



IDFPR

Illinois Department of Financial and Professional Regulation

Division of Professional Regulation

<https://idfpr.illinois.gov>

JB PRITZKER
Governor

MARIO TRETO, JR.
Secretary

CECILIA ABUNDIS
Director

July 22, 2022

Next Steps for Conditional Adult Use Dispensing Organization License Holders

This document is provided as a helpful summary and checklist for Conditional Licensees to assist you through the Conditional Phase and prepare you for the transition into an Adult Use Licensee. Remember, the Conditional Phase is temporary and does not authorize you to begin cannabis sales to customers or open for business. Rather, the Conditional Phase is the 180-day period in which you may build out your dispensary in order to receive approval from the Department to operate a fully functional Adult Use Dispensary. While this document is intended to assist Conditional Licensees, it is not controlling nor should it be relied upon as legal advice. All Conditional Licensees should review the complete Cannabis Regulation and Tax Act ("CRTA") and their original applications in order to ensure compliance.

A list of current Conditional Licensees can be found [here](#).

NOTE: If you have not been issued your Conditional License as of July 22, 2022, it is because the Department is waiting for you to submit additional or updated documents. We anticipate processing the remaining Conditional Licenses as quickly as possible over the coming weeks once those documents are received and approved. The list above will be updated as more Conditional Licenses are issued.

Forms and questions regarding tax compliance can be directed to REV.prd@illinois.gov.

The Department is in the process of creating a new mailbox for all communications from the primary or alternate contact on file with the Department regarding the Conditional License Phase. That email will be FPR.ConditionalAdultUseLicenses@illinois.gov and the Department will contact all applicants once it is online. This is a dedicated mailbox for Conditional Licensees that will be monitored daily. In the meantime, continue to contact FPR.AdultUseCannabis@illinois.gov.

The steps below may be used to help Conditional Licensees organize their path towards full Adult Use Licensure.

Step 1: Identification of Physical Address

You will need to identify the physical address where your dispensary will be located. Ensure the physical space you identify conforms to the requirements of a dispensary and that you will be able to work in the space. Also keep in mind any local ordinances related to capacity limits, fire codes, etc. to ensure you remain in compliance with local laws. Additionally, pay close attention to the 1,500 foot prohibition for existing dispensaries. Please review the Department's previous guidance on the 1,500 foot prohibition located [here](#).

Step 2: Confirmation of Operation Within BLS Region

Your Conditional License is tied to your BLS Region, as is the Adult Use License you are working towards. With that in mind, you must find a physical location within your BLS Region. The Department will verify any proposed location is within the designated BLS Region and will reject any application that has a location outside of their BLS Region. The Department is preparing tools to help licensees check whether their dispensary's address is within their BLS Region, but ultimately it is your responsibility to ensure your dispensary's site is properly located.

At this point in the process, you can begin organizing documents as PDFs, for your final application. These next items must be appropriately labeled and submitted as one complete 15-36 Application Packet.

Step 3: Applications for Principal Officers – Exhibit A

All of your prospective principal officers must submit a principal officer application to become licensed by the Department. The current application can be found [here](#). All principal officers must submit an application, regardless of whether they have previously applied with the Department.

Also, all of your prospective principal officers, board members, and agents must submit fingerprints to the Department. Fingerprinting process instructions can be found [here](#). Find a list of licensed fingerprint vendors [here](#). **You must be fingerprinted by a licensed fingerprint vendor within 30 days prior to submitting your principal officer application.** This means if your fingerprints are taken on Day 1, and you submit your complete 15-36 Adult Use Application Packet, which includes your fingerprints receipt, on Day 31, those fingerprints are no longer valid and you will need to be re-fingerprinted.

Step 4: Notice of Proper Zoning Form and Documentation – Exhibit B

Once you have identified and secured the physical space your dispensary will operate in, you will also need to obtain zoning approval from your unit of local government. After you have filed for proper zoning, you will need to complete and submit a [Notice of Proper Zoning](#) to the Department. You will also need to provide the Department with your jurisdiction's laws or regulations that establish the operation of an adult use cannabis dispensary is legal in that locality. Additionally, you must submit documentation of (1) zoning approval; (2) conditional zoning approval; or (3) status of a request for zoning approval from the local zoning office. Finally, you will need to submit one of the following: (1) proof of building or land ownership; (2) a contract demonstrating sale of a building to your entity is conditional upon preliminary approval of the location of the Department; or (3) a written statement from the property owner or landlord

certifying consent that the organization may operate a dispensary on the premises, including a copy of the lease.

