



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3507

Introduced 2/22/2021, by Rep. Jehan Gordon-Booth

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/15-30.1 new

Amends the Cannabis Regulation and Tax Act. Changes the definition of "Conditional Adult Use Dispensing Organization License" and defines other terms. Requires the Department of Financial and Professional Regulation to award up to an additional 75 Conditional Adult Use Dispensing Organization Licenses through a Qualifying Applicant Lottery. Contains provisions concerning the Qualifying Applicant Lottery, including the geographical allocation of the licenses, criteria for qualifying applicants, and procedures for conducting the lottery. Effective immediately.

LRB102 14556 CPF 19909 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Section 1-10 and by adding Section 15-30.1 as
6 follows:

7 (410 ILCS 705/1-10)

8 Sec. 1-10. Definitions. In this Act:

9 "Adult Use Cultivation Center License" means a license
10 issued by the Department of Agriculture that permits a person
11 to act as a cultivation center under this Act and any
12 administrative rule made in furtherance of this Act.

13 "Adult Use Dispensing Organization License" means a
14 license issued by the Department of Financial and Professional
15 Regulation that permits a person to act as a dispensing
16 organization under this Act and any administrative rule made
17 in furtherance of this Act.

18 "Application points" means the number of points a
19 dispensary applicant receives on an application for a
20 Conditional Adult Use Dispensing Organization License.

21 "Advertise" means to engage in promotional activities
22 including, but not limited to: newspaper, radio, Internet and
23 electronic media, and television advertising; the distribution

1 of fliers and circulars; billboard advertising; and the
2 display of window and interior signs. "Advertise" does not
3 mean exterior signage displaying only the name of the licensed
4 cannabis business establishment.

5 "BLS Region" means a region in Illinois used by the United
6 States Bureau of Labor Statistics to gather and categorize
7 certain employment and wage data. The 17 such regions in
8 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
9 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
10 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
11 Rockford, St. Louis, Springfield, Northwest Illinois
12 nonmetropolitan area, West Central Illinois nonmetropolitan
13 area, East Central Illinois nonmetropolitan area, and South
14 Illinois nonmetropolitan area.

15 "By lot" means a randomized method of choosing between 2
16 or more eligible tied applicants or 2 or more qualifying
17 applicants.

18 "Cannabis" means marijuana, hashish, and other substances
19 that are identified as including any parts of the plant
20 Cannabis sativa and including derivatives or subspecies, such
21 as indica, of all strains of cannabis, whether growing or not;
22 the seeds thereof, the resin extracted from any part of the
23 plant; and any compound, manufacture, salt, derivative,
24 mixture, or preparation of the plant, its seeds, or resin,
25 including tetrahydrocannabinol (THC) and all other naturally
26 produced cannabinol derivatives, whether produced directly or

1 indirectly by extraction; however, "cannabis" does not include
2 the mature stalks of the plant, fiber produced from the
3 stalks, oil or cake made from the seeds of the plant, any other
4 compound, manufacture, salt, derivative, mixture, or
5 preparation of the mature stalks (except the resin extracted
6 from it), fiber, oil or cake, or the sterilized seed of the
7 plant that is incapable of germination. "Cannabis" does not
8 include industrial hemp as defined and authorized under the
9 Industrial Hemp Act. "Cannabis" also means cannabis flower,
10 concentrate, and cannabis-infused products.

11 "Cannabis business establishment" means a cultivation
12 center, craft grower, processing organization, infuser
13 organization, dispensing organization, or transporting
14 organization.

15 "Cannabis concentrate" means a product derived from
16 cannabis that is produced by extracting cannabinoids,
17 including tetrahydrocannabinol (THC), from the plant through
18 the use of propylene glycol, glycerin, butter, olive oil or
19 other typical cooking fats; water, ice, or dry ice; or butane,
20 propane, CO₂, ethanol, or isopropanol and with the intended
21 use of smoking or making a cannabis-infused product. The use
22 of any other solvent is expressly prohibited unless and until
23 it is approved by the Department of Agriculture.

