

Illinois Cannabis Market Poised to Take Off With New Dispensary Lottery Bill and Issuance of New Licenses for Craft Growers, Infusers, and Transporters

Cannabis Business Legal News

By Darren Grady on July 15, 2021

After months and months of controversy around how Illinois managed the scoring and award of the first round of adult-use recreational cannabis retail licenses, Governor J.B. Pritzker has signed a new bill that not only expands the number of licenses to be awarded, but shakes up and expedites how the licenses will be issued. The new legislation expands the number of adult use cannabis retail licenses in Illinois from the originally allotted seventy-five, to one hundred and seventy-five. This bill (HB1443) is a critical step forward in what has been a tumultuous roll out of the state's retail licensing program. Hundreds of applicants have been waiting since early 2020, when the retail applications were due, for clarity on scoring and issuance of the licenses. There was also some controversy as to how the state weighted and considered social equity applicants.

In the initial round of applications, businesses were able to score social equity points if they met certain criteria based on ownership, control, or employment of individual residing in areas of Illinois designated as being disproportionately affected by harsh cannabis laws (or individuals with a cannabis conviction available for expungement). The new bill creates multiple lotteries for different categories of applicants based on how they scored in the retail license application process and the social equity status of the applicant. The new lotteries will be as follows:

- Tied Applicants – There were 21 original applicants, many applying for multiple licenses, with 100% perfect scores. They will be in a drawing for 75 adult-use retail licenses on August 19.
- Qualifying Applicants – Original applicants who scored 85% or higher, but not perfect, will be in a drawing for 55 adult-use retail licenses on July 29.
- Social Equity Justice Involved Applicants – Original applicants who scored 85% or higher, but not perfect, and not including applicants who obtained social

justice status simply by employing ten people who were from disproportionately impacted areas or had been arrested because of a cannabis-related crime, will be in a drawing for 55 adult-use retail licenses on August 5.

- Social Equity Justice Involved Medical Lottery – For original applicants who qualify for the Social Equity Justice Involved category above, there is also a lottery for five medical licenses (they will also be allowed to sell adult-use recreational cannabis).

The lotteries will be completely automated and administered by the Illinois State Lottery. Applicants should check their scores to see if they qualify for the lotteries and monitor the news closely to see if they have been awarded these long awaited, but now expanded and seemingly imminent retail cannabis licenses.

In addition, *today*, the Illinois Department of Agriculture has sent notices of awards to craft grower (40), infuser (32), and transporter applicants (141) notifying them that they are eligible to receive a license. Once these awarded applicants pay the required license fee and submit a certification form, they will receive their license. With this news, expect the cannabis industry in Illinois to significantly expand once these newly licensed entrants to the market get up and running.

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