In summary, the following zoning and location documents must be submitted to the Department as Exhibit B:

1. Notice of Proper Zoning Form
2. Copy of Local Government's Laws Allowing Adult Use Dispensaries
3. Proof of one of the following:
 - a. Zoning approval;
 - b. Conditional zoning approval; or
 - c. Status of a request for zoning approval
4. Proof of one of the following:
 - a. Proof of land ownership;
 - b. Sales contract; or
 - c. Landlord's consent

Step 5: Submission of Floor Plan – Exhibit C



The Department will review all floor plans prior to any inspections. You may begin your build-out at any time, but the Department will review floor plans on a preliminary basis to provide feedback on changes that may be necessary. Floor plans must show and identify, at a minimum:

- A description of the air treatment system used to reduce odors
- Locations of all holdup, panic, glass break sensors, and motion detectors
- Locations of all cameras, including the direction they face, if applicable
- A map that identifies general, limited, and restricted access areas
- Locations of point of sale systems
- Purchaser ID verification locations
- A description of any pass-through drawers in and out of a vault or a day-time storage area
- Location where cannabis will be received from transporters
- Location where cannabis will be destroyed when necessary
- A title for each room and closet in the dispensary

Step 6: Surety Bond or Escrow Account – Exhibit D



All applicants are required to establish and maintain an escrow account or surety bond unless they are exempt under the CRTA. You will need to show evidence of either your escrow account or surety bond in the amount of \$50,000 or evidence that you qualify for a waiver with your application. The form to show the agreement can be found [here](#) and will be collected at your final inspection.

You qualify for an exemption if you meet the following:

- i. Your entity, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has less than a total of \$750,000 of income in the previous calendar year; and
- ii. Your entity, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than 2 other licenses for cannabis business establishments in the State of Illinois.

The Department will release a list of documents applicants can submit to qualify for an exemption. We will notify you once this list is available.

Step 7: Review Your Original Application and Submit Any Changed Documents – Exhibit E

If any documents have changed for your organization since you originally applied, you will need to submit the updated documentation to the Department. You will need to review your original application at this step since you will be bound by what is in that application. If you need to disclose any material changes to your original application as an Exhibit E, you must also submit a table of contents explaining what updated documents are included and written explanations for how the documents have changed since your original application.

Step 8: Completion of Adult Use License Application

Finally, you will need to submit your actual final application, referred to as the 15-36 Application for an Adult Use License. This 15-36 Application will require you to acknowledge and abide by all of the original commitments you submitted in your original application, including business plans, security plans, environmental plans, labor practices, and others, and any material changes made to those plans (Exhibit E). **We strongly recommend you thoroughly review your original application in anticipation of this step.** This 15-36 Application is still being finalized but will be posted to our website or made available online soon. We will notify you once the application is available.

Once you have the above documents finalized, you are likely ready to submit your complete 15-36 Application Packet to the Department and work towards the next step of a site inspection.

When you have received conditional approval of your 15-36 Application from the Department, you are likely ready for the Department to inspect your dispensary. The following are the steps for that inspection and final approval.

Step 9: Completion of Self Inspection Form

Once you have completed your build-out and believe you are ready to operate, you may request a self-inspection form from the Department. This will guide you through the same things our inspectors will look for to ensure you are prepared for the final inspection. One of your principal officers will need to attest that the form was filled out accurately and completely. Once you submit this form, you will be able to schedule your final inspection. This form is still being finalized but will be posted to our website or made available online soon. We will notify you once the form is available.