24 "Cannabis container" means a sealed, traceable, container,
25 or package used for the purpose of containment of cannabis or
26 cannabis-infused product during transportation.

1 "Cannabis flower" means marijuana, hashish, and other
2 substances that are identified as including any parts of the
3 plant Cannabis sativa and including derivatives or subspecies,
4 such as indica, of all strains of cannabis; including raw
5 kief, leaves, and buds, but not resin that has been extracted
6 from any part of such plant; nor any compound, manufacture,
7 salt, derivative, mixture, or preparation of such plant, its
8 seeds, or resin.

9 "Cannabis-infused product" means a beverage, food, oil,
10 ointment, tincture, topical formulation, or another product
11 containing cannabis or cannabis concentrate that is not
12 intended to be smoked.

13 "Cannabis paraphernalia" means equipment, products, or
14 materials intended to be used for planting, propagating,
15 cultivating, growing, harvesting, manufacturing, producing,
16 processing, preparing, testing, analyzing, packaging,
17 repackaging, storing, containing, concealing, ingesting, or
18 otherwise introducing cannabis into the human body.

19 "Cannabis plant monitoring system" or "plant monitoring
20 system" means a system that includes, but is not limited to,
21 testing and data collection established and maintained by the
22 cultivation center, craft grower, or processing organization
23 and that is available to the Department of Revenue, the
24 Department of Agriculture, the Department of Financial and
25 Professional Regulation, and the Department of State Police
26 for the purposes of documenting each cannabis plant and

1 monitoring plant development throughout the life cycle of a
2 cannabis plant cultivated for the intended use by a customer
3 from seed planting to final packaging.

4 "Cannabis testing facility" means an entity registered by
5 the Department of Agriculture to test cannabis for potency and
6 contaminants.

7 "Clone" means a plant section from a female cannabis plant
8 not yet rootbound, growing in a water solution or other
9 propagation matrix, that is capable of developing into a new
10 plant.

11 "Community College Cannabis Vocational Training Pilot
12 Program faculty participant" means a person who is 21 years of
13 age or older, licensed by the Department of Agriculture, and
14 is employed or contracted by an Illinois community college to
15 provide student instruction using cannabis plants at an
16 Illinois Community College.

17 "Community College Cannabis Vocational Training Pilot
18 Program faculty participant Agent Identification Card" means a
19 document issued by the Department of Agriculture that
20 identifies a person as Community College Cannabis Vocational
21 Training Pilot Program faculty participant.

22 "Conditional Adult Use Dispensing Organization License"
23 means a contingent license awarded to ~~top-scoring~~ applicants
24 for an Adult Use Dispensing Organization License ~~that reserves~~
25 ~~the right to an Adult Use Dispensing Organization License if~~
26 ~~the applicant meets certain conditions described in this Act,~~

1 but does not entitle the recipient to begin purchasing or
2 selling cannabis or cannabis-infused products.

3 "Conditional Adult Use Cultivation Center License" means a
4 license awarded to top-scoring applicants for an Adult Use
5 Cultivation Center License that reserves the right to an Adult
6 Use Cultivation Center License if the applicant meets certain
7 conditions as determined by the Department of Agriculture by
8 rule, but does not entitle the recipient to begin growing,
9 processing, or selling cannabis or cannabis-infused products.

10 "Craft grower" means a facility operated by an
11 organization or business that is licensed by the Department of
12 Agriculture to cultivate, dry, cure, and package cannabis and
13 perform other necessary activities to make cannabis available
14 for sale at a dispensing organization or use at a processing
15 organization. A craft grower may contain up to 5,000 square
16 feet of canopy space on its premises for plants in the
17 flowering state. The Department of Agriculture may authorize
18 an increase or decrease of flowering stage cultivation space
19 in increments of 3,000 square feet by rule based on market
20 need, craft grower capacity, and the licensee's history of
21 compliance or noncompliance, with a maximum space of 14,000
22 square feet for cultivating plants in the flowering stage,
23 which must be cultivated in all stages of growth in an enclosed
24 and secure area. A craft grower may share premises with a
25 processing organization or a dispensing organization, or both,
26 provided each licensee stores currency and cannabis or

1 cannabis-infused products in a separate secured vault to which
2 the other licensee does not have access or all licensees
3 sharing a vault share more than 50% of the same ownership.

