neighborhood. This
- 941 shall include the local community's concerns or support on the proposed
- 942 location, proximity to substance abuse treatment centers, day care centers,
- 943 schools and halfway houses.
- 944
- 945 6) Environmental Plan: The applicant may demonstrate an environmental
- 946 plan of action to minimize the carbon footprint, environmental impact, and
- 947 resource needs for the dispensary.
- 948
- 949 7) Minority and/or Woman Ownership and Operation: The applicant may
- 950 describe the percentage of minority or woman ownership. In addition, the
- 951 applicant may describe how minorities and/or women will control the
- 952 management and daily operations.
- 953
- 954 8) A verification that the proposed managing agent in charge is licensed in a
- 955 medical profession regulated by the Division.
- 956
- 957 9) Illinois Based Applicants: A verification that the applicant's principal
- 958 place of business is headquartered in Illinois. The names, addresses and
- verification of the applicant's proposed agents that reside in Illinois. The

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applicant may also provide a plan for generating Illinois-based jobs and economic development.

- e) Should the applicant be awarded an Authorization, the information and plans provided in the application become a condition of the Authorization. Failure to comply with the conditions or requirements may subject the dispensing organization to discipline, up to and including suspension or revocation of its Authorization by the Division.
- f) A registration shall be issued to the applicant receiving at least the minimum required score in each category and the highest total score overall.
- g) In the event that 2 or more applicants for a dispensary registration receive the same total score, the Division shall select the applicant that received the highest combined score in the security and recordkeeping categories. In the event that the same 2 applicants received the same score in the security and recordkeeping categories, the tied applicants will be interviewed by an unbiased panel selected by the Division.

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 authorization application fee is required for each application for each District.
 - 2) The Registration fee is \$30,000. One registration application 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 the assigned dispensing organization District is \$5,000.
- b) Renewal Fees;

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- 999 1) The annual fee for the renewal of a dispensing organization registration
1000 certificate is \$25,000.
1001
1002 2) The annual fee for the renewal of a dispensing agent identification card is
1003 \$50.
1004
1005 c) General Fees:
1006
1007 1) The fee for the issuance of a replacement dispensary organization
1008 registration is \$50.
1009
1010 2) The fee for the issuance of a replacement dispensing organization agent
1011 identification card is \$50.
1012
1013 3) The fee for a certification of a registrant's record for any purpose is \$50.
1014
1015 d) All monies collected under this Act shall be deposited in the Compassionate Use of
1016 Medical Cannabis Fund in the State treasury.
1017

SUBPART D: DISPENSARY REGISTRATION

Section 1290.100 Dispensary Organization - Registration Process

- 1021
1022 a) No person may own, operate or act as a dispensary organization or represent that
1023 the person or organization is a registered dispensary organization unless first
1024 obtaining a Registration from the Division pursuant to this Part.
1025
1026 b) The Division shall assign dispensary organization registrations in accordance with
1027 this Section and this Part.
1028
1029 c) The process for issuing a dispensary registration shall include the following:
1030
1031 1) If the Division issues an Authorization to an applicant, the Division will
1032 notify the applicant that it may file for a Registration with the Division.
1033
1034 2) Only the applicants granted an Authorization are permitted to register a
1035 dispensing organization.
1036
1037 3) To register with the Division, a dispensing organization shall file all
1038 supporting information and documents in a Registration Packet. The

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Registration Packet shall include all required registration materials in accordance with this Section and this Part. All registration materials required by this Part shall be submitted together and at the same time.

4) A dispensary organization must file the Registration Packet with the Division within 120 days of the date of the Authorization notification.

5) The Division may identify deficient or missing information from the Registration Packet. If the dispensary submits an incomplete Registration Packet, the Division may request additional information from the dispensary organization, or the Division may deny the Registration.

6) If a Registration Packet is denied by the Division, the dispensing organization may re-file it within 10 business days, unless otherwise agreed to by the Division, including the information or documents which caused its denial. If the Registration Packet is denied by the Division more than three times, the Division may withdraw its Authorization from the dispensary organization. A letter withdrawing an Authorization shall serve as a final administrative decision by the Division and shall be subject to the Administrative Review Law.

d) 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 shall conditionally approve the Registration. Conditional approval is contingent on the final build-out and Division inspection.

e) Upon final completion of the dispensary facility, the dispensing organization shall request an inspection.

f) Prior to issuing a final Registration and approval to operate, the Division will inspect the dispensary facility to confirm compliance with the Act and this Part.

g) A Registration will be issued only after the completion of a successful inspection.

h) Once the Division has approved the dispensary facility and issued a Registration, the dispensary organization shall notify the Division of the proposed dispensary opening date. The dispensary organization shall provide at least 3 days notice to the Division prior to opening.

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- i) A dispensing organization in good standing with the Division is not prohibited from applying for a cultivation center registration in conformance with the Department of Agriculture's rules.

Section 1290.110 Dispensary Organization - Registration Requirements

- a) A person granted an Authorization, shall submit a Registration Packet to the Division that includes all the requirements in this Section.
- b) The Registration Packet will include the general information contained in the initial application, and shall provide additional detail on start-up and operation.
- 1) A dispensary organization shall submit a Registration Packet to the Division including the following information:
- A) The legal name of the dispensing organization,
 - B) The name of the dispensary facility,
 - C) The registry identification number for the dispensing organization,
 - D) The proposed physical address of the dispensary facility,
 - E) The address, telephone number, and e-mail address of the applicant's principal office if different from the location where the medical cannabis will be dispensed. A post office box is not permitted,
 - F) The name, address, date of birth and social security number for each proposed dispensing organization agent,
 - G) The dispensing organization's proposed hours of operation,
 - H) Any proposed text or graphic materials to be shown on the exterior of the proposed dispensary facility,
 - I) A summary of the distance from the proposed dispensary's property line to the closest pre-existing public or private preschool

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or elementary or secondary school or day care center, day care home, group day care home, part day child care facility,

J) The anticipated date the dispensing organization will be ready for an inspection by the Division,

K) An attestation under penalty of perjury that the information provided to the Division for approval to operate a dispensary is true and correct, and,

L) The signatures and date of each principal officer identified in the application.

2) A copy of documentation issued by the local jurisdiction to the dispensing organization authorizing use of the proposed building as a dispensary, including but not limited to a certificate of occupancy, a special use permit, or a conditional use permit.

3) A sworn notarized statement signed and dated that the dispensing organization is in compliance with local zoning ordinances or restrictions.

4) Explanation of products or services, if any, that will be offered in addition to cannabis and cannabis infused products.

5) An operations manual that demonstrates compliance with the Act and this Part.

6) A staffing plan that ensures adequate staffing, adequate dispensary agent knowledge and experience, accessible business hours and safe dispensing.

7) A plan for a continuous supply of medical cannabis to registered qualifying patients and designated caregivers.

8) The estimated amount of cannabis it plans to store at the dispensary.

9) A site plan drawn to scale of the proposed dispensary showing streets, traffic direction, sidewalks, trees, alleys, property lines, additional buildings on-site, parking areas and handicapped parking spaces, fences, exterior walled areas, garages, vehicle delivery access doors, hangars, security features and outdoor areas as applicable.

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- 10) The location and site plan including a floor plan or blueprint drawn to scale of the building where the proposed dispensary will be, which 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 and limited access areas,
 - G) Location of cannabis storage areas while dispensary is open for business,
 - H) Location of cannabis storage areas while dispensary is closed for business,
 - I) Location of the sink and refrigerator, if any,
 - J) Location of all approved safes or vaults that will be used to store cannabis, cannabis products or currency,
 - K) Location of each computer used to check qualifying patient cards or designated caregiver registry cards,
 - L) Location of each computer and cash register used for point of sale transactions,
 - M) Location of bullet-proof glass,
 - N) Location of drawer, grate or conduit through the bullet-proof glass,
 - O) Location of bullet-proof walls,

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- 1198 P) Location of fire exits,
1199
1200 Q) Location of each toilet facilities,
1201
1202 R) Location of a break room and personal storage lockers, if any,
1203
1204 S) Location of patient counseling areas,
1205
1206 T) Location of each video camera,
1207
1208 U) Location of each panic button, and
1209
1210 V) Location of natural and artificial lighting sources.
1211
1212 11) Policies and procedures that comply with the requirements in this Part for:
1213
1214 A) Inventory control,
1215
1216 B) Qualifying patient and designated caregiver recordkeeping,
1217
1218 C) Point of Sale recordkeeping,
1219
1220 D) Security plan that the Division will review for approval, and,
1221
1222 E) Patient care education and support.
1223
1224 12) A detailed description of air treatment systems that will be installed to
1225 reduce off-site odors.
1226
1227 13) A description of the features, if any, that will provide accessibility to
1228 qualifying patients and designated caregivers beyond what is required by
1229 the ADA.
1230
1231 14) A plan detailing how the dispensary organization will perform a physical
1232 inventory of all medical cannabis on a daily basis.
1233
1234 15) An attestation that the dispensary organization will have safes or vaults
1235 with dimensions sufficient for storage of cannabis, cash and currency.
1236

