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Department of Agriculture Second Round of Application Questions and Answers

The Department has summarized related and repetitive questions. The Department has omitted some questions that were answered in the First Round of Application Questions and Answers or other topic-specific FAQs, as well as questions unrelated to the application process.

General questions/questions applicable to more than one application are first, followed by questions specific to craft growers, then infusers, then transporters, then social equity applicants, and then zoning questions not addressed in the general questions or license-specific sections.

General Questions

- 1. If we are not awarded a license in this licensing round, does our application stay active for the next application period?**
No.
- 2. You require that all principal officers expressly agree to be subject to service of process in Illinois with a current Illinois address on file with the Department. If they do not reside in Illinois full time, will that be an issue? What is the timeframe by which the service of the process must be answered?**
Principal officers are required to agree to be subject to service of process in Illinois. The Department will not be answering specific hypothetical questions.
- 3. Some municipalities have pretty strict requirements for maintaining existing trees and landscaping screens and for planting new trees, shrubs, etc. We recently learned that for dispensaries, the State basically prohibits all trees and most shrubbery for anti-theft reasons. Are there similar rules for a craft grower and/or infuser?**
The Department has published emergency rules for craft growers and infusers, please refer to them [here](#). Applicants are required to submit a security plan as part of the application.
- 4. What is an Operations and Management Practices Plan?**
This term is defined in the Department's Rules in the Definitions section, 8 IAC 1300.10.
- 5. Who can sign Exhibit R: Notarized Statement on behalf of the Applicant?**
Anyone authorized to sign on behalf of the Applicant; the Statement is binding on the Applicant as a whole, not just the signatory.
- 6. Does the applicant need to have its security plan approved by the Illinois State Police Department prior to submission?**
No. If awarded a license, the ISP will review the licensee's security plan.
- 7. If an applicant is applying for an Infuser and a Craft Grower license, or submitting two Craft Grower applications, can it use the same \$20,000 in liquid assets for each application, or does it need to show separate accounts and amounts for each application?**
Each application is reviewed and graded on the contents of that application alone.
- 8. Does the applicant need a contract with a security vendor prior to application?**
A contract with a security vendor does not need to be executed at the time of application.
- 9. Can an applicant pay rent to a landlord in the form of a percentage of profits?**

This would create a “financial interest,” thereby making the landlord a “principal officer.”

10. Can an applicant change locations to a different property than the one identified in its application if it is awarded a license?

Each Subpart of the Department’s rules has a section on License Issuance and Transferability.

Craft Growers, see: 8 IAC 1300.315

Infusers, see: 8 IAC 1300.415

Transporters, see: 8 IAC 1300.540

11. Which license types can make cannabis concentrate?

Only cultivation centers and craft growers can extract cannabis into concentrate. Infusers cannot extract cannabis; however, they can produce infused products using cannabis concentrate produced by cultivation centers or craft growers.

12. Is there a restriction on owning this business near a school or church? And if so, what is the distance?

There are no setback restrictions for schools or churches in the Act or the Department’s emergency rules. Applicants are responsible for determining local zoning requirements and complying with them.

13. Are appendices above and beyond the page limit for each exhibit allowed?

Each submitted application should follow all directions in the application, including page limits. Additional documents or pages provided in the application beyond those permitted by the application will not be scored.

14. Should the Narratives/Operations and Management Practices Plan be on the same size paper as the architectural plans, or should they be on 8.5x11?

All applications must be submitted on an USB. All submitted materials should be readable and in a business appropriate format. Single or double-spaced materials are permitted. Applicants should follow application instructions and exhibit descriptions regarding page limits and file types.

15. The definition of “Operations and Management Practices Plan” (OMPP) is inclusive of several items that are specific to other Exhibits, with aggregate page limits of the specific exhibits exceeding the total page limit for the OMPP: OMPP includes, “The types and quantities of cannabis products that will be produced at the cultivation center,” and, “The methods of planting (seed or clones), harvesting, drying and storage of cannabis.” These are inclusive in Exhibit D: Cultivation Plan. Should the OMPP omit those duplicate items, include summaries/overviews of the detailed sections, or include a reference (e.g. refer to Exhibit #)?

The Operations and Management Practices Plan is a plan for how the business will operate and be managed. Applicants should provide all relevant information in each exhibit. Each exhibit will be graded on its own; Applicants should repeat information if deemed necessary.

16. The Operations and Management Practices Plan (OMPP), which has topics that overlap several of the other exhibits, and apparently should include "all practices" employed at the facility. Is this the equivalent of SOPs? Can this plan be an addendum to the Exhibit or must it count towards the page limit? If it can't be an addendum, can we refer to other exhibits to address items that from the OMPP such as Inventory Control Discrepancies, Recall Procedures, and Labeling Procedures that better fit in those exhibits (such as Product Safety and Labeling)?

The Operations and Management Practices Plan is a plan for how the business will operate and be managed. Applicants should provide all relevant information in each exhibit. Each exhibit will be graded on its own; Applicants should repeat information if deemed necessary.

17. For Craft Growers and Infusers, the emergency rules require a “survey” to be submitted. Are you requiring an actual Plat of Survey or are the architectural drawing sufficient?

Architectural drawings are sufficient.

