**Section 1291.15 Dispensing Organization Fees and Renewals**

a) Communication with the Department. The Department will only communicate with the dispensing organization's primary contact, alternate contact, or through an authorized third-party. The primary and alternate contact information must be different from each other and cannot be the same email address for each. In order to change its primary or alternate contact information, a dispensing organization must submit a request to change from the current primary or alternate contact email address the Department has on record. If the current email addresses are inaccessible, the dispensing organization must submit a certification attesting to the inaccessibility and requesting the change.

b) Fees. The following are the fees for dispensing organizations. All fees are nonrefundable and all monies collected under the Act shall be deposited in the Cannabis Regulation Fund in the State Treasury.

1) The application fee for a change of ownership or sale or transfer of a license is $5,000 for each license involved in the transaction. A fee shall be remitted to the Department for each Adult Use Dispensing Organization License or Registered Medical Cannabis Organization License involved in the transaction.

2) The application fee for an exception to a change of ownership or sale or transfer of a license, as those exceptions are defined in Section 1291.213, is $1,000. If the Department determines that an exception does not apply and the transaction is a change of ownership or sale or transfer of a license, then the licensee shall pay the fees required under subsection (b)(1), minus any monies already paid pursuant to this subsection (b)(2).

3) The licensing fee for a dispensing organization is $60,000.

4) The renewal fee for a dispensing organization is $60,000.

5) The late fee for renewal of a dispensing organization is $5,000.

6) Licensing fees may be paid on a pro-rated basis based on the following license issuance dates:

Dispensing Organization Licensing Fees – Pro-Rated Table

|  |  |
| --- | --- |
| **Month** | **Fee** |
| January of even-numbered years | $5,000 |
| February of even-numbered years | $2,500 |
| March of even-numbered years | $60,000 |
| April of even-numbered years | $57,500 |
| May of even-numbered years | $55,000 |
| June of even-numbered years | $52,500 |
| July of even-numbered years | $50,000 |
| August of even-numbered years | $47,500 |
| September of even-numbered years | $45,000 |
| October of even-numbered years | $42,500 |
| November of even-numbered years | $40,000 |
| December of even-numbered years | $37,500 |
| January of odd-numbered years | $35,000 |
| February of odd-numbered years | $32,500 |
| March of odd-numbered years | $30,000 |
| April of odd-numbered years | $27,500 |
| May of odd-numbered years | $25,000 |
| June of odd-numbered years | $22,500 |
| July of odd-numbered years | $20,000 |
| August of odd-numbered years | $17,500 |
| September of odd-numbered years | $15,000 |
| October of odd-numbered years | $12,500 |
| November of odd-numbered years | $10,000 |
| December of odd-numbered years | $7,500 |

c) Hardship Waiver. Dispensing organizations may seek a hardship waiver for 50% of a dispensing organization's renewal fee under Section 15-45 of the Act.

1) In order to qualify for a hardship waiver, dispensing organization licensees must:

A) Attest to their status as a social equity applicant in a form or manner prescribed by the Department.

B) Attest that the dispensing organization or applicant for renewal, 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 that dispensing organization or applicant for renewal, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, have no more than two other licenses for cannabis business establishments in the State of Illinois.

C) Provide income verification by the Illinois Department of Revenue.

2) Licensees may only qualify for a hardship waiver for the licensee's first renewal cycle.

d) Renewals

1) *An Adult Use Dispensing Organization License will expire on March 31 of each even-numbered year.* (Section 15-45 of the Act) The licensee shall renew the license during the 90 calendar days preceding the expiration date by submitting a renewal application and paying the fee required by Section 1291.15 no later than March 1 of the renewal year. If a license is not renewed before the license expires, the dispensing organization must cease operations until the license has been renewed.

2) If a dispensing organization does not renew its license, it shall notify the Department, not less than three months prior to the closing date or as otherwise authorized by the Department.

3) If a dispensing organization does not renew its license within 90 calendar days after its expiration, the Department may deem the license to be abandoned and issue a Notice of Intent to Issue a Permanent Revocation Order. The Notice of Intent to Issue a Permanent Revocation Order shall specify the reason for the intended action and notify the licensee that it has 20 calendar days after the date the notice is mailed or e-mailed to present to the Department a written response contesting the Department's intended action. A written response will be considered by the Department only if the dispensing organization provides documentation that:

A) the license was renewed within the required timeframe; or

B) a renewal application was submitted prior to the Notice of Intent to Issue a Permanent Revocation being issued.

4) If the Department does not receive a written response from the licensee that establishes one of the grounds provided in subsection (c)(1) or (2) and more than 20 calendar days have lapsed since the date of the issuance of the Notice of Intent to Issue a Permanent Revocation Order, the Director shall issue an order permanently revoking the license of the licensee.

e) Dispensing Organization Duties and Prohibitions

1) A dispensing organization license shall be valid only for the specific dispensing organization identified on the license and for the specific location proposed and approved by the Department.

2) Early Approval Adult Use Dispensing Organization Licensees ("same site") issued pursuant to Section 15-15 of the Act or Early Approval Adult Use Dispensing Organization License at secondary sites ("secondary site") issued pursuant to Section 15-20 of the Act cannot be severed from the associated medical registration. The ownership structures for a same-site or secondary site shall remain identical to the associated medical registration. Same-site licensees seeking relocation must relocate both the same-site license and associated medical registration to the same location. Any change of ownership or sale or transfer involving a medical registration must also include its associated same-site and secondary site licenses and vice versa.

3) Dispensing organizations are responsible for ensuring it and its agents adhere to the codes of conduct and grounds for discipline identified in Sections 1291.60 and 1291.70.

4) Dispensing organizations have a duty to report to the Department, within 14 calendar days, any adverse action taken against the dispensing organization, or its agent, by a licensing authority with jurisdiction in any state or any territory of the United States or any foreign jurisdiction, any governmental agency, any law enforcement agency or any court;

5) Dispensing organizations are prohibited from assigning a dispensing organization license. (See Section 15-60(g) of the Act.)

6) Dispensing organizations are prohibited from using a dispensing organization license as collateral to secure an existing or prospective debt.

f) The Department may suspend or revoke a dispensing organization license for a violation of the Act or this Part in accordance with Section 1291.70.

(Source: Added at 48 Ill. Reg. 13377, effective August 20, 2024)