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- 1237 16) Documentation that the building meets state and local building and fire
1238 codes, and that all local ordinances are met for the proposed location.
1239
- 1240 17) A community deleterious prevention plan.
1241
- 1242 18) The applicable fee for a dispensing organization registration.
1243
- 1244 19) Any additional information requested by the Division.
1245
- 1246 c) Upon Division approval of the dispensing organization Registration Packet, the
1247 Registration Packet, information and plans approved by the Division become a
1248 condition of the Registration.
1249
- 1250 d) If an applicant fails to comply with the requirements of the Act and this Part, the
1251 Division may notify the applicant of the deficiencies and request that the
1252 Registrant comply. Failure to comply may subject the dispensing organization to
1253 discipline, up to and including suspension or revocation of its Registration.
1254
- 1255 e) A dispensing organization shall provide evidence of financial responsibility
1256 payable to the Division if the dispensing organization fails to timely and
1257 successfully complete the construction of a dispensary or if it fails to operate the
1258 dispensary in a manner that provides uninterrupted supply of cannabis to
1259 registered patients and designated caregivers during the term of the registration.
1260 Evidence of financial responsibility shall be provided by one of the following:
1261
- 1262 1) Establishing and maintaining an escrow account in an Illinois financial
1263 institution in the amount of \$50,000, with escrow terms approved by the
1264 Division that it shall be payable to the Division in the event of
1265 circumstances outlined in this Subsection (e),
1266
- 1267 2) Providing a surety bond in the amount of \$50,000, naming the dispensary
1268 organization as principal of the bond, with terms approved by the Division
1269 that the bond defaults to the Division in the event of circumstances
1270 outlined in this Subsection (e),
1271
- 1272 f) A Registration must be denied pursuant to Section 115(f) of the Act for any of the
1273 following reasons:
1274

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- 1275 1) The registrant failed to submit the materials required by the Act, including
1276 that the plans submitted do not satisfy the security, oversight, or
1277 recordkeeping rules.
- 1278
- 1279 2) The registrant selected a location that is not in compliance with local
1280 zoning rules or does not meet the requirements of Section 140 of the Act,
1281
- 1282 3) The registrant does not meet the requirements of Section 130 of the Act,
1283
- 1284 4) One or more of the principal officers has been convicted of an excluded
1285 offence,
1286
- 1287 5) One or more of the principal officers has served as a principal officer for a
1288 registered medical cannabis dispensing organization that has had its
1289 registration revoked,
1290
- 1291 6) One or more of the principal officers is under 21 years of age, or,
1292
- 1293 7) One or more of the principal officers is a registered qualified patient or a
1294 designated caregiver.
1295
- 1296 g) Once all documentation is complete, and the dispensary organization is prepared
1297 to open the dispensary for business, the dispensary organization shall contact the
1298 Division for a final inspection and final approval to open.
1299
- 1300 h) Once the Division has issued approval to operate, the dispensary organization
1301 shall notify the Division of the proposed dispensary opening date. The dispensary
1302 organization shall provide at least 3 days notice to the Division prior to opening.
1303

1304 **Section 1290.120 Changes to a Dispensary Organization Registration**
1305

- 1306 a) A dispensary Registration shall be issued to the specific dispensing organization
1307 identified on the application, and for the specific dispensary location proposed.
1308 The Registration is valid only for the owner, premises, and name designated on
1309 the registration and the location for which it is issued. A dispensing organization
1310 may not transfer or assign a dispensing organization Registration.
1311
- 1312 b) A dispensing organization shall provide written notice to the Division of any
1313 addition or removal of persons or entities listed as principal officers, pursuant to
1314 this Part. Notice shall be provided to the Division a minimum of 10 business days

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1315 prior to the change, on forms provided by the Division unless the Division
1316 approves a lesser time in writing.

- 1317
1318 c) For a change in the persons serving as principal officers, a dispensing
1319 organization shall provide the Division the same information required on an initial
1320 application and initial registration for a new principal officer holding any
1321 ownership interest pursuant to this Part. All new principal officers shall be
1322 subject to the requirements of this Part.

- 1323
1324 d) A change in more than 49% the dispensary ownership within one calendar year
1325 shall be reported to the Division. The Division will review the ownership
1326 structure to determine whether the change in ownership has had the effect of a
1327 transfer of the Registration in violation of this Part. The dispensing organization
1328 shall supply all ownership documents and change of ownership documents to the
1329 Division.

- 1330
1331 e) The dispensing organization shall provide the Division with the personal
1332 information for all new dispensary agents and agents in charge as required in this
1333 Part and all new dispensary agents and agents in charge shall be subject to the
1334 requirements of this Part. No dispensary organization agents may begin
1335 employment or work at a dispensary organization without first obtaining a
1336 dispensary organization agent card.

- 1337
1338 f) The Division shall reject the addition of any principal officers not in compliance
1339 with all requirements of the Act and this Part, and that person shall be removed
1340 from his, her, or its position with the dispensing organization or shall otherwise
1341 terminate his, her, or its affiliation with the dispensing organization upon rejection
1342 by the Division. Failure to do so may subject the dispensing organization to
1343 discipline, suspension or revocation of its registration by the Division.

- 1344
1345 g) A dispensing organization may change the location of the dispensary to a different
1346 Division approved location in the District where the dispensary is assigned.

- 1347
1348 h) A dispensing organization shall not distribute, dispense, or sell medical cannabis
1349 at a new location until the dispensing organization submits an application for a
1350 change of address and the Division issues a new or amended dispensing
1351 organization registration.
1352

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- i) It is the responsibility of the registered dispensing organization, and its principal officers to notify the Division of a change of their personal address prior to the move.

Section 1290.130 Request to Change a Dispensary Location

- a) To change the location of the dispensary premises within its specified District, the dispensing organization shall submit an application to the Division requesting the change.
- b) The application shall include the non-refundable fee for a dispensing organization registration change of location.
- c) The new dispensary location shall meet all the requirements of the Act and this Part, including requirements in Section 1290.110 (b), and all zoning requirements.
- d) If the information and documents submitted by the dispensing organization comply with the Act and this Part and the proposed location is acceptable to the Division, the Division will issue a conditional approval to change the dispensary location. The dispensary organization may continue to operate at the existing location, until the new location is registered and open for business. The dispensary organization may not operate two locations under the same registration number.
- e) Once the new dispensary premises are built and ready for operation, the dispensing organization shall notify the Division and request an inspection.
- f) Prior to issuing a final registration and approval to operate, the Division will inspect the dispensary to confirm compliance with the Act and this Part.
- g) Final approval to the dispensary organization to operate will be issued by the Division only after the completion of a successful inspection.
- h) Once the Division has issued approval to operate, the dispensary organization shall notify the Division of the proposed dispensary opening date. The dispensary organization shall provide at least 3 days notice to the Division prior to opening for business. The previous registered location of the dispensary organization must cease when the new location commences operations.

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- 1392 i) The dispensing organization registration that includes the new address shall retain
1393 the expiration date of the previously issued dispensing organization registration.
1394
- 1395 j) An application for a change in location of a dispensary facility may not be
1396 combined with an application for renewing a dispensing organization registration.
1397 The Division shall process each application separately.
1398
- 1399 k) Should the dispensing organization relocate, it shall inform its existing patients of
1400 the new dispensary location.
1401

1402 **Section 1290.140 Dispensing Organization Renewals**
1403

- 1404 a) Every dispensing organization registration issued under the Act shall expire
1405 annually, on the date it was issued. The registration holder may renew the
1406 registration during the month preceding the expiration date by paying the required
1407 renewal fee, provided it is in current compliance with the Act and this Part.
1408
- 1409 b) If the dispensary premises is leased, when submitting for Registration renewal the
1410 dispensing organization must provide documentation that the registered premises
1411 has been leased for the following calendar year.
1412
- 1413 c) Upon a dispensing organization's request for a Registration renewal, the Division
1414 shall consider the dispensing organization's history of compliance with standards,
1415 rules and regulations promulgated under the Act, the number and severity of the
1416 violations and the correction of violations, penalties, or other enforcement actions.
1417
- 1418 d) The Director of the Division may deny a dispensing organization's request for
1419 renewal of a registration due to poor compliance history or if the dispensing
1420 organization has been disciplined under the Act or this Part.
1421
- 1422 e) Failure to receive a renewal form from the Division shall not excuse a dispensary
1423 organization from renewing the registration prior to its expiration or paying the
1424 renewal fee. Dispensing medical cannabis on an expired registration is unlicensed
1425 activity and is grounds for imposition of discipline.
1426
- 1427 f) No dispensing organization shall, after the expiration of a dispensing organization
1428 agent registration card, employ the holder of the card in any capacity.
1429