4 "Craft grower agent" means a principal officer, board
5 member, employee, or other agent of a craft grower who is 21
6 years of age or older.

7 "Craft Grower Agent Identification Card" means a document
8 issued by the Department of Agriculture that identifies a
9 person as a craft grower agent.

10 "Cultivation center" means a facility operated by an
11 organization or business that is licensed by the Department of
12 Agriculture to cultivate, process, transport (unless otherwise
13 limited by this Act), and perform other necessary activities
14 to provide cannabis and cannabis-infused products to cannabis
15 business establishments.

16 "Cultivation center agent" means a principal officer,
17 board member, employee, or other agent of a cultivation center
18 who is 21 years of age or older.

19 "Cultivation Center Agent Identification Card" means a
20 document issued by the Department of Agriculture that
21 identifies a person as a cultivation center agent.

22 "Currency" means currency and coin of the United States.

23 "Dispensary" means a facility operated by a dispensing
24 organization at which activities licensed by this Act may
25 occur.

26 "Dispensary applicant" means the proposed dispensing

1 organization name as stated on an application for a
2 Conditional Adult Use Dispensing Organization License.

3 "Dispensing organization" means a facility operated by an
4 organization or business that is licensed by the Department of
5 Financial and Professional Regulation to acquire cannabis from
6 a cultivation center, craft grower, processing organization,
7 or another dispensary for the purpose of selling or dispensing
8 cannabis, cannabis-infused products, cannabis seeds,
9 paraphernalia, or related supplies under this Act to
10 purchasers or to qualified registered medical cannabis
11 patients and caregivers. As used in this Act, "dispensing
12 organization" includes a registered medical cannabis
13 organization as defined in the Compassionate Use of Medical
14 Cannabis Program Act or its successor Act that has obtained an
15 Early Approval Adult Use Dispensing Organization License.

16 "Dispensing organization agent" means a principal officer,
17 employee, or agent of a dispensing organization who is 21
18 years of age or older.

19 "Dispensing organization agent identification card" means
20 a document issued by the Department of Financial and
21 Professional Regulation that identifies a person as a
22 dispensing organization agent.

23 "Disproportionately Impacted Area" means a census tract or
24 comparable geographic area that satisfies the following
25 criteria as determined by the Department of Commerce and
26 Economic Opportunity, that:

1 (1) meets at least one of the following criteria:

2 (A) the area has a poverty rate of at least 20%
3 according to the latest federal decennial census; or

4 (B) 75% or more of the children in the area
5 participate in the federal free lunch program
6 according to reported statistics from the State Board
7 of Education; or

8 (C) at least 20% of the households in the area
9 receive assistance under the Supplemental Nutrition
10 Assistance Program; or

11 (D) the area has an average unemployment rate, as
12 determined by the Illinois Department of Employment
13 Security, that is more than 120% of the national
14 unemployment average, as determined by the United
15 States Department of Labor, for a period of at least 2
16 consecutive calendar years preceding the date of the
17 application; and

18 (2) has high rates of arrest, conviction, and
19 incarceration related to the sale, possession, use,
20 cultivation, manufacture, or transport of cannabis.

21 "Early Approval Adult Use Cultivation Center License"
22 means a license that permits a medical cannabis cultivation
23 center licensed under the Compassionate Use of Medical
24 Cannabis Program Act as of the effective date of this Act to
25 begin cultivating, infusing, packaging, transporting (unless
26 otherwise provided in this Act), processing and selling

1 cannabis or cannabis-infused product to cannabis business
2 establishments for resale to purchasers as permitted by this
3 Act as of January 1, 2020.

