**Section 650.15 Definitions**

The following definitions are applicable to the Cannabis Social Equity Program.

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

*"Adult Use Dispensing Organization License" means a license issued by the Department of Financial and Professional Regulation that permits a person to act as a dispensing organization under the Act and any administrative rule made in furtherance of the Act.* [410 ILCS 705/1-10]

"Agreement" means a loan or line of credit agreement under the Program.

"Applicant" means a person that intends to apply or has applied for licensure under the Act as a Social Equity Applicant.

"Basic Wage" means compensation for employment that is no less than the legal minimum wage of the jurisdiction in which the person is employed. Basic wage shall not include overtime pay, bonus pay, stock options, awards or any other equity-based incentive, unreimbursed employee expenses, piecemeal rate of pay, or any form of deferred compensation.

"Borrower" means a Qualified Social Equity Applicant that has entered into an agreement with the Department or a financial institution partner under the Business Loan and Financial Assistance Program.

"Business Applicant" means an applicant or a Social Equity Applicant who is seeking to participate in the Business Loan and Financial Assistance Program.

"Business Loan and Financial Assistance Program" or "Program" means the loan and line of credit Program, designed to promote social equity within the Illinois cannabis industry, set forth in this Part.

*"Cannabis Business Establishment" means a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.* [410 ILCS 705/1-10]

"CI Act" means the Criminal Identification Act [20 ILCS 2630].

*"Conditional Adult Use Dispensing Organization License" means a license awarded to top-scoring applicants for an Adult Use Dispensing Organization License that reserves the right to an Adult Use Dispensing Organization License if the applicant meets certain conditions described in the Act, but does not entitle the recipient to begin purchasing or selling cannabis or cannabis-infused products.* [410 ILCS 705/1-10]

"Conditional Commitment Letter" means a letter from the Department indicating that an applicant has been provisionally approved for a loan or line of credit under the Program, subject to receipt of a license and meeting other requirements described in a conditional commitment letter.

"Department" means the Illinois Department of Commerce and Economic Opportunity.

"DFPR" means the Illinois Department of Financial and Professional Regulation.

*"Disproportionately Impacted Area" means a census tract or comparable geographic area that:*

*satisfies, as determined by the Department, at least one of the following criteria:*

*the area has a poverty rate of at least 20%, according to the latest federal decennial census* or the U.S. Census Bureau American Community Survey 5-Year Estimates, 2013-2017, whichever is more current*;*

*75% or more of the children in the area participate in the federal free lunch program, according to reported statistics from the State Board of Education,* if current and uniform statewide data is available*;*

*at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program,* according to data from the U.S. Census Bureau American Community Survey 5-Year Estimates, 2013-2017*; or*

*the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and*

*has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.* [410 ILCS 705/1-10]

"Financial Institution Partner" means a chartered bank, credit union, or other responsible source of financing that has entered into an agreement with the Department to provide funding to a Qualified Social Equity Applicant on behalf of or in tandem with the Department.

"Full-Time Employee" means an individual for whom a W-2 is issued by the applicant and who is employed for a basic wage for at least 35 hours each week.

"High Rates of Arrest, Conviction, and Incarceration" means an average annual rate of arrests that exceeds 30 per 10,000 residents of the census tract, according to population data from the latest U.S. Census Bureau American Community Survey 5-year estimates, 2013-2017, and arrest data maintained by the Illinois State Police for the period of January 1, 2009 through May 8, 2019. When at least 20% of arrests by an arresting agency have arrestee address information, those arrests without arrestee address information will be assigned to a census tract as follows:

the distribution of each arresting agency's arrests with known addresses shall be determined for each census tract within that agency's jurisdiction (each tract's share of the total known addresses for that arresting agency being that census tract's "census tract share" for that arresting agency);

the number of arrests with unknown addresses for each arresting agency shall be multiplied by each tract's census tract share, with the product of each calculation being allocated to each census tract as an arrest (each such allocation being an "imputed arrest" for that census tract and arresting agency); and

the imputed arrest for each census tract will be summed across all arresting agencies, with the total being added to the known arrests in each census tract summed across all arresting agencies to arrive at each census tract's total number of estimated arrests for that census tract over the period.

However, if uniform statewide data on annual rates of conviction and incarceration is unavailable, the Department may use an average annual rate of persons being released onto parole or mandatory supervised release for offenses eligible for expungement under CI Act Section 5.2 that exceeds 1 per 10,000 residents and has a minimum of 5 persons being released onto parole or mandatory supervised release for offenses eligible for expungement under the Act between July 1, 2009 and August 23, 2019), according to population data from the latest U.S. Census Bureau American Community Survey 5-year estimates, 2013-2017, and data maintained by the Illinois Department of Corrections for the period of July 1, 2009 through August 23, 2019.

"License" means any of the Cannabis Business Establishment licenses established under the Act.

*"Member of an Impacted Family" means an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of the Act, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Act.* [410 ILCS 705/1-10]

"Ordinary and Necessary Expenses" are those expenses incurred in day-to-day operations that are appropriate, helpful to the success of the business, and approved by the Department.

"Organizational and Ownership Records" means records requested by the Department to verify the bona fide ownership and control of an applicant. These records may include, but are not limited to:

a Table of Organization, Ownership and Control as described in Section 15-50 of the Act;

articles of incorporation or organization, trust agreement, partnership agreement, joint venture agreements and the like, including any exhibits to these documents;

operating agreement, articles of partnership, corporate bylaws and the like, including any exhibits;

capitalization tables and other records of ownership interests;

to the extent any owner, member, partner, or trustee of the applicant is a corporate entity, the governing documents of that entity and records showing its owners;

copies of all guarantees to which the applicant is a party;

licensing or franchise agreements; and

any other information requested by the Department to identify ownership or any significant beneficial interests in the applicant.

*"Ownership and Control" means ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to percentage of ownership.* [410 ILCS 705/1-10]

"Pay Stub" means a written receipt that shows hours worked, rate of pay, overtime pay and overtime hours, gross wages, an itemization of all deductions, and wages and deductions for the year to date for an employee.

*"Person" means a natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, or limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.* [410 ILCS 705/1-10]

*"Qualified Social Equity Applicant" means a Social Equity Applicant who has been awarded a conditional license under the Act to operate a Cannabis Business Establishment.* [410 ILCS 705/1-10]

"Residency Records" means records requested by the Department to verify an applicant's eligibility to participate in the Program. These records may include, but are not limited to:

a signed lease agreement that includes the applicant's name;

a property deed that includes the applicant's name;

records reflecting government housing or other assistance that contain the applicant's name and address;

school records;

a voter registration card;

an Illinois driver license, an Illinois Identification Card, or an Illinois Person with a Disability Identification Card;

paycheck stubs;

utility bills;

military service records showing the member's state of legal residency or home of record;

proof of receipt of a homestead exemption for Illinois property (see 35 ILCS 200/15-175);

a certification of homeless status during the time relevant for consideration;

the applicant's most recent State tax return showing the applicant is subject to the Illinois Income Tax and the Personal Property Tax Replacement Income Tax as a resident of Illinois; or

other proof that is generally accepted by DFPR, the Department of Agriculture (DOA), the Department of Revenue, or the Illinois Secretary of State to establish a person's status as a resident in Illinois and that is approved by the Department.

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

*an applicant with at least 51% ownership and control by one or more individuals who:*

*have resided for at least 5 of the preceding 10 years in a Disproportionately Impacted Area;*

*have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act; or*

*are members of an impacted family; or*

*for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:*

*currently reside in a Disproportionately Impacted Area; or*

*have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or member of an impacted family*. [410 ILCS 705/1-10]