

PROPOSED AGRICULTURE RULES BANNING HEMP/CBD, USURP LEGISLATIVE AUTHORITY, FAVOR BIG CANNABIS, DISENFRANCHISE SOCIAL EQUITY LICENSEES AND THREATEN CONSUMERS AND RETAILERS

Rules would fuel the War on Drugs and channel more people into the criminal legal system by increasing cannabis traffic stops, searches and arrests while shutting down legitimate businesses and causing retail chaos

- The Illinois Department of Agriculture provided Second Notice for its proposed amended rules on the regulation of hemp (8 Ill. Adm. Code 1200/8-1200-23-18778/First Notice Published: 47 Ill. Reg. 18778 – 12/26/23).
 - Through these rules, the executive branch is attempting to illegally force major policy changes by circumventing the legislative process.
 - The Ag proposal contains many technical mistakes and procedural flaws.
- The proposed rules will expand the disastrous War on Drugs by providing new reasons for stops, searches, and drug arrests by eliminating a key exclusion that allowed for the transportation of hemp after it had been sold at retail.
 - This means that many hemp products effectively cannot be transported and cannot be sold to consumers.
 - Hemp will only be legal to be transported by a consumer if it is considered cannabis and was purchased in a dispensary under the CRTA.
 - Anyone lawfully buying hemp gummies in Wisconsin or pet CBD online could be in legal jeopardy if they have those products in their car in Illinois because transporting those products without a hemp license would be expressly forbidden.
- While these rules threaten local hemp retailers throughout the state, they do nothing to prevent children from buying hemp products online because the draft rules have no provisions for the biggest threat to underage consumers: online sales. Out-of-state online sales for intoxicating products will continue, even as adult consumers in Illinois are prohibited from buying even non-intoxicating CBD products for themselves and their pets from local retailers they trust.
- The proposed rules undermine Illinois' cannabis social equity goal and give Big Cannabis MSOs control of the entire Illinois hemp market.
 - Under the CRTA, the state gave preference for cannabis licenses to those harmed by the War on Drugs. Under the proposed rules, the state will punish some of the same individuals by barring them from leadership roles in the hemp industry because they have a minor cannabis incident on their record. This policy is more onerous than applicable federal requirements, which only bar prior cannabis felons from holding a hemp license.
 - This means that many social equity cannabis licensees will be barred from having hemp licenses while large MSOs with cannabis cultivation licenses can utilize both license types.

(PLEASE TURN OVER -- MORE INFORMATION ON THE BACK)

- These rules would make it untenable to operate an Illinois-based hemp business or sell even basic CBD products. Millions of CBD consumers as well as thousands of existing businesses, including major retailers, as well as the agricultural and manufacturing sectors, would be negatively impacted.
- Under the new rules, hemp that has not been tested will be presumed to be cannabis and can be seized at any time
 - The rules are based on the presumption that any hemp that has not been tested is illegal cannabis. This includes unharvested hemp in the field and any other hemp product that are deemed to not have proper testing and a full chain of custody.
 - This regulatory overreach shifts the burden of proof from the state to the individual. It is fundamentally unjust to give a state agency the power to presume that those subject to its regulation are guilty unless they can prove they are innocent.
 - A grower or store owner may not be able to overcome the presumption because after their product has been seized, they have no access to the hemp to test it.
 - Hemp products will also be illegal to transport even after retail sale. Consumers would be in constant danger of illegally transporting unlicensed cannabis which is not covered under the personal use protections of the CRTA.
- The proposed rules allow the state to perform inspections as often as they want while imposing a new sample fee of \$500 each time they take a sample and a testing fee of up to \$1,000 for each sample they test.
 - This would allow for the state to go to any retail establishment that sells hemp products and assess a \$1,500 fee per product.
 - There are no limits on how often it can test products and how many products it can test, even without a specific reason. A small store carrying a couple of dozen hemp products could be put out of business after one visit, even if the test results prove that it did nothing wrong.
 - The new, steady stream of income from testing and sampling fees might motivate overly aggressive regulatory oversight.

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