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FAQs for Applicants About the Lift of the Stay

This set of FAQs addresses questions applicants and others may have about the recent actions taken by courts to lift stays that prevented the Department from issuing new Conditional Adult Use Dispensing Organization Licenses ("Conditional Licenses") pursuant to the Cannabis Regulation and Tax Act ("CRTA") 410 ILCS 705.

What was the stay?

In connection with the Summer 2021 Tied Applicant Lottery, Qualifying Applicant Lottery, and Social Equity Justice Involved Lottery, the Circuit Court of Cook County entered two separate judicial orders on July 28, 2021, and August 10, 2021, for a stay. These orders restricted the Department from issuing any Conditional Licenses.

What does it mean now that the stays are lifted?

The lifting of the stays means the Court no longer restricts the Department from issuing Conditional Licenses. Beginning June 16, 2022, the Department will begin the process of issuing Conditional Licenses to applicants drawn in the Tied Applicant Lottery, Qualifying Applicant Lottery, and Social Equity Justice Involved Lottery in accordance with current court orders and the CRTA

I am an applicant drawn in one of the license lotteries. When can I expect to receive my Conditional Adult Use Dispensing Organization License?

Beginning June 16, 2022, and in accordance with current court orders, applicants drawn in the lotteries are eligible to receive a Conditional License once the Department completes the appropriate checks to ensure that applicants are in compliance with the CRTA. Specifically, the Department is working with the Illinois Department of Revenue to verify applicants are compliant with their Illinois tax obligations. The Department must also ensure that no principal officer, if awarded a Conditional License, would have a direct or indirect financial interest in more than 10 Adult Use Licenses in total. The Department will also conduct principal officer background checks.

Note that once the Conditional License is awarded, applicants will then need to go through the location approval and inspection process before receiving an Adult Use Dispensing Organization License that allows them to acquire or sell cannabis. Applicants awarded a Conditional License will receive an Adult Use Dispensing Organization License only after the Department has approved and inspected an applicant's location. The Department will provide additional information about the location approval and inspection process at a later date.

What additional steps do I need to take to receive my Conditional License?

Applicants must complete a <u>Principal Officer Affirmation</u> that updates the Department on the current status of their principal officers. The form is also available on the Department's website and must be returned to the Department by July 1, 2022. Applicants also can take steps now to ensure that they are compliant with their Illinois tax obligations. If the Department finds an applicant is not compliant with their taxes, it will issue a notice and the applicant will have 60 days to come into compliance. This can delay the process of applicants receiving a Conditional Adult Use Dispensing Organization License.

How can I find out if a Principal Officer from my applicant group is not tax compliant?

Principal officers who are not tax compliant will each receive an e-mail notification from the Department informing them that they are not in compliance, along with further directions. The applicant group will receive an e-mail notification from the Department informing them that one or more of your applicant group's principal officers may be out of compliance.

How can I contact the Department about the status of my Conditional License?

All contact with the Department must be made to FPR.Cannabisadministration@illinois.gov by the primary and/or secondary points of contact listed on your application. The Department will not respond to requests from any other individuals. If you need to change your primary or secondary contact, the primary or secondary contact should e-mail the Department at FPR.Cannabisadministration@illinois.gov to request the change. The Department will not accept requests for changes from individuals who are not the primary or secondary contact.

How long will the process take to issue my Conditional License?

The Department intends to issue Conditional Licenses as quickly as possible after June 16, 2022. Upon the completion of the compliance checks referenced in this FAQ, the Department intends to issue licenses on a rolling basis by BLS region throughout the summer of 2022.

What if I do not receive an Adult Use Dispensing Organization License?

You can apply once future applications for new licenses are made available. There are administrative rules currently under consideration before the Joint Committee on Administrative Rules which create a process for issuing new licenses by the end of 2022. You can find the proposed rules in the March 25th issue of the Illinois Register, linked <u>here</u>. The Department currently is responding to public comments and will provide more information about this new process as it becomes available.