**Section 1291.410 Conditional License Lottery Application under Section 15-35.20(c) of the Act**

a) The Department will publish an online application for applicants on the Department's website. Paper applications will not be accepted.

b) After publishing the online application, the application submission window shall remain open for submissions for a minimum of 10 business days. Applications must be submitted by 5:00 P.M. Central Time on the last day of the application submission window and no applications will be accepted after the application submission window closes.

c) A principal officer cannot be on more than one application. The Department shall require that all applicants provide each of its principal officers’ Social Security Numbers or Individual Taxpayer Identification Number, and any other unique, identifying information, required in the application to ensure that an individual principal officer is not listed as a principal officer on more than one application.

d) All applicants shall pay a non-refundable application fee of $250, to be deposited into the Cannabis Regulation Fund.

e) An application shall be accepted only if it is complete. All incomplete applications shall be denied. A completed application shall include the nonrefundable fee and, at a minimum, the following information:

1) the applicant’s proposed entity name;

2) the name of the persons filling out the application;

3) the BLS Region in which the applicant is applying;

4) the names, Social Security Numbers or Individual Taxpayer Identification Number, home addresses, birthdates, phone numbers, and email addresses, for all proposed principal officers of the proposed entity;

5) the identification of and contact information, including phone number and email address, for a primary and alternate contact of the proposed entity, at least one of whom must also be a principal officer;

6) an acknowledgment that if awarded an opportunity for a conditional license in the lottery, the business entity is 51% or more owned or controlled by one or more individuals who each meet the combination of at least one or the criteria under subsection (e)(6)(A) (Criteria A) and one of the criteria under subsection (e)(6)(B) (Criteria B). This does not mean multiple individuals need to meet identical criteria, but each individual must meet at least one criteria from Criteria A and one criteria from Criteria B.

A) Criteria A (only 1 required):

i) An individual who has resided for at least 5 of the preceding 10 years in a census tract that has a poverty rate of at least 20% according to the latest 5-year American Community Survey (Table S1701: Poverty Status in the Past 12 Months) that is publicly available at the start of the application submission window for the lottery conducted under Sections 1291.400 through 1291.440. The data set is available at https://data.census.gov/cedsci/table?q=poverty%20rate&g=0100000US%241400000&tid=ACSST5Y2020.S1701;

ii) An individual who has resided for at least 5 of the preceding 10 years in a census tract where at least 20% of the households receive assistance under the Supplemental Nutrition Assistance Program in the latest 5-year American Community Survey (Table S2201: Food Stamps/Supplemental Nutrition Assistance Program (SNAP)) that is publicly available at the start of the application submission window for the lottery conducted under Sections 1291.400 through 1291.440. The data set is available at https://data.census.gov/cedsci/table?q=snap%20participation&g=0100000US%241400000&tid=ACSST5Y2020.S2201;

iii) An individual who has resided for at least 5 of the preceding 10 years in a census tract area classified as "low income and low access" where at least 100 households are more than one-half mile from the nearest supermarket and have no access to a vehicle or a significant number (at least 500 people) or share (at least 33%) of the population is greater than 1 mile from the nearest supermarket, supercenter, or large grocery store for an urban area or greater than 20 miles for a rural area, as classified by the latest United States Department of Agriculture Economic Research Service's Food Access Research Atlas data set that is publicly available at the start of the application submission window for the lottery conducted under Sections 1291.400 through 1291.440. The data set is available at the United States Department of Agriculture Economic Research Service's Food Access Research Atlas, is available at https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas;

iv) An individual who has received Medicaid, Supplemental Security Income, Social Security Disability, and/or subsidized housing for at least 5 of the preceding 10 years; and/or,

v) An individual who has resided for at least 5 of the preceding 10 years in a census tract in the top 15th percentile for the percent of residents in the census tract failing to graduate from High School in that state, as classified by the latest 5-year American Community Survey (Table S1501: Educational Attainment) that is publicly available at the start of the application submission window for the lottery conducted under Sections 1291.400 through 1291.440. The data set is available at https://data.census.gov/cedsci/table?q=s1501&g=0100000US,%241400000

B) Criteria B (only 1 required);

i) An individual who has been arrested for, convicted of, or adjudicated delinquent for any offense, or substantially similar offense, of Illinois, federal or other state law for:

• possession of not more than 500 grams of cannabis; or

• manufacture, delivery, or possession with intent to deliver, or manufacture of cannabis up to 30 grams;

ii) An individual who has a family member who has been arrested for, convicted of, or adjudicated delinquent for any offense, or substantially similar offense, of Illinois, federal, or other state law for:

• possession of not more than 500 grams of cannabis; or

• manufacture, delivery, or possession with intent to deliver, or manufacture or cannabis up to 30 grams.

iii) An individual who has been a victim of firearm injury, as those terms are defined in this Part. This must be evidenced by either a police report or medical record.

C) As soon a reasonably possible, but no later than 5 business days prior to the acceptance of applications, the Department shall make publicly available the documents applicants may use to establish eligibility under both subsection (e)(6)(A) (Criteria A) and subsection (e)(6)(B) (Criteria B).

7) An acknowledgment that if awarded a conditional license, neither the entity nor any of its principal officers will violate the Act’s license number limitations.

8) The acknowledgement will also include a statement or indication that the applicant understands the timeframes to do so as required in this Part.

f) If an applicant fails to meet and prove the criteria identified in subsection (e)(6)(A) (Criteria A) and subsection (e)(6)(B) (Criteria B) within 45 calendar days after the date of the notice of being a top participant from the Department and any required 10 business day deficiency period or 5 business day intent to deny periods as those periods are set forth in Section 1291.420, the Department shall deny issuance of a conditional license and proceed to the next top participant as described in Section 1291.405(c).

g) If two or more applications include the same principal officer, the Department will notify the applicant at its identified primary and alternate contacts and the principal officer who is listed on two or more applications, via email. Upon this notification, the identified principal officer has 3 business days to notify the Department of its resignation from all but one of the proposed entities. This notification shall be submitted to the Department in writing to FPR.CannabisAdministration@illinois.gov. If the identified principal officer does not notify the Department of the principal officer’s required resignation within the required time period, each applicant notified shall forfeit its application and nonrefundable fee.

h) False Information

1) If the Department determines that any information on an application or in supporting documents is not truthful, the applicant associated with that application will be prohibited from:

A) participating in the lottery;

B) being a top participant; and

C) being issued a conditional license or Adult Use Dispensing Organization License.

2) The Department shall notify the next eligible top participant drawn by lot of its opportunity for the conditional license, in accordance with Section 1291.405(c).

i) If a principal officer identified on an application dies after the applicant has submitted its application but prior to the conducting of any lottery, the applicant does not need to inform the Department unless the applicant becomes a top participant eligible for a conditional license after the lottery is conducted. If the applicant becomes a top participant, the applicant is required to follow the process identified in Section 1291.420.

j) The Department will only communicate with the applicant or top participant’s primary and alternate contact regarding the applicant or top participant’s application. In order to change its primary or alternate contact information, an applicant or a top participant must submit a request to change from the current primary or alternate contact email address the Department has on record.

(Source: Added at 46 Ill. Reg. 20783, effective December 13, 2022)