18. For Craft Growers and Infusers, should the Security Contractor’s drawing be included in Exhibit A or Exhibit C?

Exhibit C.

19. For the Labor and Employment Practices Exhibit, does the Labor Peace Agreement count toward the 10-page limit?

Each submitted application should follow all directions in the application, including page limits. Additional documents or pages provided in the application beyond those permitted by the application will not be scored.

20. How do I comply with the Illinois Resident Controlled or Owned Exhibit if I was not required to file a tax return? Will a “letter of circumstance” issued by IDOR satisfy this requirement?

Please see the following citations for acceptable documentation.

410 ILCS 705/30-15(a)(10) for Craft Growers

410 ILCS 705/35/15(a)(10) for Infusers

410 ILCS 705/40-15(a)(7) for Transporters

21. For Property Ownership Exhibit, if the property is not currently leased or owned by the Applicant, will the Department only accept an LOI to lease, contingent upon award of the license, if such an LOI is binding and exclusive to the individual Applicant? If the Department does not require such binding and exclusive language, how will the Department handle a situation in which two Applicants have been awarded licenses but both have a contingent LOI to lease the same property?

The Department’s emergency rules and the Property Ownership Exhibit contain instructions for what to submit in the event the property referenced in the application is not owned or leased by the Applicant. The Department will not be answering specific hypothetical questions.

22. For the Financial Interest Disclosure Exhibit, financial interest is not defined in the Act. It is defined in the rules to include “spouse, parent, or child.” Does this mean that we need to provide the worksheet in this Exhibit for all of those family members? If so, does that include minor children? If the applicant does not have their living parent’s information, how do we include that information on the application?

Financial interest means “an actual or future right to ownership, investment, or compensation arrangement with another person, either directly or indirectly, through business, investment, spouse, parent or child.” Any person having a current or future ownership, investment, or compensation from the Applicant must be disclosed. All principal officers, board members, and employees of licensees must be at least 21 years of age; no one under the age of 21 should have a financial interest in the Applicant. License transfer, including consideration for deceased spouses and potential heirs, is discussed in the Department’s emergency rules.

A future right to compensation includes a compensation arrangement that is contingent upon an applicant receiving a license, and someone with such a future right must be disclosed in this Exhibit. A person having that particular type of future interest would also need to be disclosed as a principal officer if the compensation would make the recipient an owner with more than a 1% interest in the total cannabis business establishment or more than 5% interest in the total cannabis establishment of a publicly traded company.

23. For the Property Ownership Exhibit, what documents count as "verification of notification...to any and all mortgagees and or perfected lienholders that the property is to be used as an infuser facility as least through December 31, 2021 and consent thereto by any mortgagees and/or perfected lienholders"?

Please see the Department's emergency rules and the Property Ownership Exhibit instructions. Applicants must provide proof that the Applicant informed all requisite parties of the Applicant's intended use for the property. Copies of documents containing this notice and a listing of requisite parties and their identities are encouraged.

24. For the Property Ownership Exhibit, is it the mortgagee that must provide consent to operate? What documents qualify as providing consent?

Please see the Department's emergency rules and the Property Ownership Exhibit instructions. Applicants must provide proof that the Applicant received consent from all requisite parties of the Applicant's intended use for the property. Documents containing this consent and a listing of requisite parties and their identities are encouraged.

25. How can an Applicant show experience? What kind of cannabis experience qualifies? How recent can cannabis experience be? How formal or informal does cannabis experience need to be? Do at least 50% of principal officers need experience to receive points? Does employee experience count, or do they have to be in ownership roles?

The Act and the Department's emergency rules set forth the criteria to be used in scoring applications. The Department will not be providing a public description of the specific scoring system for applications at this time. Applicants are encouraged to complete all relevant sections of the application and submit the most competitive application possible.

26. How can an Applicant demonstrate experience in or business practices that promote economic empowerment in Disproportionally Impacted Areas?

The Act and the Department's emergency rules set forth the criteria to be used in scoring applications. The Department will not be providing a public description of the specific scoring system for applications at this time. Applicants are encouraged to complete all relevant sections of the application and submit the most competitive application possible.

27. If an applicant recently went through fingerprinting as part of the New Dispensing Organization license application process, must they submit their fingerprints and fingerprint consent form as part of this license application? If a principal officer got their fingerprints recently taken from an approved live scan vendor in Illinois, do they need to get re-fingerprinted? Since the principal officer is already in the ISP system, can the principal officer just submit the fingerprint submission consent and notification form as a form of authorization to conduct the criminal background check?

A principal officer must complete a fingerprint consent form for each and every cannabis business establishment application submitted to the Department. One copy of the fingerprint consent form must go to a livescan vendor for processing. A second copy must be included with the application to the Department.

28. For the Fingerprint Consent Form Exhibit, should a receipt of processing be included?

No.

29. Would non-equity owning employees and contractors constitute individuals with "financial interest"?

"Financial interest" means any actual or future right to ownership, investment or compensation arrangement, either directly or indirectly, through business, investment, spouse, parent or child, in the licensed entity. Financial interest does not include ownership of investment securities in a publicly-held

corporation that is traded on a national securities exchange or over-the-counter market in the United States, provided the investment securities held by the person and the person's spouse, parent or child, in the aggregate, do not exceed five percent ownership in the publicly traded entity.

