**Section 1290.50 Dispensing Organization − Application Requirements for Authorization**

a) Applications must be submitted on Division-provided forms and include the following information:

1) The legal name of the proposed dispensing organization.

2) The name, address, telephone number, date of birth, social security number and e-mail address of the proposed dispensing organization's principal officers. A post office box may not be used.

3) The name of the proposed dispensary.

4) If the entity applying is a sole proprietorship, a copy of creation documents.

5) If the entity applying is a business organization other than a sole proprietorship, the following information for the entity applying:

A) The type of business organization.

B) If a partnership, a copy of any partnership or joint venture documents, and if there is no written agreement, a statement signed by all principal officers affirming there is no agreement.

C) If a limited liability company, a copy of the Articles of Organization, operating agreement, and certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website dated within seven days prior to the date the application is filed with the Division. Limited liability company applicants shall include a listing of all affiliated persons or business entities holding an ownership interest in the company.

D) If a corporation, the name of the registered agent, a copy of the Articles of Incorporation, Corporate Resolutions if any, and a certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website within seven days prior to the date the application is filed with the Division. If using an assumed name, a copy of the assumed name registration issued by the Secretary of State. Corporate applicants shall include a listing of all persons or businesses holding an ownership interest in the corporation.

E) If an unincorporated association, organization or not-for-profit organization, documents or agreements relevant to its creation, ownership, profit sharing and liability. If there are no documents as detailed in this subsection (a)(5)(E), a statement signed by all principal officers stating so.

6) From each principal officer, a statement indicating whether that person:

A) Has held an ownership interest in a dispensing organization, other cannabis-related business, or its equivalent in another state or territory of the United States that had the dispensary registration or license suspended, revoked, placed on probationary status or subjected to other disciplinary action.

B) Is a physician that will be on the dispensing organization's board of directors or an employee, pursuant to Section 35(b)(5) of the Act.

C) Is a registered qualified patient, designated caregiver, provisional patient or OAPP patient.

7) Disclosure of whether any principal officer has ever:

A) Filed for bankruptcy; or

B) Defaulted on alimony or child support obligation.

8) A resume for each principal officer, including whether that person has an academic degree, certification or relevant experience with a medical cannabis business or in a related industry.

9) A patient education plan detailing the benefits or drawbacks of cannabis strains or products in connection with the debilitating conditions identified in the Act and an OAPP participant education plan detailing the benefits or drawbacks of cannabis strains or products in connection with medical conditions for which opioids can be, or are, prescribed for, and initiatives to keep product costs reasonable.

10) A description of the training and education that will be provided to dispensary agents.

11) A copy of the proposed operating by-laws.

12) A copy of the proposed business plan that complies with the requirements in this Part, including, at a minimum, the following:

A) A description of products intended to be offered;

B) A description of services to be offered; and

C) A description of the process of dispensing cannabis from a restricted access area to a limited access area.

13) A copy of the proposed security plan that complies with the requirements in this Part, including:

A) A description of the delivery process by which cannabis will be received from a cultivation center, including receipt of manifests and protocols that will be used to avoid diversion, theft or loss at the dispensary acceptance point;

B) The process or controls that will be implemented to monitor the dispensary, secure the premises, agents, patients, opioid participants and currency, and prevent the diversion, theft or loss of cannabis; and

C) The process to ensure that access to the limited access areas is restricted to qualifying patients, provisional registration patients, OAPP participants, designated caregivers, registered agents, service professionals or persons authorized by the Act and this Part.

14) A proposed inventory control plan that complies with this Part.

A) The process for integrating the dispensary's point of sale with the State verification system and Illinois Cannabis Tracking System using a program interface to record sales and patients, provisional patients, designated caregivers and OAPP participants in real time;

B) A description of the medical cannabis order fulfillment process for patients, provisional patients and OAPP participants;

C) A description of the patient, provisional patient and OAPP participant sale process;

D) A description of the process of dispensing cannabis from the restricted access area to the limited access area.

15) A proposed recordkeeping plan and State verification system for patients, provisional patients, designated caregivers and OAPP participants that complies with this Part.

16) A copy of the current local zoning ordinance sections relevant to dispensary operations. Documentation, if any, of the approval, the conditional approval or the status of a request for zoning approval from the local zoning office that the proposed dispensary location is in compliance with the local zoning rules and the zoning provisions in Section 130 of the Act.

17) For the building or land to be used as the proposed dispensary:

A) If the property is not owned by the applicant, a written statement from the property owner and landlord, if any, certifying consent that the applicant may operate a dispensary on the premises; or

B) If the property is owned by the applicant, confirmation of ownership.

18) A copy of any proposed marketing or advertising plan or materials.

19) A map of the area surrounding the proposed dispensary, extending a minimum of 1,000 feet from the property line in all directions. The map must clearly demonstrate that the property line of the proposed dispensary is not located within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home or part day child care facility. The map must clearly demonstrate that the dispensary is not in an area zoned for residential use and identify the existing adjacent businesses. For purposes of this subsection (a)(19), "pre-existing" means existing as of the date the proposed dispensing organization submitted its application to the Division.

20) A plot plan of the dispensary drawn to scale. The applicant shall submit general specifications of the building exterior and interior layout.