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- 1430 g) Prior to a refusal to renew a dispensing organization's registration by the
1431 Division, the registrant shall be entitled to an administrative hearing in accordance
1432 with the hearing rights prescribed in the Act and this Part.
1433
- 1434 h) Prior to disciplinary action taken against a dispensing organization by the
1435 Division, the dispensing organization shall be entitled to an administrative hearing
1436 in accordance with the hearing rights prescribed in the Act.
1437
- 1438 i) It is the responsibility of each registered dispensing organization to notify the
1439 Division of an agent's change of address.
1440

1441 SUBPART E: REGISTRATION OF DISPENSING ORGANIZATION AGENTS
1442

1443 **Section 1290.150 Dispensing Organization Agent-In-Charge**
1444

- 1445 a) Every dispensing organization shall designate an agent-in-charge. The designated
1446 agent-in-charge must hold a dispensary organization agent card. Maintaining an
1447 agent-in-charge is a continuing requirement for the dispensing organization
1448 registration.
1449
- 1450 b) The agent-in-charge shall be a principal officer or a full-time agent of the
1451 dispensing organization and shall participate in dispensing organization affairs.
1452 Participation in dispensing organization affairs includes, but is not limited to,
1453 responsibility for acceptance of deliveries, oversight of services and dispensary
1454 agents, recordkeeping, inventory, dispensary agent training and compliance with
1455 the Act and this Part. Participation in dispensing organization affairs also
1456 includes the responsibility for maintaining all files subject to audit or inspection
1457 by the Division. These files shall be located within Illinois.
1458
- 1459 c) The agent-in-charge is responsible for notifying the Division, on forms provided
1460 by the Division, of any change of information required to be reported to the
1461 Division within 10 work days after the change, unless required to be reported in
1462 advance pursuant to this Part.
1463
- 1464 d) If the dispensing organization is a corporation or a limited liability company, the
1465 agent-in-charge is responsible for maintaining the good standing of the
1466 corporation or limited liability company with the Secretary of State. If the
1467 dispensing organization is a foreign corporation, the agent-in-charge is
1468 responsible for maintaining its authorization to conduct business in Illinois in
1469 good standing.

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- 1470
- 1471 e) In determining whether an agent-in-charge participates in dispensing organization
- 1472 affairs, the Division may consider the responsibilities identified in this Section,
- 1473 the number of dispensary agents under the supervision of the agent-in-charge, and
- 1474 the employment relationship between the agent-in-charge and the dispensing
- 1475 organization, including the existence of a contract for employment and any other
- 1476 relevant fact or circumstance.
- 1477
- 1478 f) The agent-in-charge is responsible for notifying the Division, on forms provided
- 1479 by the Division, of a change in the employment status of all dispensary
- 1480 organization agents, and the nature and reason for the status change, within 10
- 1481 work days after the change.
- 1482
- 1483 g) In the event of the separation of an agent-in-charge due to the death, incapacity,
- 1484 termination or any other reason, the dispensing organization shall immediately
- 1485 contact the Division and request a temporary certificate of authority allowing the
- 1486 continuing operation of the dispensing organization. The request shall include the
- 1487 name of an interim agent-in-charge until a replacement is identified, or shall
- 1488 include the name of the replacement. The Division shall issue the temporary
- 1489 certificate of authority promptly after it approves request. If a dispensing
- 1490 organization fails to promptly request a temporary certificate of authority after the
- 1491 separation of the agent-in-charge, its authorization to operate shall cease until
- 1492 such time as the Division approves the temporary certificate of authority or
- 1493 registers a new agent in charge. The temporary agent-in-charge assumes all
- 1494 responsibilities as the agent-in-charge pursuant to Section 1290.150. No
- 1495 temporary certificate of authority shall be valid for more than 90 days. The
- 1496 succeeding agent-in-charge shall register with the Division in compliance with
- 1497 this Part. Once the permanent succeeding agent-in-charge is registered with the
- 1498 Division, the temporary certificate of authority is void. No temporary certificate
- 1499 of authority shall be issued for the separation of the agent-in-charge because of
- 1500 disciplinary action by the Division related to his or her conduct on behalf of the
- 1501 dispensing organization.
- 1502
- 1503 h) The dispensing organization agent-in-charge registration shall expire annually on
- 1504 the date it was issued. The dispensing organization shall renew the agent-in-
- 1505 charge registration annually. The Division shall review the dispensary's
- 1506 compliance history when determining whether to grant the request to renew.
- 1507
- 1508 i) Upon termination of employment, the dispensary agent identification card shall be
- 1509 immediately returned to the dispensing organization. The dispensing organization

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shall promptly return the identification cards to the Division.

j) The Division may revoke an agent in charge identification card for any of the following reasons:

- 1) Submission of misleading, incorrect, false, or fraudulent information in the application or renewal application,
- 2) Violation or violations of the requirements of the Act or this Part,
- 3) Fraudulent use of the agent in charge identification card,
- 4) Selling, distributing, transferring in any manner, or giving medical cannabis to any unauthorized person,
- 5) Tampering with, falsifying, altering, modifying, or duplicating an agent in charge identification card,
- 6) Failure to notify the Division within ten business days after becoming aware that the agent in charge identification card has been lost, stolen or destroyed,
- 7) Failure to notify the Division within ten business days after a change in the information provided in the application for an agent in charge identification card, or,
- 8) Conviction of an excluded offense following the issuance of an agent in charge identification card.

k) Only a dispensing organization principal officer or agent in charge can apply for a dispensing organization agent registration card for themselves and/or other dispensary agents.

Section 1290.160 Dispensing Organization Agents

a) All principal officers of the dispensing organization shall hold a dispensing organization agent registration card. Additionally, all agents of the dispensing organization shall hold a dispensing organization agent registration card. All persons identified under this subsection shall carry their dispensing organization card while present at the dispensary.

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- 1550
1551 b) A dispensing organization agent registration application shall be on forms
1552 provided by the Division, along with the following:
1553
1554 1) A full set of fingerprints in electronic format as outlined in this Part with
1555 their initial registration application,
1556
1557 2) A copy of the applicant's valid driver's license,
1558
1559 3) Electronic picture of applicant,
1560
1561 4) A sworn statement that the applicant has not been convicted of an
1562 excluded offense in any jurisdiction,
1563
1564 5) The applicant's social security number,
1565
1566 6) The required registration fee, and,
1567
1568 7) Any additional information as requested by the Division in the verification
1569 process.
1570
1571 c) If no record is found relating to the fingerprints and the applicant is otherwise
1572 qualified under the Act, the Division may issue to the applicant a dispensing
1573 organization agent registration card that will be valid for the period specified on
1574 the face of the card and will be renewable upon the conditions set forth in this
1575 Part.
1576
1577 d) Upon termination of employment, the dispensary agent identification card shall be
1578 immediately returned to the dispensing organization. The dispensing organization
1579 shall promptly return the identification cards to the Division.
1580
1581 e) The Division may revoke a dispensary agent identification card for any of the
1582 following reasons:
1583
1584 1) Submission of misleading, incorrect, false, or fraudulent information in the
1585 application or renewal application,
1586
1587 2) Violation or violations of the requirements of the Act or this Part,
1588
1589 3) Fraudulent use of the dispensary agent identification card,

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- 1590
- 1591 4) Selling, distributing, transferring in any manner, or giving medical
- 1592 cannabis to any unauthorized person,
- 1593
- 1594 5) Tampering with, falsifying, altering, modifying, or duplicating a
- 1595 dispensary agent identification card,
- 1596
- 1597 6) Failure to notify the Division within ten business days after becoming
- 1598 aware that the dispensary agent identification card has been lost, stolen or
- 1599 destroyed,
- 1600
- 1601 7) Failure to notify the Division within ten business days after a change in
- 1602 the information provided in the application for a dispensary agent
- 1603 identification card, or,
- 1604
- 1605 8) Conviction of an excluded offense following the issuance of a dispensary
- 1606 agent identification card.
- 1607

1608 **Section 1290.170 Persons with Significant Influence or Control; Disassociation**

1609

- 1610 a) Any individual in connection with the dispensing organization who is not a
- 1611 principal officer, and who may significantly influence or control the activities of
- 1612 the dispensing organization, other than a bank or other licensed lending institution
- 1613 holding a mortgage or other lien, may be subject to a background investigation or
- 1614 an examination of the business relationship with the dispensary.
- 1615
- 1616 b) The Division may order the disassociation of any person from the dispensing
- 1617 organization if the person fails to cooperate with the Division's investigation or if
- 1618 the person would be prohibited from being a principal officer pursuant to the Act
- 1619 and this Part. The order issued by the Director shall be directed to the applicant or
- 1620 registrant, and non-compliance with the order may result in the revocation,
- 1621 suspension, or other discipline of the registration.
- 1622