30. Please define “Beneficial Interest” as referenced in 8 IAC 1300.315(k) and 410 ILCS 705/30-30(m).

A beneficial interest is a right or expectancy in something, as opposed to a legal title to that thing. [Black's Law Dictionary 371 (3rd ed. 2006)]

31. Are letters of support allowed / can we submit letters of support without penalty?

Letters of support from communities, elected officials, or other prominent persons will not impact an applicant's score and should not be submitted with the application.

32. Can we use brand names for products planned to be utilized in our facility? For example, if we are using a specific type of security system or camera, can we name the product?

Yes, when discussing non-cannabis products. Applicants should not name any contractors, vendors, suppliers, or supporters. Applicants should be mindful that licenses are awarded based on the information provided in the application and that any variation from that information will require the licensee to apply for a modification and/or alteration and pay the requisite fees, as provided for in the Department's emergency rules.

33. Do the unredacted versions of the application have to have identifying information, such as the operator/applicant's name, principal officer names, etc.? Or do they follow the same rules as the redacted non-identifying sections, such as not including Principal Officer names in non-identifying sections, etc.? What will be the difference between redacted and unredacted since some of the exhibits are already anonymous on both versions?

Anonymous and redacted do not mean the same thing.

Redacted means that the following information must be blocked out or otherwise obscured: social security numbers, driver's license numbers, biometric identifiers, passwords, medical records, home and personal telephone numbers, personal email addresses, and personal home addresses.

Separately, applicants must submit certain exhibits anonymously. Anonymous means the person scoring the application must not be able identify the applicant or any of the applicant's principal officers. To ensure anonymity, all identifying personal information (i.e., names, addresses, specific business names, etc.) should be removed. Applicants should substitute actual business names with generic terms such as “the craft grower,” “the company,” or a similar term.

34. Can transporter employees work at the craft grow or infuser and be employed by both?

The employees being used to qualify the employer as a Social Equity Applicant must be employed full-time by the applicant as of the day the application is submitted. The work performed by the employees may or may not be related to cannabis. Proof of employment from an entity other than the applicant cannot be used to satisfy this requirement. Principals officers may count as employees if they meet the definition of full-time employee. “Full-time employee” means an individual for whom a W-2 is issued by the applicant and is employed for a basic wage for at least 35 hours each week. "Basic Wage" means compensation for employment that is no less than the legal minimum wage of the jurisdiction in which the person is employed. Salary shall consist of all basic wage compensation not including overtime pay, bonus pay, stock options, awards or any other equity-based incentive, unreimbursed employee expenses or piecemeal rate of pay, or any form of deferred compensation.

35. What are you looking for in the background checks? Are felons exempt from being a 5%< share holder? Are there any convictions or arrests that disqualify a person from a license?

Please see the Section 5-20 of the Cannabis Regulation and Tax Act for questions about background checks.

36. Can veteran applicants who have not previously completed the state’s Veteran’s Business preference pursuant to Section 45-57 of the Illinois Procurement Code (30 ILCS 500) still qualify for veteran’s preference?

Applicants are not required to complete registration in the State’s veteran’s business preference program. The emergency rules reference the definitions provided in 30 ILCS 500/45-57; they do not require registration/qualification as a veteran-owned business.

37. Will personal investors who provide a loan to the organization have their names disclosed in the same manner investors with equity names are disclosed due to ownership?

Any person having a financial interest (as defined in the Department’s emergency rules) in the Applicant must be disclosed in the Application. Additionally, the Act provides that the “names and cannabis business establishment address of the person or entity holding each cannabis business establishment license shall be subject to disclosure.” The Department must also publish a list of “ownership information of cannabis business establishment licensees under the Department’s jurisdiction. The list shall include, but is not limited to: the name of the person or entity holding each cannabis business establishment license; and the address at which the entity is operating under this Act.” [410 ILCS 705/55-30]

38. Who fits within the definition of a “board member” as referenced in the emergency rules? Specifically, does an uncompensated advisory board member, who has no financial (direct or indirect) interest in the licensed entity, constitute a “board member” as set forth in the Emergency Rules? Will no interest, no equity, Advisory Board member names be made public or disclosed in any way?

All board members meet the definition of principal officer, regardless of their ownership interest. The Department must also publish a list of “ownership information of cannabis business establishment licensees under the Department’s jurisdiction. The list shall include, but is not limited to: the name of the person or entity holding each cannabis business establishment license; and the address at which the entity is operating under this Act.” [410 ILCS 705/55-30]

39. Are there any restrictions or special requirements if the applicant wants to build the facility from scratch?

All facilities must be in compliance with the requirements and restrictions of the Act and the Department’s administrative rules. Applicants should address all questions about building code or other zoning requirements to their local zoning authority.

40. Regarding property ownership: Are more/less points awarded by lease/ownership type? Current rental lease vs own vs letter of intent only?

The Act and the Department’s emergency rules set forth the point values and scoring criteria to be used in scoring applications.

41. If another entity owns part of the Applicant, who should submit information as a principal officer? A board member or officer of that entity?

Any principal officer, as defined in the Act and in the rules, must be disclosed. A principal officer includes any individual with more than 1% financial interest (or 5% interest in a publicly traded company).

