



Illinois Department of Financial and Professional Regulation
Division of Professional Regulation

Medical Cannabis
Pilot Program

Frequently Asked Questions (FAQ)

This FAQ is as complete as possible, however, it is not possible to answer every question, and some categories overlap. Due to this, some questions/answers may be in a different section. Please completely read this FAQ before contacting the Medical Cannabis Program.

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Important Definitions

“Applicant” means any person who is applying for authorization to register a dispensary under the Act.

“Application window” means the period of time in which the Division will accept application materials and fees.

“Area zoned for residential use” means an area zoned exclusively for residential use; provided that, in municipalities with a population over 2,000,000, “an area zoned for residential use” means an area zoned as a residential district or a residential planned development.

“Authorization Notice” means the notice sent by the division to the applicant that has been granted an authorization. The authorization notice will include a registry identification number to be used on all future communication with the Division.

“Dispensary” means the physical premises where medical cannabis is dispensed by a dispensing organization.

“Dispensing organization agent” or **“dispensary agent”** means a medical cannabis dispensing organization agent as defined in the Act.

“Dispensing organization agent-in-charge” or **“dispensary agent-in-charge”** means the person who has day to day control and management over the dispensary.

“Dispensing organization backer” means any person or entity with a direct or indirect financial interest in the dispensing organization, but does not include a person or entity holding an interest not exceeding one percent of the total ownership or interest rights and the person does not participate directly or indirectly in the control, management or operation of the dispensing organization.

“Dispensing organization registration authorization” or **“Authorization”** is the permission given by the Division to an applicant for a dispensing organization allowing it to file documents to obtain a dispensary registration.

“Dispensing organization registration” or **“Registration”** authorizes the applicant to open and operate a dispensing organization within the District designated by the Division.

“Excluded offense” means: A violent crime defined in Section 3 of the Rights of Crime Victims and Witnesses Act or a substantially similar offense that was classified as a felony in the jurisdiction where the person was convicted; or a violation of a state or federal controlled substance law that was classified as a felony in the jurisdiction where the person was convicted, except that the Division may waive this restriction if the person demonstrates to

the Division's satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use.

This exception does not apply if the conviction was under state law and involved a violation of an existing medical cannabis law. (Section 10 of the Act).

“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 dispensing organization. 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 one percent ownership in the dispensing organization.

“Limited access area” means a building, room, or other area under the control of the dispensing organization and upon the registered premises with access limited to qualifying patients, designated caregivers, dispensary owners and other dispensary agents or service professionals conducting business with the dispensing organization.

“Medical cannabis container” means a sealed, traceable, food compliant, tamper resistant, tamper evident container or package used for the purpose of containment of medical cannabis from a cultivation center to a dispensing organization.

“Medical cannabis dispensing organization”, or “dispensing organization”, or “dispensary organization” means a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients.

“Medical cannabis-infused products” means food, oils, ointments, sodas or teas, capsules or other products containing cannabis that are not smoked as defined in the Act.

“Monitoring” means continuous and uninterrupted video surveillance of dispensary activities and oversight for potential suspicious actions. Monitoring through video surveillance includes the purpose of summoning a law enforcement officer to the premises during alarm conditions. The Division and law enforcement agencies shall have the ability to access a dispensing organization's monitoring system in real-time via a secure web-based portal.

“Ownership structure” means a description of the business type, structure and identity of each person with an ownership or financial interest in the dispensing organization.

“Principal Officer” includes a prospective dispensing organization or dispensing organization board member, owner, president, vice president, secretary, treasurer, partner, officer, member, shareholder or person with a profit sharing arrangement and is further defined in this Part.

“Restricted access area” means a building, room, or other contiguous area under control of the dispensing organization and upon the registered premises with access limited to dispensary agents only, where cannabis is stored, packaged, sold or processed for sale.

“Verification system” means a Web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, law enforcement personnel, and registered medical cannabis dispensing organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of medical cannabis to medical cannabis dispensing organizations, and the tracking of the date of sale, amount, and price of medical cannabis purchased by a registered qualifying patient.

General Questions

Q. What is the contact information for the Medical Cannabis Program?

A. Mail: Division of Medical Cannabis
Illinois Department of Financial and Professional Regulation
100 West Randolph, 9th Floor
Chicago, Illinois 60601

Email: FPR.MedicalCannabis@illinois.gov

Website: www.mcpp.illinois.gov

Q. Will the Division accept questions via telephone?

A. No. The Division will only accept written questions. All written questions must be submitted in writing at the contact information listed above.