21) A statement that the dispensing organization agrees to respond to the Division's supplemental requests for information.

b) Financial Disclosure

The applicant shall provide a statement disclosing relevant business transactions and financial information connected with the application. Financial disclosures include:

1) A Table of Organization, Ownership and Control, including the ownership structure and names of the principal officers of the dispensing organization.

2) A current organization chart that includes position descriptions and the names and resumes of each person holding each position. The resumes shall establish specific skills, education, experience or significant accomplishments that are relevant to owning or operating a dispensing organization.

3) Depending on business type as applicable, agreements between any two or more principal officers that relate to the assets, liabilities, property, revenue, royalties, profit or future profit of the dispensing organization or comparable documents that establish the legal structure of the applicant, operations, management and control.

4) A copy of compensation agreements among any persons having a financial interest in the dispensing organization.

5) The nature, type, terms, covenants and priorities of all outstanding debts, including but are not limited to bonds, loans, mortgages, trust deeds, lines of credit, notes issued or executed, or to be issued or executed, in connection with the proposed dispensary.

6) Audited financial statements for the previous fiscal year, which shall include, but are not limited to, an income statement, balance sheet, statement of retained earnings or owners' equity, statement of cash flows, and all notes to those statements and related financial schedules, prepared in accordance with generally accepted accounting principles, with the accompanying independent auditor's report. The audit must be compiled by and certified by an auditor or CPA. If the applicant was formed within the year preceding the application, provide certified financial statements for the period of time the applicant has been in existence.

7) Complete copies of all federal, state and foreign (with translation) tax returns filed by the principal officers of the proposed dispensing organization for the last three years, or for the period each principal officer has filed tax returns if less than three years.

8) Disclosure of all funding sources used for the proposed dispensing organization, including documentation verifying the source of the funds and copies of closing documents in connection with the purchase of a registered business.

9) The applicant has a continuing duty to promptly disclose material changes in the financial information provided to the Division. If an applicant is issued a registration, this duty of ongoing disclosure shall continue throughout the registered period.

c) Documentation acceptable to the Division that the applicant has at least $400,000 in liquid assets under its control for each application. Documentation acceptable to the Division includes:

1) A signed statement from an Illinois Licensed CPA or financial institution attesting to proof of $400,000 in liquid assets under the control of a principal officer or the entity applying.

2) The signed statement must be dated within 10 calendar days before the application is submitted.

3) Documentation otherwise requested by the Division in writing.

d) An attestation under penalty of perjury signed and dated by each principal officer identified in subsection (a)(2):

1) That the person has not been convicted of an excluded offense;

2) That the information provided to the Division is true and correct;

3) That, if the proposed organization is issued an authorization, the applicant will not operate until the Division approves the applicant's registration packet, the dispensary is inspected and the applicant obtains a registration from the Division;

4) That the applicant acknowledges receipt and advisement of the notices contained in the application and agrees to and accepts the limitations of liability and the requirement to indemnify, hold harmless and defend the State of Illinois, including:

A) Limitation of Liability − the State of Illinois shall not be liable to the dispensing organization, dispensing organization employees, family members or guests, qualifying patients or caregivers, qualifying patient's or caregiver's employer or employees, family members or guests for any damage, injury, accident, loss, compensation or claim, based on, arising out of or resulting from the registrant's participation in the Compassionate Use of Medical Cannabis Pilot Program, including, but not limited to, the following: arrest, seizure of persons or property, prosecution pursuant to federal laws by federal prosecutors, any fire, robbery, theft, mysterious disappearance or any other casualty; or the actions of any other registrants or persons. This limitation of liability provision shall survive expiration or the early termination of the registration if the registration is granted; and

B) The Division requires each registrant to include a signed statement in the registration packet that, at minimum, certifies that the applicant has actual notice that, notwithstanding any State law:

i) Cannabis is a prohibited Schedule I controlled substance under federal law;

ii) Participation in the Compassionate Use of Medical Cannabis Pilot Program (program) is permitted only to the extent provided by the strict requirements of the Act and this Part;

iii) Any activity not sanctioned by the Act or this Part may be a violation of State law;

iv) Growing, distributing or possessing cannabis in any capacity, except through a federally-approved research program, is a violation of federal law;

v) Use of medical cannabis may affect an individual's ability to receive federal or state licensure in other areas;

vi) Use of medical cannabis, in tandem with other conduct, may be a violation of State or federal law;

vii) Participation in the medical cannabis program does not authorize any person to violate federal law or State law and, other than as set out in Section 25 of the Act, does not provide any immunity from or affirmative defense to arrest or prosecution under federal law or State law; and

viii) Applicants shall indemnify, hold harmless and defend the State of Illinois for any and all civil or criminal penalties resulting from participation in the program.

C) The Division has the authority to include additional certifications in the application that would be sufficient to ensure compliance with the program and all other applicable laws.

e) All proposed principal officers must be natural persons. The Division will communicate with the proposed dispensing organization's principal officers. The Division will not communicate exclusively with a consultant or attorney working on behalf of the proposed dispensing organization.

f) The non-refundable application fee (see Section 1290.80).

(Source: Amended at 43 Ill. Reg. 6593, effective May 20, 2019)