42. What is the line between ownership or control in fact and in name?

Please see the definitions of “principal officer” and “ownership and control” in the Act.

- 43. What happens if a principal officer passes away, particularly where that principal officer allows the applicant to satisfy a certain exhibit?**
Applicants should contact the Department at AGR.AdultUse@illinois.gov if they find themselves in this situation.
- 44. Can the same fingerprint TCN number be used for all three applications?**
TCN is a transaction control number provided by the fingerprint vender
- 45. If the property the Applicant will lease is currently encumbered, but the owner of the property agrees to pay off the mortgage once license approval is granted, can we bypass the lender approval letter? If so, what info should be presented as evidence?**
Please see the Department's emergency rules and the Property Ownership Exhibit instructions. Applicants must provide proof that the Applicant received consent from all requisite parties of the Applicant's intended use for the property. Documents containing this consent and a listing of requisite parties and their identities are encouraged.
- 46. If the proposed site or building is in a township that currently prohibits the sale or cultivation of cannabis and the applicant has spoken with administration and ordinance and they intend to amend the prohibition, can the applicant submit that proposed site? Does the applicant have the option to amend proposed site after licensing if the township fails to amend existing prohibition? Will this deduct points from score?**
Compliance with local zoning is a requirement for a license under the Act. Applicants should be mindful that licenses are awarded based on the information provided in the application and that any variation from that information will require the licensee to apply for a modification and/or alteration and pay the requisite fees, as provided for in the Department's emergency rules. Please see the Department's emergency rule Sections on License Issuance and Transferability and Modifications and Alterations.
Craft Growers, see: 8 IAC 1300.315, 8 IAC 1300.330
Infusers, see: 8 IAC 1300.415, 8 IAC 1300.430
Transporters, see: 8 IAC 1300.540, 8 IAC 1300.560
- 47. If a person goes through the application process on their own, without a consultant or attorney or other advisor, and provides the best information possible as professionally as possible, will that application be less preferred than ones obviously prepared by professionals? Will both types of applications score the same if all information needed was provided?**
The Act and the Department's emergency rules set forth the point values and scoring criteria to be used in scoring applications. Applicants are encouraged to submit the most complete and competitive application possible. Each application will stand on its own and be graded independently, and the Department will only award an applicant the number of licenses that the applicant is permitted to hold under the Cannabis Regulation and Tax Act.
- 48. A request for clarification between information needed in the application and information needed for final license award arises from the difference in wording in the rules between a Craft Grower and Infuser. The craft grower rules say that "After a license is approved, craft growers shall provide engineering plans and specifications of the entire facility..." while the infuser rules say that "The infuser shall provide engineering plans and specifications of the entire infuser...". Should infuser engineering plans and specifications be provided with the application, or should it be interpreted to be like the craft grower and be provided after the application is approved?**
Engineering plans and facility specifications do not have to be submitted as part of the application for either type of license.
- 49. Do drawings, diagrams, surveys, and engineering plans count toward page-count?**
No.

- 50. Does the exhibit for organizational information and financial interest disclosure have a page limit?**
No.
- 51. How much time would we have from the Department of Agriculture if we wanted to build a brand-new building to house both a grow and infuser facility?**
The emergency rules provide that a craft grower must begin production within six months after the license has been issued. See 8 IAC 1300.310(e) for additional details.
- 52. Will the Department provide an accurate listing of the addresses of existing cultivation centers as approved for adult use cultivation in 2019?**
The Department has posted this information on its website.
- 53. Does the application require a signed, contingent security contract as part of the security-plan exhibit?**
No. Applications must meet the security requirements of the Act and emergency rules.
- 54. Many farmers are impacted by bankruptcy and would be eliminated from applying for a license.**
While applicants are required to disclose bankruptcy, this alone does not necessarily prohibit an applicant from receiving a license.
- 55. If fingerprints are required for a business entity disclosed in the Financial Interest Disclosure, who should provide the fingerprints? The controlling shareholder?**
If an ownership interest in the disclosed business entity gives an individual more than a 1% interest of the total cannabis business establishment, then such individual shall have his/her fingerprints collected
- 56. What information should be included with each Exhibit?**
The Department has created a chart of reference citations for each Exhibit in each application and those are posted separately on the Adult Use webpage. These charts are for reference and informational purposes only. Applicants bear ultimate responsibility for reviewing the Act, rules, and scoring criteria and submitting the most compliant and complete application.

Craft Grower

- 1. Can we apply for more than one craft grow license?**
Applicants may apply for multiple licenses, but the Act restricts each applicant to one license at this time.
- 2. If a person is part of 2 applications from 2 different entities for a craft grower license and both entities are awarded a license, must one be forfeited or is it acceptable for an individual to have interest (Not sole interest) in 2 craft grower licenses?**
Per the Act, any person or entity awarded a craft grower license shall only hold one craft grower license and may not sell that license until after December 21, 2021. Please see 410 ILCS 705/30-20, Issuance of license to certain persons prohibited, for additional information.
- 3. On Page 3 of the application and exhibits, there is a question that asks: "Has or will Applicant submit additional Cannabis Business Establishments application(s) under the same or a different name? If Yes, please provide the name and type of establishment for each:" Does this include applications to the IDFPR for Adult Use Dispensing Licenses?**
Yes
- 4. In which exhibit(s) should an applicant discuss its plans to extract?**

D.