1623 **Section 1290.180 State and Federal Criminal History Records Check**

1624

- 1625 a) The ISP shall act as the Division's agent, receiving electronic fingerprints and
- 1626 conducting background checks of each dispensary principal officer applying for
- 1627 an agent identification card.
- 1628

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- b) The ISP shall conduct background checks for conviction information contained in the ISP and the Federal Bureau of Identification criminal history databases, as permitted.
- c) Persons required by the Act and this Part to submit to a state and federal criminal history record check of conviction(s) of an excluded offense under the Act, shall submit to a fingerprint-based criminal history records check by providing a full set of fingerprints in an electronic format to an ISP live scan vendor whose equipment has been certified by ISP or a fingerprint vendor agency licensed by the Division.
- d) Manual fingerprints will be rejected.
- e) Fingerprints shall be taken within the 30 days prior to the application date or renewal date for a dispensary agent identification card.
- f) Fingerprint images, of the individual being fingerprinted, and related alpha numeric identification data submitted for the purpose of this fingerprint based background check, shall be submitted electronically.
- g) If the fingerprints are rejected by the ISP, the dispensary agent shall have his or her fingerprints collected electronically by a live scan fingerprint vendor a second time.
- h) In the event of equipment malfunction or other special circumstance that makes electronic transmission of fingerprint data impractical, the Department may allow limited use of paper fingerprint records.
- i) The dispensary agent shall submit a copy of the live scan request form with the dispensary agent identification card application or renewal, and receipt provided from the live scan fingerprint vendor containing the Transaction Control Number (TCN), to the Division as proof that his or her fingerprints have been collected.
- 1) Dispensary identification card applications submitted without a copy of the live scan request form and receipt will be deemed incomplete and will not be processed until fingerprinting is completed.
 - 2) Fees associated with the live scan fingerprint-based criminal history records check shall be the responsibility of the individual seeking a dispensary agent identification card.

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- j) The Division shall obtain, from the ISP, a state and federal criminal records check, as permitted, containing conviction information for each agent applying for an identification card.

SUBPART F: DISPENSARY OPERATION

Section 1290.190 Operational Requirements

- a) It is the duty of the Division to enforce the provisions of the Act relating to the registration and oversight of dispensary organizations unless otherwise provided for in the Act.
- b) This Part shall apply to holders of a dispensary registration to accept, store and sell medical cannabis. A dispensary shall be in compliance with the Act and this Part prior to commencement of operational activities, acceptance, storage or sale of medical cannabis.
- c) Only a dispensary organization that has been issued a registration by the Division shall own and operate a dispensary facility. A dispensary organization awarded a registration shall operate in accordance with the Act, and this Part and the representations made in its application.
- d) Packaging and Labeling Standards. A dispensary organization is prohibited from selling cannabis that is not pre-packaged and labeled in accordance with this Part and the rules issued by the Illinois Department of Agriculture and Department of Public Health.
- e) A dispensary is prohibited from selling cannabis or any cannabis-infused product to a consumer that does not have an active registered qualifying patient or designated caregiver card issued by DPH.
- f) Consumption Prohibited. A dispensary shall not permit the consumption of cannabis or cannabis-infused products on its registered premises.
- g) A dispensary organization shall maintain compliance with local zoning ordinances or regulations.
- h) A dispensary organization shall submit a list of all third party vendors to the Division. Changes to the list of third party vendors shall be promptly provided.

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- 1709
- 1710 i) A dispensary organization awarded a registration shall operate in accordance with
- 1711 the representations made in its application and Registration Packet.
- 1712
- 1713 j) A dispensary registration shall allow the registrant to operate at a single
- 1714 dispensary location.
- 1715
- 1716 k) A dispensary may operate between 6 a.m. local time to 8 p.m. local time.
- 1717
- 1718 l) A dispensary organization shall not:
- 1719
- 1720 1) produce or manufacture cannabis,
- 1721
- 1722 2) enter into an exclusive agreement with any cultivation center,
- 1723
- 1724 3) refuse to conduct business with a cultivation center that has the ability to
- 1725 properly deliver the product and is licensed with the Illinois Department of
- 1726 Agriculture, on the same terms and conditions as other cultivation centers
- 1727 with whom the dispensary organization is dealing,
- 1728
- 1729 4) A registered dispensary organization shall not operate drive through
- 1730 windows at the dispensary,
- 1731
- 1732 5) A registered dispensary organization shall not transport cannabis to
- 1733 residences of registered patients or caregivers,
- 1734
- 1735 6) All cannabis and cannabis infused products must be obtained from an
- 1736 Illinois registered cultivation center.
- 1737

SUBPART G: SECURITY AND RECORDKEEPING

Section 1290.200 Inventory Control System

- 1740
- 1741
- 1742 a) A dispensing organization agent-in-charge shall have oversight of the dispensing
- 1743 organization's medical cannabis inventory control system. The inventory control
- 1744 system shall be real-time, web-based and accessible by the Division 24/7.
- 1745
- 1746 b) A dispensing organization shall establish and implement an inventory control
- 1747 system for its medical cannabis that documents:
- 1748

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- 1) Each transaction and each day's beginning inventory, acquisitions, sales, disposal of unusable cannabis, and ending inventory,
- 2) Acquisition of medical cannabis from a registered cultivation center including,
 - A) A description of the medical cannabis acquired including the amount, strain, variety and batch number,
 - B) The name and registry identification number of the registered cultivation center providing the medical cannabis,
 - C) The name and registry identification number of the registered cultivation center agent providing the medical cannabis,
 - D) The name and registry identification number of the dispensing organization agent receiving the medical cannabis on behalf of the dispensing organization, and,
 - E) The date of acquisition.
- 3) The disposal of medical cannabis including:
 - A) A description of and reason for the cannabis being disposed,
 - B) The name and registry identification number of the registered cultivation center that provided the medical cannabis,
 - C) The method of disposal and the name address and telephone number of the disposal company, and,
 - D) Date the medical cannabis was disposed of.
- 4) The receipt of medical cannabis infused products from a registered cultivation center including:
 - A) A list of the type of medical cannabis infused products received from the registered cultivation center and the quantity of each product received,

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- 1789 B) Total weight of each medical cannabis infused products and the
1790 pre-mixed weight of medical cannabis infused in each product,
1791
1792 C) Batch number for each product, and,
1793
1794 D) The name and registry identification number of the:
1795
1796 i) Registered cultivation center and the registered cultivation
1797 center agent providing the medical cannabis infused
1798 products to the receiving dispensing organization, and,
1799
1800 ii) Dispensing organization agent receiving the medical
1801 cannabis infused products on behalf of the receiving
1802 dispensing organization.
1803
1804 c) The agent-in-charge shall conduct and document an audit of the dispensing
1805 organization's daily inventory according to generally accepted accounting
1806 principles once every 30 calendar days.
1807
1808 1) If the audit identifies a reduction in the amount of medical cannabis in the
1809 dispensing organization's inventory not due to documented causes, the
1810 dispensing organization shall determine where the loss occurred and
1811 immediately take and document corrective action taken. The dispensing
1812 organization shall inform the Division of the loss and the corrective action
1813 taken within 2 business days of first discovery.
1814
1815 2) If the reduction in the amount of medical cannabis in the dispensing
1816 organization's inventory is due to criminal activity or suspected criminal
1817 activity by a dispensing organization agent, the dispensing organization
1818 shall report the dispensing organization agent to the Division, ISP, and to
1819 the local law enforcement authorities.
1820
1821 3) If the audit identifies an increase in the amount of medical cannabis in the
1822 dispensing organization's inventory not due to documented causes, the
1823 dispensing organization shall determine where the increase occurred and
1824 take and document corrective action.
1825
1826 4) The dispensary organization shall submit quarterly audit statements to the
1827 Division, which shall include, but not be limited to, an income statement,
1828 balance sheet and weekly cannabis inventory including cannabis

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acquisition and sales, prepared in accordance with generally accepted accounting principles. Annually, the dispensing organization shall submit an audit including the same information, compiled by and certified by a licensed auditor or CPA.

d) A dispensing organization shall:

- 1) Maintain the documentation required in this Section in a secure locked location at the dispensing organization for 5 years from the date on the document,
- 2) Provide any documentation required to be maintained in this Section to the Division for review upon request, and,
- 3) If maintaining a bank account, retain for a period of 5 years a record of each deposit or withdrawal from the account.

e) A dispensing organization shall not accept returns of medical cannabis.

Section 1290.210 Storage Requirements

- a) Authorized On-Premises Storage. A dispensary organization must store inventory on the registered premises. All inventory stored on the registered premises must be secured in a restricted access area and tracked consistently with the inventory tracking rules.
- b) A dispensary premises shall be of suitable size and construction to facilitate cleaning, maintenance and proper operations.
- c) A dispensary shall include adequate lighting, ventilation, temperature, humidity, and equipment.
- d) Containers storing medical cannabis that have been tampered with or opened shall be separated from other medical cannabis products until they are disposed of in accordance with the Act and this Part.
- e) A dispensary shall have a separate area for storage of cannabis that is damaged until it is disposed of in accordance with this Part.