4 "Early Approval Adult Use Dispensing Organization License"
5 means a license that permits a medical cannabis dispensing
6 organization licensed under the Compassionate Use of Medical
7 Cannabis Program Act as of the effective date of this Act to
8 begin selling cannabis or cannabis-infused product to
9 purchasers as permitted by this Act as of January 1, 2020.

10 "Early Approval Adult Use Dispensing Organization at a
11 secondary site" means a license that permits a medical
12 cannabis dispensing organization licensed under the
13 Compassionate Use of Medical Cannabis Program Act as of the
14 effective date of this Act to begin selling cannabis or
15 cannabis-infused product to purchasers as permitted by this
16 Act on January 1, 2020 at a different dispensary location from
17 its existing registered medical dispensary location.

18 "Eligible tied applicant" means a tied applicant that is
19 eligible to participate in the process by which a remaining
20 available license is distributed by lot pursuant to a Tied
21 Applicant Lottery.

22 "Enclosed, locked facility" means a room, greenhouse,
23 building, or other enclosed area equipped with locks or other
24 security devices that permit access only by cannabis business
25 establishment agents working for the licensed cannabis
26 business establishment or acting pursuant to this Act to

1 cultivate, process, store, or distribute cannabis.

2 "Enclosed, locked space" means a closet, room, greenhouse,
3 building or other enclosed area equipped with locks or other
4 security devices that permit access only by authorized
5 individuals under this Act. "Enclosed, locked space" may
6 include:

7 (1) a space within a residential building that (i) is
8 the primary residence of the individual cultivating 5 or
9 fewer cannabis plants that are more than 5 inches tall and
10 (ii) includes sleeping quarters and indoor plumbing. The
11 space must only be accessible by a key or code that is
12 different from any key or code that can be used to access
13 the residential building from the exterior; or

14 (2) a structure, such as a shed or greenhouse, that
15 lies on the same plot of land as a residential building
16 that (i) includes sleeping quarters and indoor plumbing
17 and (ii) is used as a primary residence by the person
18 cultivating 5 or fewer cannabis plants that are more than
19 5 inches tall, such as a shed or greenhouse. The structure
20 must remain locked when it is unoccupied by people.

21 "Financial institution" has the same meaning as "financial
22 organization" as defined in Section 1501 of the Illinois
23 Income Tax Act, and also includes the holding companies,
24 subsidiaries, and affiliates of such financial organizations.

25 "Flowering stage" means the stage of cultivation where and
26 when a cannabis plant is cultivated to produce plant material

1 for cannabis products. This includes mature plants as follows:

2 (1) if greater than 2 stigmas are visible at each
3 internode of the plant; or

4 (2) if the cannabis plant is in an area that has been
5 intentionally deprived of light for a period of time
6 intended to produce flower buds and induce maturation,
7 from the moment the light deprivation began through the
8 remainder of the marijuana plant growth cycle.

9 "Individual" means a natural person.

10 "Infuser organization" or "infuser" means a facility
11 operated by an organization or business that is licensed by
12 the Department of Agriculture to directly incorporate cannabis
13 or cannabis concentrate into a product formulation to produce
14 a cannabis-infused product.

15 "Kief" means the resinous crystal-like trichomes that are
16 found on cannabis and that are accumulated, resulting in a
17 higher concentration of cannabinoids, untreated by heat or
18 pressure, or extracted using a solvent.