- 5. Will Craft Growers be required to interface with the State electronic verification system, i.e., BiotrackTHC, and, if so, will Exhibit C or any other exhibit in the Application need to incorporate such?**

All adult use cannabis business establishments will be required to utilize the same “seed to sale” tracking system utilized by the State. Use of the State system is not exclusive; licensees can utilize another system if they so choose, but they must participate in the State tracking system.

- 6. Can an individual have direct or indirect ownership in different entities that would each own 1 of the 40 Craft Grower Licenses issued in this round?**

An entity or individual may submit multiple craft grower license applications. An entity or individual may only hold one craft grower license after the license issuance period.

- 7. Can you clarify the 5,000 square foot flower space? Is that in Canopy space or is that total square building footage of the room? Does Aisle space count? Or just space under lights? In a double tier rack that has encompasses 100 square feet, would that count as 100 square feet of flower (total space) or 200 square feet (2 shelves of Canopy).**

Can a craft grow facility utilize multiple tiers of plants in the flowering state on top of each other, such that there is equal to or less than 5,000 square feet of canopy (when looking down from an aerial view), but the aggregate amount of floor space used for all of the tiers exceeds 5,000 square feet?

What restrictions if any will be placed on vertical growing, any impact on sq/footage? Same with stacking? Any limitations on height for our vertical farms?

A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. Canopy space is a space measured from the outermost point of a mature flowering plant in a designated growing area and continuing around the outside of all mature flowering plants in that designated growing area, but not including space allocated for walkways or ancillary equipment. This space may be spread over a single level or multiple levels. Each level of mature flowering plants is considered in calculating canopy space. Square footage limitations for growing includes vertical growing.

- 8. How long do we have after license award to be operational?**

A license shall be surrendered to the Department upon written notice and demand if the craft grower fails to begin production within six months after the license has been issued. Please see 8 IAC 1300.310(e).

- 9. What are the business hours for a craft growing facility?**

Hours of operation are not addressed by the Act or Rules.

- 10. Can the craft grow operation be in a residential property like a house or condo or the like? Is there a minimum number of square footage that is required for craft grow and what is that square footage?**

A craft grower cannot be located in an area that is zoned exclusively for residential use. There is not a minimum number of square footage required for a craft grower facility.

- 11. As a Craft Grower, do we have to have a security guard on site 24/7? Or can we have our facility monitored by a security Co. 24/7 ?**

A craft grower is required to have a 24-hour surveillance system to monitor the interior and exterior of the craft grower facility that is accessible to authorized law enforcement and the Department of Agriculture in real time.

12. Does a craft grower license allow the licensee to do CO2 extraction, infuse edibles, and press rosin or does an applicant need to apply and obtain an infuser license or other license to conduct these activities? Is a Craft Grower limited in the type of extraction methods and techniques used to manufacture extracted cannabis products, such as the (i) use of a volatile solvent (e.g. butane, propane and hexane) and/or (ii) use of a mechanical method or non-volatile solvent (e.g. CO2, ethanol or water)?

A craft grower may process cannabis concentrates and cannabis infused products. [410 ILCS 705/30-30(p)]. Cannabis concentrate is defined in the Act and includes accepted solvents. A craft grower applicant that intends to conduct such activities should describe them in their cultivation plan.

13. Can growing medium be reused? Must it be processed?

It can be reused.

14. Please confirm that a craft grower can sell trim / useable waste to infusing organizations.

“Cannabis waste” is a defined term in the Department’s emergency rules. Please see the definitions at 8 IAC 1300.10, and Subpart I at 8 IAC 1300.800 – 8 IAC 1300.840.

15. Can a Craft Grower extract using closed loop extraction?

Yes.

16. 8 IAC 1300.300(c)(21) of the Emergency Rules requires that "The Lighting Power Densities (LPD) for cultivation space commits to not exceed an average of 36 watts per gross square foot of active and growing space canopy..." Is this average to be computed over all canopy space, including Mother/Clone rooms, Vegetation rooms and Flowering rooms, or just over canopy in Flowering rooms?

Total canopy space.

17. Do craft growers have to test in-house or can they send samples to a laboratory approved by the Department?

Can lab testing of cannabis be conducted in the same facility as the craft grower or does the lab have to be a different facility completely independent of the cultivators? What parts of the plants are required for lab testing?

Per the administrative rules, immediately prior to manufacturing or natural processing of any cannabis or cannabis-infused product or packaging cannabis for sale to a dispensary, each batch shall be made available at the cultivation center, craft grower, or infuser for an employee of an approved laboratory to select a random sample.

Per the Department’s emergency rules, “Laboratory means an independent laboratory located in Illinois and approved by the Department to have custody and use of controlled substances for scientific and medical purposes and for purposes of instruction, research or analysis.” Please see 8 IAC 1300.710 on Laboratory Testing for further information.

18. Is a craft grower’s infusing operation limited to onsite operations without an additional license or can a craft grower conduct their infusing operation at a geographically separated location?

A license is issued for one location; all operations are limited to that location.