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- 1869 f) A dispensing organization shall not store damaged medical cannabis at the
1870 Registered premises for more than one week.
1871
- 1872 g) The dispensary storage areas shall be maintained in a clean and orderly condition.
1873
- 1874 h) The dispensary storage areas shall be free from infestation by insects, rodents,
1875 birds, or pests of any kind.
1876
- 1877 i) The dispensary storage areas shall be maintained in accordance with the Security
1878 Requirements in accordance with this Part.
1879
- 1880 j) Medical cannabis shall be stored at appropriate temperatures and under
1881 appropriate conditions to help ensure that its identity, strength, quality and purity
1882 are not adversely affected.
1883

1884 **Section 1290.220 Security Requirements**
1885

- 1886 a) A dispensing organization shall implement security measures to deter and prevent
1887 entry into and theft from restricted access areas containing cannabis or currency.
1888
- 1889 b) A dispensing organization shall submit changes to the floor plan or security plan
1890 to the Division for pre-approval.
1891
- 1892 c) The dispensing organization shall implement security measures to protect the
1893 premises, registered qualifying patients, designated caregivers, and dispensing
1894 organization agents including, but not limited to the following:
1895
- 1896 1) Establish a locked door or barrier between the facility's entrance and the
1897 limited access area. The limited access area shall only be accessible to
1898 registered qualifying patients, designated caregivers, dispensing
1899 organization owners and agents, service professionals, and persons
1900 authorized by the Act and this Part,
1901
- 1902 2) Prevent individuals from remaining on the premises of the dispensary if
1903 they are not engaging in activity permitted by the Act or this Part,
1904
- 1905 3) Develop a policy that addresses the maximum capacity in the waiting
1906 rooms of the dispensary,
1907
- 1908 4) Dispose of cannabis in accordance with this Part,

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- 1909
- 1910 5) During hours of operation, store all cannabis in established restricted
- 1911 access area accessible only to specifically authorized personnel, which
- 1912 shall include only the minimum number of dispensary agents essential for
- 1913 efficient operations,
- 1914
- 1915 6) When the dispensary is closed, store all cannabis and currency in a secure
- 1916 locked safe or vault and in a manner as to prevent diversion, theft, and
- 1917 loss,
- 1918
- 1919 7) Keep all safes, vaults, and any other equipment or cannabis storage areas
- 1920 securely locked and protected from unauthorized entry,
- 1921
- 1922 8) Keep an electronic daily log of dispensary agents with access to the safe
- 1923 and knowledge of the access code or combination to the safe,
- 1924
- 1925 9) Keep all locks and security equipment in good working order,
- 1926
- 1927 10) Prohibit keys, if applicable, from being left in the locks, or stored or
- 1928 placed in a location accessible to persons other than specifically
- 1929 authorized personnel,
- 1930
- 1931 11) Prohibit accessibility of security measures, including combination
- 1932 numbers, passwords, or electronic or biometric security systems to persons
- 1933 other than specifically authorized personnel,
- 1934
- 1935 12) Ensure that the outside perimeter of the dispensing organization premises
- 1936 are sufficiently lit to facilitate surveillance,
- 1937
- 1938 13) Ensure that trees, bushes, and other foliage outside of the dispensing
- 1939 organization premises do not allow for a person or persons to conceal
- 1940 themselves from sight,
- 1941
- 1942 14) Develop emergency policies and procedures for securing all product and
- 1943 currency following any instance of diversion, theft, or loss of cannabis,
- 1944 and conduct an assessment to determine whether additional safeguards are
- 1945 necessary, and,
- 1946
- 1947 15) Develop sufficient additional safeguards that present special security
- 1948 concerns, as required by the Division.

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- 1949
- 1950 d) The Division may request or approve alternative security provisions that it
- 1951 determines are an adequate substitute for a security requirement specified in
- 1952 subsection (a). Any additional protection may be considered by the Division in
- 1953 evaluating overall security measures.
- 1954
- 1955 e) A dispensing organization shall provide additional security as needed and in a
- 1956 manner appropriate for the community where it operates.
- 1957
- 1958 f) Restricted Access Areas.
- 1959
- 1960 1) All restricted access areas must be identified by the posting of a sign that
- 1961 shall be a minimum of 12" X 12" and which states "Do Not Enter –
- 1962 Restricted Access Area – Access Restricted to Authorized Personnel
- 1963 Only" in lettering no smaller than 1 inch in height.
- 1964
- 1965 2) All restricted access areas shall be clearly described in the floor plan of the
- 1966 registered premises, in the form and manner determined by the Division,
- 1967 reflecting walls, partitions, counters, and all areas of entry and exit. Said
- 1968 floor plan shall also show all storage, disposal, and retail sales areas.
- 1969
- 1970 3) All restricted access areas must be secure, with locking devices that
- 1971 prevent access from the limited access areas.
- 1972
- 1973 4) A dispensing organization agent shall visibly display a dispensary
- 1974 organization agent identification card issued by the Division at all times
- 1975 while at the dispensary.
- 1976
- 1977 5) All service professionals and visitors must obtain a numbered visitor
- 1978 identification badge prior to entering a restricted access area, and shall be
- 1979 escorted at all times by a dispensing organization agent authorized to enter
- 1980 the restricted access area. All visitors must be logged in and out, and that
- 1981 log shall be maintained for 5 years on-site and available for inspection by
- 1982 the Division at all times. All visitor identification badges shall be returned
- 1983 to the dispensing organization upon exit.
- 1984
- 1985 g) Security and Alarm Systems.
- 1986
- 1987 1) A dispensing organization shall have an adequate security plan and
- 1988 security system to prevent and detect diversion, theft, or loss of cannabis,

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- 1989 currency or unauthorized intrusion using commercial grade equipment
1990 installed by an Illinois licensed private alarm contractor or private alarm
1991 contractor agency, which shall, at a minimum, include:
1992
1993 A) A perimeter alarm on all entry points and perimeter windows,
1994
1995 B) A failure notification system that provides an audible, text, or
1996 visual notification of any failure in the surveillance system. The
1997 failure notification system shall provide an alert to designated
1998 dispensary organization agents of the dispensing organization
1999 within five minutes after the failure, either by telephone, email, or
2000 text message,
2001
2002 C) A duress alarm, panic alarm, holdup alarm, or after hours intrusion
2003 detection alarm that by design and purpose will make direct or in-
2004 direct notification by the most efficient means to the Public Safety
2005 Answering Point (PSAP) for the law enforcement agency having
2006 primary jurisdiction,
2007
2008 D) Unobstructed video surveillance of all enclosed dispensary areas,
2009 unless prohibited by law, including all points of entry and exit,
2010 which shall be appropriate for the normal lighting conditions of the
2011 area under surveillance. The cameras shall be directed so all areas
2012 are captured including but not limited to safes, vaults, sales areas,
2013 and areas where cannabis is stored, handled or dispensed. Cameras
2014 shall be angled to allow for facial recognition, the capture of clear
2015 and certain identification of any person entering or exiting the
2016 dispensary area and in lighting sufficient during all times of night
2017 or day,
2018
2019 E) Unobstructed video surveillance of the parking lot, which shall be
2020 appropriate for the normal lighting conditions of the area under
2021 surveillance. Cameras shall be angled so as to allow for the capture
2022 of facial recognition, clear and certain identification of any person
2023 entering or exiting the dispensing organization or area and license
2024 plates of vehicles in the parking lot,
2025
2026 F) Twenty-four hour recordings from all video cameras available for
2027 immediate viewing by the Division upon request. Recordings shall
2028 not be destroyed or altered, and retained for at least 90 days.

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Recordings shall be retained as long as necessary if the dispensing organization is aware of the loss or theft of cannabis or a pending criminal, civil, or administrative investigation, or legal proceeding for which the recording may contain relevant information,

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

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

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

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

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

3) Access to rooms where surveillance monitoring recording equipment resides shall be limited to persons that are essential to surveillance operations, law enforcement authorities acting within their lawful jurisdiction, security system service personnel, and the Division. A current list of authorized dispensary agents and service personnel that have access to the surveillance room must be available to the Division upon request.

4) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days

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from the previous inspection and test to ensure the systems remain functional.

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

- h) To monitor the facility and prevent unauthorized access to medical cannabis at the dispensary, the dispensing organization shall incorporate the following.

- 1) Security equipment to deter and prevent unauthorized entrance into restricted access areas that includes:

A) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, cellular, private radio signals, or other mechanical or electronic device,

B) Exterior lighting to facilitate surveillance.

