

Glossary of Terms

Cannabis Regulation and Tax Act

Adult Use Cultivation Center License – a license issued by the Department of Agriculture (DOA) that permits a person to act as a cultivation center under the Act.

Adult Use Dispensing Organization License – a license issued by the Department of Financial and Professional Regulation that permits a person to act as a dispensing organization under the Act.

Cannabis – marijuana, hashish, and other substances that are identified as including any parts of the plant *Cannabis sativa* and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction. **NOTE:** Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. Cannabis does not include industrial hemp as defined and authorized under the Industrial Hemp Act. Cannabis also means concentrate and cannabis-infused products.

Cannabis Business Establishment – a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.

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

Cannabis Flower – marijuana, hashish, and other substances that are identified as including any parts of the plant *Cannabis sativa* and including derivatives or subspecies, such as indica, of all strains of cannabis; including raw kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

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

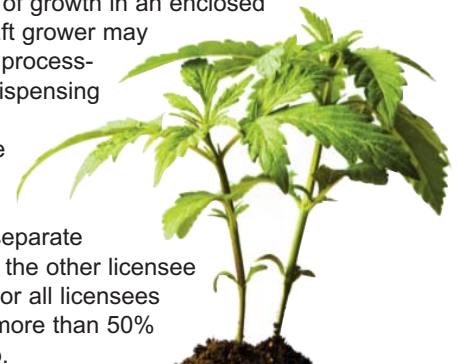
Cannabis Plant Monitoring System – a system that includes, but is not limited to, testing and data collection established and maintained by the cultivation center, craft grower, or processing organization and that is available to the Department of Revenue, the Department of Agriculture, the Department of Financial and Professional Regulation, and the Department of State Police for the purposes of documenting each cannabis plant and monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a customer from seed planting to final packaging.

Cannabis Testing Facility – an entity registered by the DOA to test cannabis for potency and contaminants.

Conditional Adult Use Dispensing Organization License – a license awarded to top-scoring applicants for an Adult Use Dispensing Organization License that reserves the right to an adult use dispensing organization license if the applicant meets certain conditions described in the Act, but does not entitle the recipient to begin purchasing or selling cannabis or cannabis-infused products.

Conditional Adult Use Cultivation Center License – a license awarded to top-scoring applicants for an Adult Use Cultivation Center License that reserves the right to an Adult Use Cultivation Center License if the applicant meets certain conditions as determined by the DOA by rule, but does not entitle the recipient to begin growing, processing, or selling cannabis or cannabis-infused products.

Craft Grower – a facility operated by an organization or business that is licensed by the DOA to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The DOA may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.



Cultivation Center – a facility operated by an organization or business that is licensed by the DOA to cultivate, process, transport (unless otherwise limited by the Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

Dispensary – a facility operated by a dispensing organization at which activities licensed by the Act may occur.

Dispensing Organization – a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Act to purchasers or to qualified registered medical cannabis patients and caregivers. Dispensary organization shall include a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Pilot Program Act that has obtained an Early Approval Adult Use Dispensing Organization License.

Disproportionately Impacted Area – a census tract or comparable geographic area that satisfies the following criteria as determined by the Department of Commerce and Economic Opportunity, that:

(1) meets at least one of the following criteria:

- (A) the area has a poverty rate of at least 20% according to the latest federal decennial census; or
- (B) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or
- (C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
- (D) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and

(2) has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

Early Approval Adult Use Cultivation Center License – a license that permits a medical cannabis cultivation center licensed under the Compassionate Use of Medical Cannabis Pilot Program Act to begin cultivating, infusing, packaging, transporting (unless otherwise provided in the Act), and selling cannabis to cannabis business establishments for resale to purchasers as permitted by the Act as of January 1, 2020.

Early Approval Adult Use Dispensing Organization License – a license that permits a medical cannabis dispensing organization licensed under the Compassionate Use of Medical Cannabis Pilot Program Act to begin selling cannabis to purchasers as permitted by the Act as of January 1, 2020.

Early Approval Adult Use Dispensing Organization at a Secondary Site – a license that permits a medical cannabis dispensing organization licensed under the Compassionate Use of Medical Cannabis Pilot Program Act to begin selling cannabis to purchasers as permitted by the Act on January 1, 2020 at a different dispensary location from its existing registered medical dispensary location.

Enclosed, Locked Facility – a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by cannabis business establishment agents working for the licensed cannabis business establishment or acting pursuant to the Act to cultivate, process, store, or distribute cannabis.