19 "Labor peace agreement" means an agreement between a
20 cannabis business establishment and any labor organization
21 recognized under the National Labor Relations Act, referred to
22 in this Act as a bona fide labor organization, that prohibits
23 labor organizations and members from engaging in picketing,
24 work stoppages, boycotts, and any other economic interference
25 with the cannabis business establishment. This agreement means
26 that the cannabis business establishment has agreed not to

1 disrupt efforts by the bona fide labor organization to
2 communicate with, and attempt to organize and represent, the
3 cannabis business establishment's employees. The agreement
4 shall provide a bona fide labor organization access at
5 reasonable times to areas in which the cannabis business
6 establishment's employees work, for the purpose of meeting
7 with employees to discuss their right to representation,
8 employment rights under State law, and terms and conditions of
9 employment. This type of agreement shall not mandate a
10 particular method of election or certification of the bona
11 fide labor organization.

12 "Limited access area" means a room or other area under the
13 control of a cannabis dispensing organization licensed under
14 this Act and upon the licensed premises where cannabis sales
15 occur with access limited to purchasers, dispensing
16 organization owners and other dispensing organization agents,
17 or service professionals conducting business with the
18 dispensing organization, or, if sales to registered qualifying
19 patients, caregivers, provisional patients, and Opioid
20 Alternative Pilot Program participants licensed pursuant to
21 the Compassionate Use of Medical Cannabis Program Act are also
22 permitted at the dispensary, registered qualifying patients,
23 caregivers, provisional patients, and Opioid Alternative Pilot
24 Program participants.

25 "Member of an impacted family" means an individual who has
26 a parent, legal guardian, child, spouse, or dependent, or was

1 a dependent of an individual who, prior to the effective date
2 of this Act, was arrested for, convicted of, or adjudicated
3 delinquent for any offense that is eligible for expungement
4 under this Act.

5 "Mother plant" means a cannabis plant that is cultivated
6 or maintained for the purpose of generating clones, and that
7 will not be used to produce plant material for sale to an
8 infuser or dispensing organization.

9 "Ordinary public view" means within the sight line with
10 normal visual range of a person, unassisted by visual aids,
11 from a public street or sidewalk adjacent to real property, or
12 from within an adjacent property.

13 "Ownership and control" means ownership of at least 51% of
14 the business, including corporate stock if a corporation, and
15 control over the management and day-to-day operations of the
16 business and an interest in the capital, assets, and profits
17 and losses of the business proportionate to percentage of
18 ownership.

19 "Person" means a natural individual, firm, partnership,
20 association, joint stock company, joint venture, public or
21 private corporation, limited liability company, or a receiver,
22 executor, trustee, guardian, or other representative appointed
23 by order of any court.

24 "Possession limit" means the amount of cannabis under
25 Section 10-10 that may be possessed at any one time by a person
26 21 years of age or older or who is a registered qualifying

1 medical cannabis patient or caregiver under the Compassionate
2 Use of Medical Cannabis Program Act.

3 "Principal officer" includes a cannabis business
4 establishment applicant or licensed cannabis business
5 establishment's board member, owner with more than 1% interest
6 of the total cannabis business establishment or more than 5%
7 interest of the total cannabis business establishment of a
8 publicly traded company, president, vice president, secretary,
9 treasurer, partner, officer, member, manager member, or person
10 with a profit sharing, financial interest, or revenue sharing
11 arrangement. The definition includes a person with authority
12 to control the cannabis business establishment, a person who
13 assumes responsibility for the debts of the cannabis business
14 establishment and who is further defined in this Act.

15 "Primary residence" means a dwelling where a person
16 usually stays or stays more often than other locations. It may
17 be determined by, without limitation, presence, tax filings;
18 address on an Illinois driver's license, an Illinois
19 Identification Card, or an Illinois Person with a Disability
20 Identification Card; or voter registration. No person may have
21 more than one primary residence.

22 "Processing organization" or "processor" means a facility
23 operated by an organization or business that is licensed by
24 the Department of Agriculture to either extract constituent
25 chemicals or compounds to produce cannabis concentrate or
26 incorporate cannabis or cannabis concentrate into a product

1 formulation to produce a cannabis product.

2 "Processing organization agent" means a principal officer,
3 board member, employee, or agent of a processing organization.