19. Must the Craft Grow LOCATION be within a Disproportionally Impacted Area, or can it be located in an area outside of the Disproportionally Impacted Area?

A craft grow is not required to be located within a disproportionately impacted area.

20. According to Section 410 ILCS 705/30-30(p), a “craft grower may process cannabis, cannabis concentrates, and cannabis-infused products.” Are there any limits to the amounts a craft grower can process?

No.

21. Can a craft grower sell their product directly to consumers?

No.

22. How does the state recommend craft growers dispose of cannabis?

The administrative rules define “Cannabis waste” and discuss destruction of cannabis. Please see the definitions at 8 IAC 1300.10, and Subpart I at 8 IAC 1300.800 – 8 IAC 1300.840.

23. Is any preference given to well water usage vs. public sewer? What mitigants need to be included in plan if well water is the source?

The Act and the Department's emergency rules set forth the criteria and point values to be used in scoring applications. The Department will not be providing a public description of the specific scoring system for applications at this time. Applicants are encouraged to complete all relevant sections of the application and submit the most competitive application possible.

24. Can a cultivator drill its own well to minimize impact on public waters?

The Department of Agriculture is not the regulatory authority for questions on well drilling and cannot answer this question.

25. Is the reference in the craft grower rules at 8 IAC 1300.300(c)(6) to “operating bylaws” meant to be defined as “Operation and Management Practices Plan”?

No.

26. Does the craft grow license allow for filling of vape cartridges as part of “processing”?

Infusion of products with cannabis, including vape cartridges, is permissible conduct by a craft grower.

27. Is a craft grow licensee allowed to produce infused products? Can you elaborate what types of products can be made by craft grower that fall under “processing” category?

Craft growers can produce infused products. The Act defines “cannabis-infused product” to mean “a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis or cannabis concentrate that is not intended to be smoked.”

28. Can a craft grower consume their own products for sampling purposes?

No.

29. With respect to packaging, labeling and branding of the craft grow's products for the end consumer, specifically with respect to raw flower, does the state want this to be done at a licensed craft grow or at a licensed dispensary, or does it not matter? In other words, are craft grows expected to prepackage all products for the end user, or will dispensaries handle packaging raw flower for the end product?

Please see the Department’s emergency rules, Subpart J: Cannabis Packaging and Labeling, found at 8 IAC 1300.900-1300.940.

30. According to 8 IAC 1300.380(a)(1), prior to commencing business, a craft grower must do a comprehensive inventory of all cannabis at the facility. Does this mean once we are awarded the license we can start growing prior to business opening day, in order to start with inventory on hand?

Commencing business means commencing sales of cannabis.

31. What is the definition of “facility” as it is used in Exhibit J and Exhibit K of the Craft Grower application?

The facility includes any room, greenhouse, building, or other enclosed area.

32. Is there any limitation to space for processing?

The 5,000 square feet limit on canopy space only includes the premises for plants in the flowering state.

33. Is ownership in an out-of-state cultivation license meant to be a prohibition on a craft grow license by Section 30-20(a) of the Act?

No.

Infuser

1. Are applicants allowed only one infuser license? Can an individual have direct or indirect ownership in different entities that would each own 1 of the 40 Infuser Licenses issued in this licensing round? Is there a limit on the number of applications that one entity may submit for an Infuser License?

Each application is for one physical location. Individual applications must be submitted for each license. Applicants are encouraged to submit the most complete and competitive application possible. Each application will be graded independently, and the Department will only award an applicant the number of licenses that the applicant is permitted to hold under the Cannabis Regulation and Tax Act.

2. What type of insurance is required pursuant to Emergency Rules, Section 1300.400(d)(24)? What documentation is suitable to the Illinois Department of Agriculture regarding the ability to get insurance pursuant to Emergency Rules, Section 1300.400(d)(24)?

An Applicant must show that it can obtain an insurance policy that will indemnify and hold harmless the State and its officers and employees.

3. Are there any restrictions on infusing techniques relating to the reintroduction of terpenes?

All infuser licensees must comply with the requirements and prohibitions in the Act at 410 ILCS 705/35-25.

4. Infusers often engage in market research which involves sampling products. What if any restrictions on sampling will be put in place?

An infuser may not sell or distribute any cannabis to any person other than a dispensing organization or a testing laboratory.

5. Having reviewed Section 55-21 of the Act, Cannabis product packaging and labeling, I have several questions:

Re (a): Please provide the link to the forms for registration with the Department of Agriculture. What is the fee? How is it determined and collected?

These forms and registration fee information will be made available to licensees.

Re (c): Please define the current standards for packaging including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act.

Applicants and licensees are responsible for reviewing and complying with the Cannabis Regulation and Tax Act, its administrative rules, and all referenced materials, including standards and regulations of other statutes and entities.

Re (d): Please define the current standards for packaging including Product Safety Commission standards referenced by the Illinois Food, Drug and Cosmetic Act.

Applicants and licensees are responsible for reviewing and complying with the Cannabis Regulation and Tax Act, its administrative rules, and all referenced materials, including standards and regulations of other statutes and entities.

Re: Section (h) Please provide examples of warning statements and labeling (pictures and text) as required by the Department of Public Health.