- 2) Electronic monitoring including:

A) All monitors must be 19-inches or greater,

B) A video printer capable of immediately producing a clear still photo from any video camera image,

C) Video cameras:

i) Providing coverage of all entrances to and exits from limited and restricted access areas and all entrances to and exits from the building, capable of identifying any activity occurring in or adjacent to the building, and,

ii) Having a recording resolution of at least 704 x 480 or the equivalent.

D) A video camera or cameras at each point of sale location allowing for the identification of the dispensary agent distributing the cannabis and any qualifying patient or designated caregiver

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purchasing medical cannabis. The camera or cameras shall capture the sale, the individuals and the computer monitors tracking the sale,

E) Storage of video recordings from the video cameras for at least 90 calendar days,

F) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system, and,

G) Sufficient battery backup for video cameras and recording equipment to support at least 2 hours of recording in the event of a power outage; and panic buttons in the interior of each building.

3) The dispensing organization shall maintain policies and procedures including:

A) A security plan with protocols for patient, caregiver and agent safety, and management and security of cannabis and currency.

B) Restrict access to the areas in the dispensary that contain cannabis to authorized individuals only,

C) That provide for the identification of authorized individuals,

D) That control access and prevent loitering both inside the facility and outside,

E) For conducting electronic monitoring, and,

F) For the use of a panic button.

Section 1290.230 Record Keeping

a) Dispensing organization records must be maintained electronically and 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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- 1) Operating procedures,
- 2) Inventory records, policies and procedures,
- 5) Security Records,
- 6) Audit records,
- 5) Staffing plan,
- 6) Business records, which shall include manual or computerized records of:
 - A) Assets and liabilities,
 - B) Monetary transactions,
 - C) Written or electronic accounts, which shall include bank statements, journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers, and,
 - D) Any other financial accounts reasonably related to the dispensary operations.
- 7) Storage and transfer of records. If a dispensary closes due to insolvency, bankruptcy or for any other reason, all records must be preserved at the expense of the dispensing organization, for at least three years and in a form and location in Illinois acceptable to the Division. The dispensing organization shall keep the records longer if requested by the Division. The dispensing organization shall notify the Division of the location where the dispensary records are stored or transferred.
- 8) All other records, policies and procedures required by the Act and this Part.

Section 1290.240 Cleaning and Sanitation

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

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Section 1290.250 Administration

A dispensing organization shall:

- a) Ensure that the dispensing organization is operating and available to dispense an uninterrupted supply of medical cannabis to qualifying patients and designated caregivers,
- b) Develop, document, and implement policies and procedures regarding:
 - 1) Training of dispensing organization agents to adhere to confidentiality requirements, specific uses of cannabis or a cannabis-infused product, instruction regarding regulatory inspection preparedness and law-enforcement interaction; awareness of the legal requirements for becoming and maintaining status as a dispensing organization agent and other topics as specified by the Division. 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. At a minimum, dispensing organization agents shall receive 8 hours of on-going training annually,
 - 2) Business records, including by-laws, consents, manual or computerized records of assets and liabilities, audits, monetary transactions, journals, ledgers, and supporting documents, including agreements, checks, invoices, and vouchers,
 - 3) Inventory control, including:
 - A) Tracking qualifying patient records, including purchases, denials of sale, confidentiality, and retention,
 - B) Disposal of unusable or damaged cannabis as required by the Act and this Part.
 - 4) Patient education and support, including:
 - A) Information about the purported effectiveness of various methods, forms, and methods of medical cannabis administration,
 - B) Information about the purported effectiveness of various strains of medical cannabis on specific conditions,

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- 2229
- 2230 C) Information that medical cannabis smoke, like cigarette smoke,
- 2231 may harm the lungs,
- 2232
- 2233 D) Current educational information issued by the DPH about the
- 2234 health risks associated with the abuse of cannabis,
- 2235
- 2236 E) Whether possession of cannabis is illegal under federal law,
- 2237
- 2238 F) Information about possible side effects,
- 2239
- 2240 G) Prohibition on the smoking of medical cannabis in public places,
- 2241 and,
- 2242
- 2243 H) Offer any other appropriate patient education or support materials.
- 2244
- 2245 5) Agent Reporting. If the dispensary organization or its principal agents
- 2246 know that any registered dispensary agent has been arrested for or
- 2247 convicted of an excluded offense, the dispensary organization shall notify
- 2248 the Division immediately.
- 2249
- 2250 c) Maintain copies of the policies and procedures on the dispensing organization
- 2251 premises and provide copies to the Division for review upon request.
- 2252
- 2253 d) Review dispensing organization policies and procedures at least once every 12
- 2254 months from the issue date of the dispensing organization registration and update
- 2255 as needed.
- 2256
- 2257 e) Ensure that each principal officer of the dispensing organization and each
- 2258 dispensary agent have a current dispensing organization agent's registry
- 2259 identification card in the agent's immediate possession when the agent is working
- 2260 at the dispensing organization site.
- 2261
- 2262 f) Ensure that any identifying information about a qualifying patient or caregiver be
- 2263 obtained and stored in compliance with the privacy and security rules of the
- 2264 Health Insurance Portability and Accountability Act (HIPAA).
- 2265
- 2266 g) Provide written notice to the Division, including the date of the event, within 10
- 2267 working days after the date, when a dispensing organization agent no longer:
- 2268

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- 2269 1) Serves as a principal officer for the dispensing organization, or,
2270
2271 2) Is employed by the dispensing organization.
2272
2273 h) Document and report any loss or theft of cannabis from the dispensary promptly
2274 to the appropriate law enforcement agency and the Division. It is the duty of any
2275 dispensary organization agent who becomes aware of such loss or theft to report it
2276 as provided in this Part.
2277
2278 i) Post the following information in a place that can be viewed by individuals
2279 entering the dispensing organization:
2280
2281 1) The dispensing organization's certificate of registration; and,
2282
2283 2) The hours of operation during which the dispensing organization will
2284 dispense medical cannabis to a qualifying patient or a designated
2285 caregiver.
2286
2287 j) A dispensary shall not:
2288
2289 1) Allow a physician to conduct a physical examination of a patient for
2290 purposes of diagnosing a debilitating medical condition at the dispensary,
2291
2292 2) Allow a physician to hold a direct or indirect economic interest in the
2293 dispensary if the physician recommends the use of medical cannabis to
2294 qualifying patients or is in a partnership or other fee or profit-sharing
2295 relationship with a physician who recommends medical cannabis,
2296
2297 3) Accept referral of patients from a physician, or,
2298
2299 4) Allow a physician to advertise at the dispensary.
2300
2301 k) Violation of any requirement under this Section may subject the dispensing
2302 organization to discipline, up to and including revocation of its registration.
2303

2304 **Section 1290.260 Dispensing Medical Cannabis**
2305

- 2306 a) Before a dispensing organization agent dispenses medical cannabis to a qualifying
2307 patient or a designated caregiver, the dispensing organization agent shall:
2308
2309 1) Verify the identity of the qualifying patients or the designated caregivers,

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- 2310
- 2311 2) Verify the validity of the qualifying patients or designated caregiver's
- 2312 registry identification card,
- 2313
- 2314 3) Enter the qualifying patient or designated caregiver's registry
- 2315 identification number listed on the qualifying patient's or designated
- 2316 caregiver's registry identification card into the medical cannabis electronic
- 2317 verification system,
- 2318
- 2319 4) Verify that the qualifying patient or designated caregiver has a current
- 2320 authorization by the DPH to purchase medical cannabis.
- 2321
- 2322 4) Verify that the amount of medical cannabis the qualifying patient or
- 2323 designated caregiver is requesting would not cause the qualifying patient
- 2324 to exceed the limit on obtaining no more than two and one-half ounces of
- 2325 medical cannabis during any 14-calendar-day period, and,
- 2326
- 2327 5) Enter the following information into the medical cannabis electronic
- 2328 verification system for the qualifying patient or designated caregiver:
- 2329
- 2330 A) The dispensing organization agent's registry identification number,
- 2331
- 2332 B) The dispensing organization's registry identification number,
- 2333
- 2334 C) The amount, type and strain of medical cannabis dispensed,
- 2335
- 2336 D) Identity of the individual to whom the medical cannabis was
- 2337 dispensed, whether the qualifying patient or the qualifying
- 2338 patient's designated caregiver, and,
- 2339
- 2340 E) The date and time the medical cannabis was dispensed,
- 2341
- 2342 b) Any dispensary that sells edible cannabis infused products must do so in
- 2343 compliance with the Act and this Part.
- 2344

2345 **Section 1290.270 Report of Loss or Theft of Cannabis**

2346

- 2347 a) Any principal officer or agent of a dispensary organization shall promptly
- 2348 document and report any loss or theft of cannabis from the dispensary to the
- 2349 appropriate law enforcement agency and the Division.