4 "Processing organization agent identification card" means
5 a document issued by the Department of Agriculture that
6 identifies a person as a processing organization agent.

7 "Purchaser" means a person 21 years of age or older who
8 acquires cannabis for a valuable consideration. "Purchaser"
9 does not include a cardholder under the Compassionate Use of
10 Medical Cannabis Program Act.

11 "Qualified Social Equity Applicant" means a Social Equity
12 Applicant who has been awarded a conditional license under
13 this Act to operate a cannabis business establishment.

14 "Qualifying applicant" means an applicant that submitted
15 an application pursuant to Section 15-30 that received at
16 least 75% of 250 available application points pursuant to the
17 application scoring procedure described in subsection (c) of
18 Section 15-30, including any supplemental process to correct
19 deficiencies.

20 "Qualifying Applicant Lottery" means the process for
21 awarding Conditional Adult Use Dispensing Organization
22 Licenses among qualifying applicants pursuant to Section
23 15-30.1.

24 "Resided" means an individual's primary residence was
25 located within the relevant geographic area as established by
26 2 of the following:

1 (1) a signed lease agreement that includes the
2 applicant's name;

3 (2) a property deed that includes the applicant's
4 name;

5 (3) school records;

6 (4) a voter registration card;

7 (5) an Illinois driver's license, an Illinois
8 Identification Card, or an Illinois Person with a
9 Disability Identification Card;

10 (6) a paycheck stub;

11 (7) a utility bill;

12 (8) tax records; or

13 (9) any other proof of residency or other information
14 necessary to establish residence as provided by rule.

15 "Smoking" means the inhalation of smoke caused by the
16 combustion of cannabis.

17 "Social Equity Applicant" means an applicant that is an
18 Illinois resident that meets one of the following criteria:

19 (1) an applicant with at least 51% ownership and
20 control by one or more individuals who have resided for at
21 least 5 of the preceding 10 years in a Disproportionately
22 Impacted Area;

23 (2) an applicant with at least 51% ownership and
24 control by one or more individuals who:

25 (i) have been arrested for, convicted of, or
26 adjudicated delinquent for any offense that is

- 1 eligible for expungement under this Act; or
- 2 (ii) is a member of an impacted family;
- 3 (3) for applicants with a minimum of 10 full-time
- 4 employees, an applicant with at least 51% of current
- 5 employees who:
- 6 (i) currently reside in a Disproportionately
- 7 Impacted Area; or
- 8 (ii) have been arrested for, convicted of, or
- 9 adjudicated delinquent for any offense that is
- 10 eligible for expungement under this Act or member of
- 11 an impacted family.

12 Nothing in this Act shall be construed to preempt or limit

13 the duties of any employer under the Job Opportunities for

14 Qualified Applicants Act. Nothing in this Act shall permit an

15 employer to require an employee to disclose sealed or expunged

16 offenses, unless otherwise required by law.

17 "Tied applicant" means a dispensary applicant that

18 submitted an application pursuant to Section 15-30 that

19 received the same number of application points pursuant to the

20 application scoring procedure described in subsection (c) of

21 Section 15-30 as one or more top-scoring applications in the

22 same BLS Region and would have been awarded a license but for

23 the one or more other top-scoring applications that received

24 the same number of application points, including any

25 applications scored pursuant to a supplemental process to

26 correct deficiencies. Each application score that is attached

1 to a dispensary applicant that has previously paid the
2 required application fee for the application period ending
3 January 2, 2020 creates a separate tied applicant.

4 "Tied Applicant Lottery" means the process established in
5 Sections 1291.10 and 1291.50 of Title 68 of the Illinois
6 Administrative Code for awarding Conditional Adult Use
7 Dispensing Organization Licenses pursuant to Sections 15-25
8 and 15-30 among eligible tied applicants.

