

## Adult Use Cannabis Dispensary License Application and Review Process Overview

Illinois Department of Financial and Professional Regulation

### **Prior Deficiency Notices**

All applications for adult use cannabis dispensary licenses have been preliminarily reviewed. As part of that review, the Department of Financial and Professional Regulation (Department) sent out notices to applicants if one or more electronic files in their application were corrupted, damaged, or mislabeled. These applicants were permitted to provide readable application materials that were then reviewed. In addition, the Department sent notices to applicants if certain deficiencies were identified. Applicants were permitted to provide information in response to those deficiency notices to avoid disqualification.

### **Supplemental Deficiency Notices**

To help ensure the application process is implemented in a fair manner in accordance with the Cannabis Regulation and Tax Act, the Department is conducting a supplemental deficiency process before scoring is complete. As part of this process, the Department sent applicants supplemental deficiency notices depending on the nature of the deficiency:

1. Supplemental Deficiency Notice for Applicants with a Scored Application. The Department sent these notices to applicants with scored applications, meaning they did not have any outstanding deficiencies at the completion of initial scoring and their application received an initial score. This notice included the initial overall score for the application, as well as the score for each individual scored exhibit. This supplemental notice allows applicants to do the following:
  - a. Applicants may choose to either (i) provide supplemental information regarding certain exhibits where the Department did not provide a prior deficiency notice, or (ii) request the Department to review the applicant's originally submitted exhibit to ensure the initial score is correct. This process may cause the application score to change.
  - b. Responding to this notice is optional, and choosing not to respond will not remove an application from consideration.
2. Supplemental Deficiency Notice for Applicants with a Disqualified Application. The Department sent these notices to applicants that failed to provide an adequate or timely response to a prior deficiency notice and as a result the application was disqualified from scoring.
  - a. Applicants may choose to request the Department to review of any exhibit(s) that caused the original application to be disqualified. In limited instances described in the notice, applicants may provide additional information to address previously identified deficiencies where the Department determined its prior deficiency notice was not sufficiently clear about what information was required.
  - b. If the Department reviews the application and determines it should not be disqualified, the application will receive an initial score. The applicant may then enter the process described above for the Supplemental Deficiency Notice for Applicants with a Scored Application.

Application Selection Survey. The Department is using an online Application Selection Survey to help applicants respond to these notices. Further instructions about completing the survey are included in each notice.

Changes in Ownership. The Department will allow applicants to change their ownership in response to these notices in two circumstances. First, an applicant may remove a principal officer in the event of a death, and either replace that deceased officer with a new principal officer, or distribute the ownership stake among the remaining principal officers. Second, an applicant may remove a principal officer from its original ownership structure, but it may not replace that officer with a new principal officer. Applicants that receive the Supplemental Deficiency Notice for applicants with Disqualified Applications are not permitted to make changes in ownership unless it is determined that their application should not remain disqualified. An applicant cannot qualify for status as a Social Equity Applicant, Veteran, or Illinois

Resident as a result of a change in ownership if the applicant would not have qualified for such status with its original application and original principal officers.

**Next Steps**

1. All supplemental responses must be received within 15 days of the date of the deficiency notice.
2. Upon completion of the review and scoring process, the Department will notify non-disqualified applicants of their final scores and, where appropriate, notify top-scoring applicants of their potential eligibility for the drawing by lot to determine recipients of Conditional Adult Use Dispensing Organization Licenses.