Applicants and licensees are responsible for reviewing and complying with the Cannabis Regulation and Tax Act, its administrative rules, and all referenced materials, including standards and regulations of other statutes and entities.

6. How long does an infuser have to start its operations after awarded a license?

The Act does not include a deadline for an Infuser to commence operation.

Transporter

1. Do Transporters have to have a physical location?

Applicants for Transporting licenses must provide the proposed physical address of the transporting organization, if one is proposed. All proposed facilities must comply with any restrictions in the Cannabis Regulation and Tax Act and the Department's emergency rules.

2. What kind of driver license will be required for the Transporter business? Do transporting agents require a commercial driver's license (CDL)?

Transporters may not use commercial motor vehicles with a weight rating of over 10,001 pounds.

3. Can the vehicles be leased?

Licensees are not required to own the vehicles used for transporting cannabis.

4. Do you need to have purchased vehicles at the time of submitting the application? Or is identifying the vehicles you intend to purchase or lease sufficient for submittal?

Applicants are not expressly required to own their vehicles at the time of application. However, applicants are required to submit the number and type (make, year, and model) of equipment the transporter intends to use to transport cannabis and cannabis-infused products.

5. If we apply for a transport license, are we required to transport other licensed grower's products or are we able to only transport our own products? If we only transport our own products, are we penalized?

Craft growers, cultivators, and infusers may acquire a transporter license for the purpose of transporting only their own cannabis products.

6. Are transporters allowed to have a warehouse/ overnight storage? Or are they not allowed to hold products for an extended period of time?

No. A transporter license allows the licensee to transport cannabis or cannabis-infused products but does not permit for storage or product holding, outside of the transportation time.

7. Can you provide any further guidance on what is an acceptable cannabis container?

“Cannabis container” is defined in the Act at 410 ILCS 705/1-10. Transporters shall not transport cannabis or cannabis infused product unless they are first packed in a cannabis container by the shipping cannabis business establishment, and Transporters cannot open a cannabis container. [8 IAC 1300.595]

8. Is there a required inventory management or point-of-sale software that the transporter will need to use (e.g. BioTrack)?

All adult use cannabis business establishments will be required to utilize the same “seed to sale” tracking system utilized by the State. Use of the State system is not exclusive; licensees can utilize another system if they so choose, but they must participate in the State tracking system.

9. Is the vehicle supposed to have a build-out for containers attached to the vehicle or are the secured containers stand-alone? What kind of security are transporters allowed in the vehicle? Are drivers allowed to be armed?

Cannabis must be transported in a cannabis container, as defined in the Act. All transportation activities must be conducted in a safe manner in compliance with the Act, the administrative rules, and any other applicable statutes.

10. Can a transporter share its facility with any other entity?

Yes.

11. Are the Transporter trucks (owned or leased) exclusive to cannabis transport or can they be used for other commercial purposes?

The Act and emergency rules do not contain an exclusive use restriction on these; the Department cannot speak to potential other commercial transport restrictions.

12. Does the transporter license require an "Agent in Charge" at the operating office, in the transporting vehicle or both?

The Act and emergency rules do not contain an "agent-in-charge" requirement for transporters.

13. Please confirm, the transporter license hours of operation, would only allow deliveries to take place between the hours of 7 a.m. – 9 p.m.?

The Act and emergency rules do not define the hours of operation for a transporter.

14. Please confirm, which party is responsible for providing approved packaging for transport, will it be the transporter or the cultivation center, craft grower, the infuser, dispensing organization or testing facility. For example, upon pickup to the craft grower, should the product already be a approved sealed container or would the transporter bring the appropriate containers to transport and then products are sealed?

Please see the emergency rules regarding Transporter Operations at 8 IAC 1300.595.

15. Please advise if there are any restrictions in regards where and how transporter licensee for delivery pickup and drop-off areas, for each cultivation center, craft grower, the infuser, dispensing organization or testing facility? For example, all pickups be in view of a camera, or be a designated area restricted to only transporters?

Yes. The Department's emergency rules contain requirements for licensees relating to security cameras and unloading/loading in an enclosed, secure area out of public sight. Please see the Department's [emergency rules](#) for further details.

16. In regards to Section 40-25 "Data Collection System", is this provided by the State, IDFPR, Department of Agriculture, or does it not apply to the transporter license?

Section 40-25 of the Act is titled "Transporting organization requirements; prohibitions." Subsection (c), and all other subsections, apply to transporters. All adult use cannabis business establishments will be required to utilize the same "seed to sale" tracking system utilized by the State. Use of the State system is not exclusive; licensees can utilize another system if they so choose, but they must participate in the State tracking system.

17. In regards to 8 IAC 1300.510(d)(6) - "A physical inventory shall be performed of all cannabis on a weekly basis by the transporting organization", please advise or confirm the inventory process reference is not applicable to the transporting organization and only is required by cultivation center, craft grower, the infuser, dispensing organization or testing facility? If applicable, please advise or confirm, it is only for transporting organizations that are storing currency transactions for clients such as cash?

8 IAC 1300.510(d) states "An applicant applying for a transporter license shall electronically provide ...a physical inventory shall be performed on a weekly basis by the transporting organization." This section is expressly applicable to transporters. The Applicant must submit a plan for recordkeeping and

tracking and monitoring inventory while it is in the possession of the transporter; please see 8 IAC 1300.520(a)(3) and 8 IAC 1300.595(a).