9 "Tincture" means a cannabis-infused solution, typically
10 comprised of alcohol, glycerin, or vegetable oils, derived
11 either directly from the cannabis plant or from a processed
12 cannabis extract. A tincture is not an alcoholic liquor as
13 defined in the Liquor Control Act of 1934. A tincture shall
14 include a calibrated dropper or other similar device capable
15 of accurately measuring servings.

16 "Transporting organization" or "transporter" means an
17 organization or business that is licensed by the Department of
18 Agriculture to transport cannabis or cannabis-infused product
19 on behalf of a cannabis business establishment or a community
20 college licensed under the Community College Cannabis
21 Vocational Training Pilot Program.

22 "Transporting organization agent" means a principal
23 officer, board member, employee, or agent of a transporting
24 organization.

25 "Transporting organization agent identification card"
26 means a document issued by the Department of Agriculture that

1 identifies a person as a transporting organization agent.

2 "Unit of local government" means any county, city,
3 village, or incorporated town.

4 "Vegetative stage" means the stage of cultivation in which
5 a cannabis plant is propagated to produce additional cannabis
6 plants or reach a sufficient size for production. This
7 includes seedlings, clones, mothers, and other immature
8 cannabis plants as follows:

9 (1) if the cannabis plant is in an area that has not
10 been intentionally deprived of light for a period of time
11 intended to produce flower buds and induce maturation, it
12 has no more than 2 stigmas visible at each internode of the
13 cannabis plant; or

14 (2) any cannabis plant that is cultivated solely for
15 the purpose of propagating clones and is never used to
16 produce cannabis.

17 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

18 (410 ILCS 705/15-30.1 new)

19 Sec. 15-30.1. Qualifying Applicant Lottery.

20 (a) Notwithstanding the 75 Conditional Adult Use
21 Dispensing Organization Licenses authorized under subsection
22 (a) of Section 15-25, the Department shall conduct a lottery
23 to award up to an additional 75 Conditional Adult Use
24 Dispensing Organization Licenses through a Qualifying
25 Applicant Lottery to qualifying applicants that applied for,

1 but did not receive, a Conditional Adult Use Dispensing
2 Organization License pursuant to Sections 15-25 and 15-30. Any
3 dispensary applicant eligible to participate in the Tied
4 Applicant Lottery for the awarding of licenses pursuant to
5 Sections 15-25 and 15-30 may not qualify as a qualifying
6 applicant and may not participate in the lottery for awarding
7 licenses pursuant to this Section, unless that applicant
8 withdraws from the Tied Applicant Lottery pursuant to
9 subsection (f) of this Section. Prior to conducting a
10 Qualifying Applicant Lottery, the Department may adopt rules
11 through emergency rulemaking in accordance with subsection
12 (kk) of Section 5-45 of the Illinois Administrative Procedure
13 Act. The General Assembly finds that the adoption of rules to
14 regulate cannabis use is deemed an emergency and necessary for
15 the public interest, safety, and welfare.

16 (b) There shall be no additional cost to participate in a
17 Qualifying Applicant Lottery. However, the Department may
18 require a dispensary applicant to submit additional
19 documentation in order to participate in a Qualifying
20 Applicant Lottery under this Section.

21 (c) No individual may be listed as a principal officer of
22 more than 2 total entries across all BLS Regions in the
23 Qualifying Applicant Lottery. No dispensary applicant may
24 submit more than one entry in any BLS Region in the Qualifying
25 Applicant Lottery.

26 (d) No qualifying applicant may be awarded more than 2

1 Conditional Adult Use Dispensing Organization Licenses at the
2 conclusion of the Qualifying Applicant Lottery.

3 (e) The 75 Conditional Adult Use Dispensing Organization
4 Licenses established pursuant to this Section shall be
5 geographically allocated in the exact manner as the licenses
6 under subsection (c) of Section 15-25 and remain subject to
7 all other requirements of Sections 15-25 and 15-30 unless such
8 requirements conflict with this Section.

