HB 1443 has become the law. What should Conditional Adult Use Dispensing Organization applicants be doing right now?

1. Applicants should ensure they are aware of any affiliations their principal officers may have with other applicants because the Cannabis Regulation and Tax Act ("CRTA") establishes limits on the number of licenses any single principal officer or applicant may be awarded. Similarly, there is a limitation on the number of entries that any single principal officer may have in the Tied Applicant Lottery (described below).

10 License Limit. If an applicant has a principal officer who may become a principal officer in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof, the applicant must choose which potential licenses to abandon that would violate this limitation. If an applicant needs to abandon an opportunity for a license it must submit the Department’s Abandonment Form within five (5) business days of the Department posting the list of applicants have been selected in a particular lottery. The license limitations on the number of Conditional Licenses a principal officer or applicant group may receive can be found in Sections 15-35(b)(5)-(b)(8), 15-35.10(b)(5)-(b)(8), and 15-35.20(a) of the CRTA.

- Qualifying Applicant Lottery and Social Equity Justice Involved Lottery Limitations. In addition to the above 10 license limitation, no applicant or principal officer may be awarded more than 2 Conditional Licenses through the Qualifying Applicant Lottery and 2 Conditional Licenses through the Social Equity Justice Involved Lottery.

- Tied Applicant Lottery. Pursuant to 68 Ill. Adm. Code 1291.50(a)(1), no individual principal officer may have more entries in the Tied Applicant Lottery of a BLS Region than the number of remaining licenses available in that BLS Region. If your application includes a principal officer that may put your application in excess of the limits set forth in that administrative rule, you must submit the Department’s Declination Form, available here, within 5 business days after the Department sends notice of final scores to avoid being excluded from this lottery.
• The Department will not answer individualized questions as to whether an applicant exceeds the license or principal officer limits.

• An applicant is prohibited from being eligible for a lottery if a principal officer resigns after the resulting final scores for all scored applications are released. This means that if an applicant has a principal officer that exceeds the limits on the number of licenses, the applicant cannot remove that principal officer to avoid the lottery and license limitations or for any other reason.

2. Social Equity Applicants can obtain free technical assistance by contacting the Department of Commerce & Economic Opportunity (“DCEO”). More information can be found at: https://www2.illinois.gov/dceo/CannabisEquity/Pages/TechnicalAssistance.aspx

DCEO is also available to assist social equity applicants with their capital needs through the Social Equity Cannabis Loan Program. More information can be found at: https://www2.illinois.gov/dceo/CannabisEquity/Pages/LoanInfo.aspx.

3. Applicants and individual principal officers should ensure that no principal officers are delinquent in taxes or owe money to the State of Illinois. Pursuant to the CRTA, the Department may not award a license to any applicant if a principal officer, board member, or person having a financial voting interest of 5% or greater in the licensee is delinquent in filing any required tax return or paying any amount owed to the State of Illinois.