Enclosed, Locked Space – a closet, room, greenhouse, building or other enclosed area equipped with locks or other security devices that permit access only by authorized individuals. **Enclosed, locked space may include:** (1) a space within a residential building that (i) is the primary residence of the individual cultivating 5 or fewer cannabis plants that are more than 5 inches tall and (ii) includes sleeping quarters and indoor plumbing. The space must only be accessible by a key or code that is different from any key or code that can be used to access the residential building from the exterior; or (2) a structure, such as a shed or greenhouse, that lies on the same plot of land as a residential building that (i) includes sleeping quarters and indoor plumbing and (ii) is used as a primary residence by the person cultivating 5 or fewer cannabis plants that are more than 5 inches tall, such as a shed or greenhouse. The structure must remain locked when it is unoccupied by people.

Infuser Organization or Infuser – a facility operated by an organization or business that is licensed by the DOA to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.

Kief – the resinous crystal-like trichomes that are found on cannabis and that are accumulated, resulting in a higher concentration of cannabinoids, untreated by heat or pressure, or extracted using a solvent.



Labor Peace Agreement – an agreement between a cannabis business establishment and any labor organization recognized under the National Labor Relations Act, referred to in the Act as a bona fide labor organization, that prohibits labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the cannabis business establishment. This agreement means that the cannabis business establishment has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis business establishment's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis business establishment's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

Member of an Impacted Family – an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of the Act, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Act.

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



Ordinary Public View – within the sight line with normal visual range of a person, unassisted by visual aids, from a public street or sidewalk adjacent to real property, or from within an adjacent property.

Ownership and Control – ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses proportionate to percentage of ownership.

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

Principal Officer – includes a cannabis business establishment applicant or licensed cannabis business establishment's board member, owner with more than 1% interest of the total cannabis business establishment or more than 5% interest of the total cannabis business establishment of a publicly traded company, president, vice president, secretary, treasurer, partner, officer, member, manager member, or person with a profit sharing, financial interest, or revenue sharing arrangement. The definition includes a person with authority to control the cannabis business establishment, a person who assumes responsibility for the debts of the cannabis business establishment and who is further defined in the Act.

Primary Residence – a dwelling where a person usually stays or stays more often than other locations. It may be determined by, without limitation, presence, tax filings; address on an Illinois driver's license, an Illinois Identification Card, or an Illinois Person with a Disability Identification Card; or voter registration. **No person may have more than one primary residence.**

Processing Organization or Processor – a facility operated by an organization or business that is licensed by the DOR to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product.

Purchaser – a person 21 years of age or older who acquires cannabis for a valuable consideration. Purchaser does not include a cardholder under the Compassionate Use of Medical Cannabis Pilot Program Act.

Qualified Social Equity Applicant – a Social Equity Applicant who has been awarded a conditional license under this Act to operate a cannabis business establishment.

Social Equity Applicant – an applicant that is an Illinois resident that meets one of the following criteria:

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

(2) an applicant with at least 51% ownership and control by one or more individuals who: (i) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act; or (ii) is a member of an impacted family;

(3) for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who: (i) currently reside in a Disproportionately Impacted Area; or (ii) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act or member of an impacted family.

Nothing in the Act shall be construed to preempt or limit the duties of any employer under the Job Opportunities for Qualified Applicants Act. **Nothing in the Act shall permit an employer to require an employee to disclose sealed or expunged offenses, unless otherwise required by law.**



Tincture – a cannabis-infused solution, typically comprised of alcohol, glycerin, or vegetable oils, derived either directly from the cannabis plant or from a processed cannabis extract. A tincture is not an alcoholic liquor as defined in the Liquor Control Act of 1934.

A tincture shall include a calibrated dropper or other similar device capable of accurately measuring servings.

Transporting Organization or Transporter – an organization or business that is licensed by the Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program.

Unit of Local Government – any county, city, village, or incorporated town.

Vegetative Stage – the stage of cultivation in which a cannabis plant is propagated to produce additional cannabis plants or reach a sufficient size for production. This includes seedlings, clones, mothers, and other immature cannabis plants as follows: (1) if the cannabis plant is in an area that has not been intentionally deprived of light for a period of time intended to produce flower buds and induce maturation, it has no more than 2 stigmas visible at each internode of the cannabis plant; or (2) any cannabis plant that is cultivated solely for the purpose of propagating clones and is never used to produce cannabis.