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Illinois Department of Financial and Professional Regulation  
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**When will the Conditional Adult Use Dispensing Organization License application be available?**

Persons who do not currently hold a Medical Cannabis Dispensing Organization License may apply for a Conditional Adult Use Dispensing Organization License, which, if awarded, enables the awardee to obtain an Adult Use Dispensing Organization License. Applications for new Conditional Adult Use Dispensing Organization Licenses will be available no later than October 1, 2019.

**When will the application be due?**

Applications for a Conditional Adult Use Dispensing Organization License will be due no later than January 1, 2020.

**When will licenses be awarded?**

Conditional Adult Use Dispensing Organization Licenses will be awarded on or before May 1, 2020.

**What is the difference between a Conditional Adult Use Dispensing Organization License and an Adult Use Dispensing Organization License?**

The Department of Financial and Professional Regulation will award “Conditional Adult Use Dispensing Organization Licenses,” which do not entitle the holder to purchase or sell cannabis. Once awarded, the license holder has 180 days to find a location within its assigned BLS Region to operate. After the Conditional Adult Use Dispensing Organization License holder has found a suitable location, passed an inspection by the Department, and paid its registration fee, the Department will award the license holder an Adult Use Dispensing Organization License, which authorizes the holder to obtain and sell cannabis legally pursuant to the Cannabis and Regulation Tax Act.

**How many licenses are available?**

The Department of Financial and Professional Regulation will award up to 75 Conditional Adult Use Dispensing Organization Licenses on or before May 1, 2020. To ensure access to adult use cannabis throughout the state, only a certain number of licenses will be awarded in each of the 17 Bureau of Labor Statistics Regions in Illinois based on each region’s percentage of the state population. For a list of counties in each BLS Region, visit [https://www.bls.gov/oes/current/msa\\_def.htm#14010](https://www.bls.gov/oes/current/msa_def.htm#14010)

<u>BLS Region name</u>	<u>Number of licenses awarded in the BLS Region</u>
Bloomington	1
Cape Girardeau	1
Carbondale-Marion	1
Champaign-Urbana	1
Chicago-Naperville, Elgin	47
Danville	1

Davenport-Moline-Rock Island	1
Decatur	1
Kankakee	1
Peoria	3
Rockford	2
St. Louis	4
Springfield	1
Northwest Illinois Nonmetropolitan Area	3
West Central Illinois Nonmetropolitan Area	3
East Central Illinois Nonmetropolitan Area	2
South Illinois Nonmetropolitan Area	2

### **How will licenses be selected?**

The Department of Financial and Professional Regulation will rank applicants using the following scale:

- Suitability of Employee Training Plan (15 points)
- Security and Record Keeping (65 points)
- Business Plan, Financials, Operating Plan, and Floor Plan (65 points)
- Knowledge and Experience in Cannabis or Related Fields (30 points)
- Status as a Social Equity Applicant (50 points)
- Labor and Employment Practices (5 points)
- Environmental Plan (5 points)
- Illinois Owner (5 points)
- Status as a Veteran (5 points)
- Diversity Plan (5 points)

Total: 250 points

If two or more applicants tie, the Department will score each tied applicant's Plan for Community Engagement to determine who will receive the license(s).

### **What are the fees for a new dispensing organization license?**

Non-Social Equity Applicants will pay a \$5,000 application fee. Should they be awarded a license, the fee for an Adult Use Dispensing Organization License is \$60,000 for a two-year license.

Social Equity Applicants will pay a \$2,500 application fee. Should they be awarded a license, the fee for an Adult Use Dispensing Organization License is \$30,000 for a two-year license.

## **What is a social equity applicant?**

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

- The applicant has 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\*;
- The applicant has at least 51% ownership and control by one or more individuals who:
  - Have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Cannabis Regulation and Tax Act\*\*; or
  - Is a member of an impacted family\*\*\*
- The applicant has at least 10 full-time employees and at least 51% of whom:
  - Currently reside in a Disproportionately Impacted Area; or
  - Have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Cannabis Regulation and Tax Act or a member of an impacted family.

“Disproportionately Impacted Area” means a census tract or comparable geographic area that:

- (1) Meets one of the following criteria:
  - The area has a poverty rate of at least 20%;
  - 75% or more of the children in the area participate in the federal free lunch program;
  - At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
  - The area has an average unemployment rate that is more than 120% of the national average 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.

The Department of Commerce and Economic Development will determine which areas fit the definition of Disproportionately Impacted Area..

\*\* “Offenses eligible for expungement for expungement under the Cannabis Regulation and Tax Act include possession of cannabis up to 500g or the manufacturing and delivery of up to 30g of cannabis.

\*\*\*“Member of impacted family” means 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 this Act.

## **What are the requirements to be a principal officer?**

A principal officer includes a 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 and a person who assumes responsibility for the debts of a cannabis business establishment.

A principal officer must be at least 21 years of age and must not be convicted of an offense that would impair the person's ability to engage in the practice of owning a dispensary. The Department of Financial and Professional Regulation shall determine whether an offense would impair the person's ability by looking at the following factors:

- The lack of a direct relation of the offense for which the applicant was previously convicted to the duties, functions, and responsibilities of the position of being a principal officer;
- Whether five years since a felony conviction or three years since release from confinement for the conviction, whichever is later, have passed without a subsequent conviction;
- If the applicant was previously licensed or employed in any state, the lack of prior misconduct arising from or related to the person's position as the owner or employee of a cannabis business;
- The age of the person at the time of the criminal offense;
- Successful completion of a sentence and, for applicants serving a term of parole or probation, a progress report provided by the applicant's probation or parole officer that documents the applicant's compliance with conditions and supervision;
- Evidence of the applicant's present fitness and professional character;
- Evidence of rehabilitation or rehabilitative effort during or after incarceration, or during or after a term of supervision, including, but not limited to, a certificate of good conduct under Section 5-5.5-25 of the Unified Code of Corrections or certificate of relief from disabilities under Section 4-5.5-10 of the Unified Code of Corrections; and
- Any other mitigating factors that contribute to the applicant's potential and current ability to perform the duties of a principal officer.

**Will the names of the persons or entities holding the licenses be publicized?**

Yes, the identities of the persons or entities awarded licenses must be posted by the Department.