9 (f) Any dispensary applicant seeking to participate in the
10 Qualifying Applicant Lottery must attest to the Department no
11 later than 5 business days after the resulting final score for
12 all scored applications pursuant to Section 15-30, including
13 any supplemental process to correct deficiencies, is issued to
14 dispensary applicants. The attestation must state that the
15 dispensary applicant is not participating in the Tied
16 Applicant Lottery for awarding licenses pursuant to Sections
17 15-25 and 15-30 and the dispensary applicant and its principal
18 officers meet all of the requirements to participate in a
19 Qualifying Applicant Lottery set forth under this Section. The
20 attestation shall be made on forms approved by the Department.
21 If the Department determines attestations have been submitted
22 that would result in a dispensary applicant exceeding the
23 limits in subsection (c) of this Section, then the dispensary
24 applicant shall be disqualified from participating in both the
25 Tied Applicant Lottery and the Qualifying Applicant Lottery.
26 If the Department determines attestations have been submitted

1 that would result in a principal officer exceeding the limits
2 in subsection (c) of this Section, then all dispensary
3 applicants listing that principal officer shall be
4 disqualified from participating in both the Tied Applicant
5 Lottery and the Qualifying Applicant Lottery.

6 (g) The Qualifying Applicant Lottery shall be conducted no
7 later than 10 business days after the Department publishes a
8 list of qualifying applicants identified by the Department as
9 eligible for the Qualifying Applicant Lottery, including any
10 supplemental process to correct deficiencies.

11 (h) An applicant that applied for, but did not receive, a
12 Conditional Adult Use Dispensing Organization License pursuant
13 to Sections 15-25 and 15-30 may qualify as a qualifying
14 applicant subject to the following:

15 (1) A dispensary applicant is prohibited from becoming
16 a qualifying applicant if a principal officer of the
17 applicant is a principal officer of more qualifying
18 applicants than the number of available licenses.

19 (2) A dispensary applicant is prohibited from becoming
20 a qualifying applicant if a principal officer resigns
21 after the resulting final score for all scored
22 applications pursuant to Sections 15-25 and 15-30,
23 including any supplemental process to correct
24 deficiencies, is issued to dispensary applicants.

25 (3) A dispensary applicant is prohibited from becoming
26 a qualifying applicant if, after the conclusion of the

1 attestation period identified in subsection (f) of this
2 Section, a principal officer of the applicant is a
3 principal officer of more qualifying applicants than the
4 number of available licenses.

5 (4) A dispensary applicant must have received at least
6 75% of total available points on an application submitted
7 pursuant to Section 15-30 to become a qualifying
8 applicant.

9 (i) At the conclusion of the scoring process, the
10 Department may distribute the available licenses established
11 under this Section by lot subject to the following:

12 (1) The drawing by lot for all available licenses
13 established under this Section shall occur on the same
14 day.

15 (2) Within each BLS Region, the first qualifying
16 applicant drawn shall have the first right to an available
17 license. The second qualifying applicant drawn shall have
18 the second right to an available license. The same pattern
19 shall continue for each subsequent qualifying applicant
20 drawn.

21 (3) The process for distributing available licenses
22 established under this Section shall be recorded by the
23 Department in a format selected by the Department.

24 (4) If, upon being selected for an available license
25 established under this Section, the eligible qualifying
26 applicant has a principal officer that is a principal

1 officer in more than 10 Early Approval Adult Use
2 Dispensing Organization Licenses, Conditional Adult Use
3 Dispensing Organization Licenses, or Adult Use Dispensing
4 Organization Licenses, the licensees and eligible
5 qualifying applicant listing that principal officer must
6 choose which license to abandon pursuant to subsection (d)
7 of Section 15-36 and notify the Department in writing
8 within 5 business days. If the qualifying applicant or
9 licensees do not notify the Department as required, the
10 Department shall refuse to issue to the qualifying
11 applicant all available licenses established under this
12 Section obtained by lot in all BLS Regions.

13 (5) All available licenses that have been abandoned
14 shall be distributed to the next qualifying applicant
15 drawn by lot.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.