

For Immediate Release: February 7, 2023 Contact: Chris Slaby Christopher.Slaby@illinois.gov

Illinois Cannabis Regulation Oversight Office Launches Cannabis Disparity and Availability Study

Disparity Study Complies with the Cannabis Regulation and Tax Act and Conducts Legal Assessment of the Cannabis Licensing Process

CHICAGO - The Cannabis Regulation Oversight Office ("CROO") announced today the official commissioning of the Disparity and Availability Study for adult use cannabis licenses in Illinois as required by the Cannabis Regulation and Tax Act ("CRTA"). This kickoff begins 12 months of research that will result in a report to the General Assembly and Governor. More about this initiative can be found on the <u>CROO's website</u>.

The Disparity and Availability Study ("Disparity Study") will collect and analyze data and will report on whether discrimination exists in the Illinois cannabis industry. If there is a finding that discrimination exists, the Disparity Study will evaluate the impact of the discrimination on the State and its residents regarding entering and participating in the State's cannabis industry. The Disparity Study will include recommendations for reducing or eliminating any identified barriers to entry.

The CROO Disparity Study will measure accessibility, whether any discrimination exists, whether it impacts entry and participation, and suggest potential remedies for Illinois cannabis regulation.

"This effort is a vital assessment of the State's cannabis social equity licensing system," said **Acting Cannabis Regulation Oversight Officer Erin Johnson**. "We look forward to seeing a final report that truly incorporates the voices of Illinois social equity applicants and our new cannabis businesses."

On February 14, 2022, the State published a formal request for proposals (RFP) to find a vendor to conduct a Disparity Study of the cannabis licensing system. The process resulted in a contract with the Nerevu Group, a 100% minority- and women-owned group of contractors and subcontractors from Peoria, Decatur, Springfield, Chicago, and additional locations across the country.

"Along with our partners, Nerevu is honored to support CROO, IDFPR, and IDOA in building an even more inclusive and equitable cannabis industry," said **Nerevu Group Founder and President Reuben Cummings**. "This study is essential in identifying potential disparities and suitable remedies. We are excited to initiate this project and look forward to connecting with the greater cannabis community."

Now that the Disparity Study for adult use dispensary, cultivation, craft grow, infuser, and transporter licenses has been initiated, the final report is due to the General Assembly and Governor in 12 months. Additional information on the status of the Disparity Study will be posted on the CROO webpage as soon as available.



Here is the full text of the Disparity Study mandate from the CRTA, section 410 ILCS 705/5-45(e):

The Illinois Cannabis Regulation Oversight Officer shall commission and publish one or more disparity and availability studies that:

(1) evaluates whether there exists discrimination in the State's cannabis industry; and

(2) if so, evaluates the impact of such discrimination on the State and includes recommendations to the Department of Financial and Professional Regulation and the Department of Agriculture for reducing or eliminating any identified barriers to entry in the cannabis market.

Such disparity and availability studies shall examine each license type issued pursuant to Sections 15-25, 15-30.1, or 15-35.20, subsection (a) of Section 30-5, or subsection (a) of Section 35-5, and shall be initiated within 180 days from the issuance of the first of each license authorized by those Sections. The results of each disparity and availability study shall be reported to the General Assembly and the Governor no later than 12 months after the commission of each study.

The Illinois Cannabis Regulation Oversight Officer shall forward a copy of its findings and recommendations to the Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Commerce and Economic Opportunity, the General Assembly, and the Governor.

Questions and comments may be directed to FPR.CROO@Illinois.gov.