Step 10: Scheduling of Final Inspection

The Department must inspect and approve your dispensary in-person before you are able to open for business. This will include a complete inspection of your facilities to make sure the dispensary is compliant with the CRTA. Inspections will be scheduled on a first come, first served basis through FPR.ConditionalAdultUseLicenses@illinois.gov. **No inspection can be scheduled until the Department has received a self-inspection form and finalized application. If changes are necessary that require re-inspection, your inspection will be scheduled in the same first-come first-served fashion.**

Step 11: Submit Payment



Once you have passed your final inspection, the only thing left is to submit payment for final approval of your 15-36 application. The application and renewal fee for an Adult Use Dispensing Organization license is \$60,000, but the Department will be pro-rating this fee for applicants for their initial licensure. Payment for Adult Use licenses will be pro-rated to \$2,500 per month before the 2024 renewal and will be due after your final inspection. The Department will provide you the pro-rated amount owed based on the date on which you are issued your Adult Use License.

Note: 180 Days to Identify a Location

Under the CRTA, you have 180 days from the date your Conditional License was issued to identify a physical location for your dispensary. However, the Department may grant an additional 180-day extension if you demonstrate concrete attempts to secure a location and a hardship. If you fail to find a location or become operational within 360 days from the date your Conditional License was issued, the Department must rescind your Conditional License. We will publish a request for extension form to our website soon, and these forms may be submitted to FPR.ConditionalAdultUseLicenses@illinois.gov.

Summary Check List

Any documents must be submitted to the Department as a PDF. The Department cannot accept any documents that are in a format such as a JPEG, a screenshot, etc. Submit all PDF documents in one application packet with all exhibits clearly labeled to FPR.ConditionalAdultUseLicenses@illinois.gov.

Please consider using this checklist to track your progress towards your 15-36 Adult Use License.

ACTION	COMPLETED
Identify a physical space for your dispensary	
Confirm the physical space is inside your BLS region	
Complete principal officer applications for each principal officer (Exhibit A)	
Obtain fingerprints for each principal officer within 30 days of submitting their application	
Obtain zoning and gather location documentation	
Complete Notice of Proper Zoning (Exhibit B)	
Confirm floor plan for your dispensary (Exhibit C)	
Obtain the surety bond or escrow account or gather evidence for the waiver (Exhibit D)	
Review your original application for any material changes and disclose if needed (Exhibit E)	
Complete your 15-36 Application	
Submit your 15-36 application as one complete packet with exhibits properly labeled	
Complete and submit self-inspection form	
Schedule your final inspection	
Submit payment for your Adult Use License	

Statutory Citations Appendix

The complete Cannabis Regulation and Tax Act is available [here](#).

1,500 Foot Prohibition	410 ILCS 705/15-25(e); 410 ILCS 705/15-35(c); and 410 ILCS 705/15-35.10(c); and 410 ILCS 705/15-70(p)(15)
180 Days Requirement and Extension	410 ILCS 705/15-25(e); 410 ILCS 705/15-35(c); and 410 ILCS 705/15-35.10(c)
Administration	410 ILCS 705/15-65
BLS Regions	410 ILCS 705/1-10; 410 ILCS 705/15-25; 410 ILCS 705/15-35(a); and 410 ILCS 705/15-35.10(a)
Conditional License Application Criteria	410 ILCS 705/15-25
Fee	410 ILCS 705/15-36(b)(2) and 410 ILCS 705/15-45(d)(1)
Floor Plans	410 ILCS 705/15-25(d)(13) and 410 ILCS 705/15-100
Grounds for Discipline	410 ILCS 705/15-145
Inspection	410 ILCS 705/15-36(b)(1)
Inventory control system	410 ILCS 705/15-75
Material Changes to Application	410 ILCS 705/15-30(i); 410 ILCS 705/15-35(k); and 410 ILCS 705/15-35.10(k)
Operational Requirements/Prohibitions	410 ILCS 705/15-70
Principal Officer Applications	410 ILCS 705/15-25(d)
Principal Officer Background Checks	410 ILCS 705/5-20; 410 ILCS 705/15-25(g); 410 ILCS 705/15-35(f); and 410 ILCS 705/15-35.10(f)
Recordkeeping	410 ILCS 705/15-110
Security	410 ILCS 705/15-100
Security Bond/Escrow Account	410 ILCS 705/15-55
Storage requirements	410 ILCS 705/15-80
Zoning	410 ILCS 705/15-36 and 410 ILCS 705/15-70(g)