18. How long does a transporter have to start its operations after awarded a license?

The Act does not include a deadline for a Transporter to commence operations.

19. Does a transporter require multiple licenses to open multiple locations around the state? For example, if an applicant wishes to open a hub near Chicago and a hub near Springfield, does the applicant need to file two separate applications?

Separate applications do not need to be completed for each location, but each location must be disclosed in the application and meet all of the requirements in the Act and rules.

Social Equity Applicant

1. Will a business entity applicant be considered a “Illinois resident” if it is duly registered and qualified to do business in Illinois? Or will incorporation outside the state of Illinois (Delaware) preclude being considered a “Illinois resident”?

The Cannabis Regulation and Tax Act provides that an applicant can only qualify as a “Social Equity Applicant” if: (1) an applicant applying as an individual is an Illinois resident or, (2) an applicant applying as a business entity is incorporated and doing business in Illinois as of the date the application is submitted. The Act does not require the owners of a Social Equity Applicant to be Illinois residents. If an individual or individuals are applying in their individual capacity, they must all be Illinois residents.

2. Does an applicant only need one form of proof for each year to prove that they have lived in a Disproportionately Impacted Area for 5 of the preceding 10 years? For example, are copies of the individual's IL – 1040 for the past ten years sufficient to demonstrate the individual has lived in a Disproportionately Impacted Area for 5 of the preceding 10 years?

Two forms of proof, per person, are required for each year.

3. Do we have to have the employees who qualify as social equity candidates as required under already identified and their info submitted with the application?

If an Applicant is applying as a social equity applicant based on the Applicant’s employees, the employees must be employed full-time by the Applicant as of the day the application is submitted. Applicants should submit records that can be verified by application scorers.

4. Are the grants discussed in the legislation available prior to application or only after licensure?

Questions regarding the grants and loans available to Social Equity Applicants should be addressed to DCEO: <https://www2.illinois.gov/dceo/Pages/CannabisEquity.aspx>

5. If I lived in a Disproportionably Impacted Area 2 years ago for 7 years, does that still qualify me as a Social Equity Applicant?

Applicants must show that they lived in a Disproportionately Impacted Area for 60 months. The 60 months do not need to be consecutive.

6. Must a Social Equity Applicant must also operate the physical business location in the same city or town as the SEA residence?

No

Zoning

1. **Are you considering agricultural zone spread, as was done for medical cannabis cultivation, or is location a neutral consideration as long as it allowed within local zoning?**

There are no location requirements except the zoning requirements.

2. **There are three boxes that can be checked by the Zoning Authority or Local Government on the zoning form (Exhibit O for the Craft Grower Application). Are all three options acceptable to the Department for purposes of the application? That is, will the Department score applicants differently based on which box is checked?**

All three options are acceptable at the time of application.

3. **For box 2 on the zoning form (Exhibit O for the Craft Grower Application), what does the Department require to meet the definition of “has applied for local zoning approval?” Must an applicant provide a complete zoning application per local requirements to check box 2, or is something less needed?**

The boxes are to be checked by the Local Zoning Authority; that authority is the entity determining and confirming whether an Applicant has applied for zoning approval.

4. **Does “in compliance” mean the applicant has received Special Use if that is a requirement for a municipality or is it simply, the property meets all zoning requirements?**

The boxes are to be checked by the Local Zoning Authority; that authority is the entity determining and confirming an Applicant’s zoning compliance.

5. **Will the failure to have the relevant portion of Exhibit O Notice of Proper Zoning completed by a Zoning Authority or Local Government disqualify an application?**

All Exhibits are mandatory. Failure to submit an Exhibit will be considered a deficiency and handled in accordance with the Act and the emergency rules.

6. **What happens if the applicant applies for proper zoning for such an operation (satisfying the checkbox stating “has applied for local zoning approval to operate a ...”) but the zoning approval is subsequently denied after the application is submitted. Will the applicant have an opportunity to submit another property for zoning approval or will the application for a license be denied?**

Compliance with local zoning is a requirement for a license under the Act. Applicants should be mindful that licenses are awarded based on the information provided in the application and that any variation from that information will require the licensee to apply for a modification and/or alteration and pay the requisite fees, as provided for in the Department’s emergency rules. Please see the Department’s emergency rule Sections on License Issuance and Transferability and Modifications and Alterations.

Craft Growers, see: 8 IAC 1300.315, 8 IAC 1300.330

Infusers, see: 8 IAC 1300.415, 8 IAC 1300.430

Transporters, see: 8 IAC 1300.540, 8 IAC 1300.560

7. **When the Department evaluates feasibility of property, will it calculate lineal square feet from facility based on the outer perimeter of the property line, distance from the building, or distance from the business operation within the building?**

Lineal feet based on the outer perimeter of the property line.

8. **How will the application be reviewed if applicant cannot get zoning approved before the application is submitted?**

Compliance with local zoning is a requirement for a license under the Act.

9. **Must an applicant in an area that requires a special use permit, obtain the special use permit prior to the license award date in order to receive a license?**

Compliance with local zoning is a requirement for a license under the Act.