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- 2350
- 2351 b) The dispensary organization shall promptly make the report to the Division by
- 2352 phone, and in writing and deposited in the U.S. mail, postage prepaid, within 48
- 2353 hours after having reasonable cause to believe that cannabis has been lost or
- 2354 stolen from the dispensary or of the discovery of the loss or theft from the
- 2355 dispensary.
- 2356
- 2357 c) The report to the Division shall include the name and address of the dispensary,
- 2358 the amount and type of cannabis lost or stolen, the circumstances surrounding the
- 2359 loss or theft, the date and time of the loss or theft, the date the loss or theft was
- 2360 discovered, the person who discovered the loss or theft and the person responsible
- 2361 for the loss or theft if known and any other information that the reporter believes
- 2362 might be helpful in establishing the cause of the loss or theft.
- 2363
- 2364 d) Persons required to make reports or cause reports to be made under this Section
- 2365 include the dispensary organization and employees of the State of Illinois who are
- 2366 involved in investigating or regulating dispensaries if the report has not been
- 2367 made by the dispensary organization.
- 2368
- 2369 e) In addition to the above persons required to report loss or theft of cannabis, any
- 2370 other person may make a report to the Division, or to any law enforcement
- 2371 officer, if such person has reasonable cause to suspect loss or theft of cannabis
- 2372 from a dispensary organization.
- 2373
- 2374 f) A person required to make reports or cause reports to be made under this Section
- 2375 who fails to comply with the requirements of this Section is guilty of, at a
- 2376 minimum, a Class A misdemeanor.
- 2377
- 2378 g) The Division shall initiate an investigation of each report of loss or theft under the
- 2379 Act and this Part. The Division may delegate to law enforcement officials the
- 2380 duty to perform such investigation.
- 2381
- 2382 h) If, during the investigation of a report made pursuant to this Section, the Division
- 2383 obtains information indicating possible criminal acts, the Division shall refer the
- 2384 matter to the appropriate law enforcement agency for further investigation or
- 2385 prosecution. The Division shall make the entire file of its investigation available
- 2386 to the appropriate law enforcement agencies.
- 2387

2388 **Section 1290.280 Destruction and Disposal**

2389

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- a) A dispensary organization shall destroy all damaged cannabis and cannabis-infused products following the methods set forth in this Section.
- b) For cannabis destruction, the dispensing organization shall render the damaged cannabis unusable following the methods set forth in this Section.
- c) At least seven days prior to rendering cannabis unusable and disposing of it, the dispensing organization shall notify the Division and ISP. Notification shall include the date and time the dispensing organization will render cannabis unusable and dispose of it. If the dispensary organization's policy designates the destruction of cannabis on the same day and time weekly, communication of that day and time shall be sufficient to comply with this Subsection. Any change in the date and time must be communicated to the Division and ISP.
- d) The allowable method to render cannabis waste unusable is by grinding and incorporating the cannabis waste with other ground materials so the resulting mixture is at least fifty percent non-cannabis waste by volume. Other methods to render cannabis waste unusable must be approved by the Division before implementation. Material used to grind with the cannabis falls into two categories, compostable waste and non-compostable waste.
- 1) Compostable mixed waste: cannabis waste to be disposed as compost feedstock or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:
- A) Food waste,
- B) Yard waste,
- C) Vegetable based grease or oils, or
- D) Other wastes as approved by the Division.
- 2) Noncompostable mixed waste: Cannabis waste to be disposed in a landfill or another disposal method may be mixed with the following types of waste materials:
- A) Paper waste,
- B) Cardboard waste,

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- 2430
- 2431 C) Plastic waste,
- 2432
- 2433 D) Soil, or,
- 2434
- 2435 E) Other wastes as approved by the Division.
- 2436
- 2437 e) Cannabis waste rendered unusable following the methods described in this section
- 2438 can be disposed. Disposal of the cannabis waste rendered unusable may be
- 2439 delivered to a permitted solid waste facility for final disposition. Examples of
- 2440 acceptable permitted solid waste facilities include:
- 2441
- 2442 1) Compostable mixed waste: Compost, anaerobic digester, or other facility
- 2443 with approval of the jurisdictional health department,
- 2444
- 2445 2) Noncompostable mixed waste: Landfill, incinerator, or other facility with
- 2446 approval of the jurisdictional health department.
- 2447
- 2448 f) All waste and unusable product shall be weighed, recorded and entered into the
- 2449 inventory system prior to rendering it unusable. Verification of this event shall be
- 2450 performed by an agent in charge and conducted in an area with video surveillance.
- 2451
- 2452 g) Electronic documentation of destruction and disposal shall be retained and
- 2453 maintained by the dispensary organization for a period of not less than 5 years.
- 2454

2455 **Section 1290.290 Dispensary Advertisements**

2456

- 2457 a) No registered dispensary organization shall place or maintain, or cause to be
- 2458 placed or maintained, an advertisement of cannabis or a cannabis infused product
- 2459 in any form or through any medium whatsoever:
- 2460
- 2461 1) Within one thousand feet of the perimeter of a school grounds,
- 2462 playground, recreation center or facility, child care center, public park, or
- 2463 library, or any game arcade admission to which is not restricted to persons
- 2464 aged twenty-one years or older,
- 2465
- 2466 2) On or in a public transit vehicle or public transit shelter, or,
- 2467
- 2468 3) On or in a publicly owned or operated property.
- 2469
- 2470 b) This Section does not apply to a noncommercial message.

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Section 1290.295 Closure of a Dispensary

If a dispensing organization decides not to renew its registration or decides to close its business, it shall promptly notify the Division, not less than 3 months prior to the effective date of the closing date.

Section 1290.298 Zoning Rules Related to Dispensary

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

SUBPART H: DISCIPLINE

Section 1290.300 Investigations

- a) The Division may conduct an investigation for the purpose of investigating an applicant, application, dispensing organization, dispensing organization principal officer, dispensary agent, third party vendor 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.
- b) The Division may require an applicant or dispensary organization to produce relevant 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.

Section 1290.310 Grounds for Discipline

- a) The Division may refuse to issue or renew a registration, revoke a registration, suspend a registration, temporarily suspend a registration, place a registration on probation, fine the dispensing organization, or take any disciplinary or non-disciplinary action as the Division may deem proper, including fines not to exceed \$10,000 for each violation, for any one or combination of the following causes:
 - 1) Material misstatement in furnishing information to the Division,

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- 2512
- 2513 2) Violations of the Act, or this Part,
- 2514
- 2515 3) Misrepresentation for the purpose of obtaining a registration,
- 2516
- 2517 4) A pattern of conduct which demonstrates incompetence or unfitness,
- 2518
- 2519 5) Aiding or assisting another person in violating any provision of the Act or
- 2520 this Part,
- 2521
- 2522 6) Failing, within 30 days, to respond to a written request made by the
- 2523 Division for information,
- 2524
- 2525 7) Engaging in unprofessional, dishonorable, or unethical conduct of a
- 2526 character likely to deceive, defraud or harm the public,
- 2527
- 2528 8) Discipline by another U.S. jurisdiction or foreign nation,
- 2529
- 2530 9) A finding by the Division that the registrant, after having his or her
- 2531 registration placed on suspended or probationary status has violated the
- 2532 terms of the suspension or probation,
- 2533
- 2534 10) Obtaining a registration by fraud or misrepresentation,
- 2535
- 2536 11) The applicant or registrant has been convicted in state or federal court of
- 2537 or entered a plea of guilty, nolo contendere, or the equivalent in a state or
- 2538 federal court to any crime which is an excluded offence under the Act or
- 2539 this Part, a felony, or any misdemeanor where an essential element is
- 2540 dishonesty,
- 2541
- 2542 12) Excessive use or addiction to alcohol, narcotics, stimulants or any other
- 2543 chemical agent or drug,
- 2544
- 2545 13) A finding by the Division of a substantial discrepancy in a Division audit
- 2546 of medical cannabis,
- 2547
- 2548 14) A finding by the Division of a substantial discrepancy in a Division audit
- 2549 of capital or funds,
- 2550

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- 15) A finding by the Division that the dispensing organization accepted medical cannabis from a source other than a cultivation center registered by the Department of Agriculture,
- 16) An inability to operate a dispensary 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,
- 17) Failing to report to the Division within the timeframes established herein or if not identified, 30 days, of any adverse final action taken against the dispensing organization or a dispensing organization 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,
- 18) Failing to comply with a subpoena lawfully issued by the Division,
- 19) Failure of a dispensing organization agent to inform the Division within 10 working days of any change of address,
- 20) Disclosing customer names, personal information or protected health information in violation of any State or federal law,
- 21) Operating a dispensary before obtaining a dispensing organization registration from the Division,
- 22) Dispensing cannabis to any person other than a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card in accordance with the Act and this Part.
- 23) A principal officer or agent-in-charge failing to report to the Division when he or she knows or should have known that a dispensing organization agent was using medical cannabis when the agent does not have a qualifying patient registry identification card,
- 24) Dispensing cannabis when prohibited by the Act or this Part,

- 25) 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,
 - 26) Permitting a person without a valid dispensing organization agent registration card to be employed by the dispensing organization,
 - 27) Failure to assign an agent-in-charge to be employed by the dispensing organization as required by this Part,
 - 28) Personnel insufficient in number or unqualified by training or experience to properly operate the dispensary business.
 - 29) Any pattern of activity which causes a deleterious impact on the community.
 - 30) Failing to prevent diversion, theft or loss of medical cannabis.
- b) If the Division determines that a person holds an interest in more than 5 dispensary registrations in violation of this Part, the Division will suspend the registrations of all dispensaries held by that person until the time that the person divests himself or herself from all dispensing organizations that exceed the 5 dispensary organization limit provided for in this Part.
 - c) Notice of a violation issued by the Division under this Section shall include a clear and concise statement of the violations on which the discipline, non-renewal or revocation is based, the statute or rule violated and notice of the opportunity for a hearing.
 - d) If a dispensary organization desires to contest the discipline, non-renewal or revocation of a Registration, the organization shall, within 10 days after receipt of the Notice of a violation, notify the Division in writing of its request for an administrative hearing. Upon receipt of the request the Division shall send notice to the facility and hold a hearing as provided in the Act.
 - e) The effective date of nonrenewal or revocation of a Registration by the Division shall be any of the following:

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- 2627 1) Until otherwise ordered by the circuit court, revocation is effective on the
2628 date set by the Division in the Revocation Notice, or upon final action
2629 after hearing under the Act and this Part, whichever is later,
2630
2631 2) Until otherwise ordered by the circuit court nonrenewal is effective on the
2632 date of expiration of the existing Registration, or upon final action after
2633 hearing under the Act and this Part, whichever is later; however, a
2634 Registration shall not be deemed to have expired if the Division fails to
2635 timely respond to a timely request for renewal under this Act or for a
2636 hearing to contest nonrenewal under paragraph (c) of this Section.
2637
2638 f) All fines imposed under this Section shall be paid within 60 days after the
2639 effective date of the order imposing the fine or as otherwise specified in the order.
2640
2641 g) The entry of an order or judgment by any circuit court establishing that any
2642 person holding a registration under this Act is a person in need of mental health
2643 treatment operates as a suspension of the registration. A registrant may resume his
2644 or her practice upon the entry of an order of the Division that he or she has been
2645 determined to be recovered from mental illness by the court and upon the
2646 Division's recommendation that the registrant be permitted to resume his or her
2647 practice.
2648

2649 **Section 1290.320 Temporary Suspension**

- 2650
2651 a) The Director may temporarily suspend a dispensing organization registration or a
2652 dispensing organization agent registration without a hearing if the Director finds
2653 that public safety or welfare requires emergency action. The Director shall cause
2654 the temporary suspension by issuing a Suspension Notice in connection with the
2655 institution of proceedings for a hearing.
2656
2657 b) If the Director temporarily suspends a dispensing organization registration or a
2658 dispensing organization agent registration without a hearing, the registrant is
2659 entitled to a hearing within 45 days after the Suspension Notice has issued. The
2660 hearing shall be limited to the issue(s) cited in the Suspension Notice, unless all
2661 parties agree.
2662
2663 c) If the Division does not hold a hearing within 45 days after the date the
2664 Suspension Notice was issued, then the suspended registration shall be
2665 automatically reinstated and the suspension vacated.
2666

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- 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 in connection with subsection (c) herein.
- e) Subsequently discovered causes of action discovered by the Division after the issuance of the Suspension Notice, may be filed as a separate Notice of violation against the dispensing organization. The Division is not precluded from filing a separate cause of action against the suspended registrant.

Section 1290.330 Consent to Administrative Supervision Order

In appropriate cases, the Division may resolve a complaint against a registrant through the issuance of a Consent to Administrative Supervision order. A registrant subject to a Consent to Administrative Supervision order shall be considered by the Division as an active registration in good standing. This order shall not be reported or considered by the Division to be a discipline of the registration. The records regarding an investigation and a Consent to Administrative Supervision order shall be considered confidential and shall not be released by the Division except as mandated by law. A complainant shall be notified if his or her complaint has been resolved by a Consent to Administrative Supervision order.

Section 1290.340 Subpoenas; Oaths; Attendance of Witnesses

- a) The Division may subpoena and bring before it any person to take the oral or written testimony or compel the production of any books, papers, records, or any other documents that the Director or his or her designee deems relevant or material to any investigation or hearing conducted by the Division with the same fees and mileage and in the same manner as prescribed in civil cases in the courts of this State.
- b) The Director, the hearing officer, or a certified shorthand court reporter may administer oaths at any hearing that the Division conducts. Notwithstanding any other statute or Division rule to the contrary, all requests for testimony, production of documents, or records shall be in accordance with the Act, Civil Administrative Code and this Part.

Section 1290.350 Certification of Record; Receipt

The Division shall not be required to certify any record to the court, to file an answer in court, or otherwise to appear in any court in a judicial review proceeding unless and until the Division has received from the plaintiff payment of the costs of furnishing and certifying the record, which

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costs shall be determined by the Division. Failure on the part of the Plaintiff to file a receipt in court is grounds for dismissal of the action.

Section 1290.360 Transcript; Record of Proceedings

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

Section 1290.370 Findings and Recommendations

- a) At the conclusion of the hearing, the hearing officer shall present to the Director a written report of his or her findings of fact, conclusions of law, and recommendations. The report shall contain a finding of whether or not the accused person or entity violated the Act or this Part or failed to comply with the conditions required in the Act or this Part. The hearing officer shall specify the nature of any violations or failure to comply and shall make its recommendations to the Director.
- b) The report of findings of fact, conclusions of law, and recommendation of the hearing officer shall be a basis for the Director's order refusing to issue, restore, or renew a registration, or otherwise disciplining a registrant. If the Director disagrees with the recommendations of the hearing officer, the Director may issue an order in contravention of the hearing officer's recommendations. The finding is not admissible as evidence against the person in a criminal prosecution brought for a violation of this Act, but the hearing and finding are not a bar to a criminal prosecution brought for a violation of this Act.

Section 1290.380 Rehearing

- a) At the conclusion of the hearing, the registrant shall be served a copy of the hearing officer's report. Within 20 calendar days after service, the registrant may present to the Division a motion in writing for a rehearing, which shall specify the particular grounds for rehearing. The Division may respond to the motion for rehearing within 20 calendar days after its service on the Division. If no motion for rehearing is filed, then upon the expiration of the time specified for filing, or if a motion for rehearing is denied, then upon denial, the Director may enter an order in accordance with the recommendations of the hearing officer or in contravention. If the registrant orders from the reporting service and pays for a

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transcript of the record within the time for filing a motion for rehearing, the 20-day period within which a motion may be filed shall commence upon the delivery of the transcript to the registrant.

- b) If the Director believes that substantial justice has not been done in the revocation, suspension, or refusal to issue, restore, or renew a registration, or other discipline or non-discipline of a registrant, he or she may order a rehearing by the same or other hearing officers.

Section 1290.390 Restoration of Registration from Discipline

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

Section 1290.400 Appointment of a Hearing Officer

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

SUBPART I: GENERAL

Section 1290.500 Confidentiality

- a) All information collected by the Division in the course of an examination, inspection, or investigation of a registrant or applicant, including, but not limited to, any complaint against a registrant filed with the Division and information collected to investigate the complaint, security information disclosed in the application or during a Division inspection, floor plans submitted as part of the application process, information related to inventory and inventory control records, and any customer information, shall be maintained for the confidential use of the Division and shall not be disclosed.
- b) The Division may not disclose the information to anyone other than law enforcement officials, regulatory agencies that have an appropriate regulatory interest as determined by the Director. Information and documents disclosed to a

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NOTICE OF PROPOSED RULES

federal, state, county, or local law enforcement agency shall not be disclosed by the agency for any purpose to any other agency or person. A formal complaint filed against a registrant by the Division or any order issued by the Division against a registrant or applicant shall be a public record, except as otherwise prohibited by law.

Section 1290.510 Intergovernmental Cooperation

- a) Whenever the Division revokes or suspends a dispensing organization's registration, it shall notify the ISP and the police department or sheriff's office whose jurisdiction includes the registrant's dispensing location.
- b) If the ISP, any municipality, township, or county, or local law enforcement agency takes any action relating to the operation of the registrant's dispensing location, it shall notify the Division of the action taken and the reason for the action within five days.

Section 1290.520 Granting Variances

The Director may grant variances from this Part in individual cases where he/she finds that:

- a) The provision from which the variance is granted is not statutorily mandated,
- b) No party will be injured by the granting of the variance, and
- c) The rule from which the variance is granted would, in the particular case, be unreasonable or unnecessarily burdensome.