Q. Where may I find program applications and information updates?

A. All applications and updates can be found on the program website. www.mcpp.illinois.gov

Q. Where can I read the Compassionate Use of Medical Cannabis Pilot Program Act?

A. For full details on the Medical Cannabis Pilot Program Act (the Act), refer to and review 410 ILCS 130 and the Division's Administrative Rules at 68 IAC 1290.

<http://ilga.gov/legislation/98/HB/PDF/09800HB00011v.pdf>

Q. How may I get information about opening a medical cannabis cultivation center?

A. Visit the Illinois Department of Agriculture medical cannabis website.

<http://www.agr.state.il.us/medical-cannabis-pilot-program/>

Q. How may I get information about becoming a registered qualified patient?

A. Visit the Illinois Department of Public Health medical cannabis website.

<http://www.idph.state.il.us/HealthWellness/MedicalCannabis/index.htm>

Q. May I get help filling out my dispensary application if I visit the program office?

A. No. The Division will not assist applicants in completing applications. The answers to many questions can be found in the text of the statute, administrative rules or application instructions. You may submit your question in writing to the Division at FPR.MedicalCannabis@Illinois.gov.

This FAQ form will be updated regularly with responses to questions sent to the Division.

Q. If I visit the program office, will the program make copies of my application or other items for me?

A. No, the program will not provide copies for applicants. If you wish to have copies of your application for your records, you must make them prior to applying.

Q. Does the State allow applicants to apply for more than one Dispensing Organization Authorization using only one application form?

A. No. An applicant must submit separate applications for each Authorization. For example, an applicant submitting applications in two different districts will submit information specific to each separate location.

Q. Will the number of applications received by the Division be made public?

A. Yes, the Program will release the number of applications submitted for dispensaries after the application window closes.

Q. What are some of the requirements of a proposed dispensing organization?

A. Consistent with the Medical Cannabis Pilot Program Act (the “Act”) and the Division’s rules, to be considered for a Dispensing Organization Registration in Illinois, an applicant:

- Must be an organization where none of the prospective Principal Officers have been convicted of an excluded offense;
- Shall select a location that is in compliance with local zoning rules;
- Must not have a prospective Principal Officer under 21 years of age;
- Must not have a prospective Principal Officer that is a registered qualified patient or designated caregiver;
- Must not include a physician who holds a direct or indirect economic interest in a dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a physician who recommends medical cannabis;
- Must not include a physician that plans to serve on the board of directors or as an employee of a cultivation center or dispensing organization;
- Must be an organization where none of the prospective principal officers has served as principal officer or board member for a registered medical cannabis dispensing organization that had its registration revoked.

This is not an exhaustive list. All requirements and selection criteria will be found in the Act, the Rules, and in the application instructions.

Q. May a physician serve on the dispensing organization’s board of directors or serve as an employee of a dispensing organization?

A. No. The Act prohibits a physician from serving on the board of directors or as an employee of a dispensing organization. However, a physician may hold a direct or indirect economic interest in a dispensing organization as long as he or she does not recommend the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a physician who recommends medical cannabis.

Q. How much in liquid assets must an applicant have under its control for each dispensing organization application submitted to the Division?

A. An applicant must demonstrate it has at least \$400,000 in liquid assets under its control for each application. An applicant must submit a signed statement from an Illinois CPA or a statement from a Financial Institution confirming proof of the amount of liquid capital under the control of a Principal Officer or the entity applying. The statement must be dated within 10 calendar days before the application date.

Q. What is the Division’s preferred method of payment for submitting a dispensing organization authorization application fee? Also, is the \$5,000 application fee due at the time of a dispensing organization application submission?

A. The dispensary application fee is \$5,000. When the application window opens, application fees must be hand delivered in the form of certified check or money order to the location specified in the application instructions. The fee must be made payable to the “Illinois Department of Financial and Professional Regulation.”

Cash or credit card payments will not be accepted. Applicants must submit all necessary application materials, including the fee, prior to the end of the application window. The Division will not accept application fees after the application window is closed even if all required application materials were timely submitted.

Q. Will the Division disqualify an application if a principal officer or a financial backer is discovered to have been convicted of an excluded offense?

A: An application will be disqualified if one or more of the prospective Principal Officers has been convicted of an excluded offense, subject to the exceptions in Section 410 ILCS 130/10(1)(2). The Division will only waive the excluded offense if specifically requested and, in its discretion, the waiver meets the standards in 115(f)(4). All criminal history, regardless of conviction, must be disclosed, and will be reviewed during the application process.

Q. What is the duty of the applicant to update the Division regarding changes in the application after it has been submitted?

A. Prior to the Division’s issuance of authorizations, the applicant must notify the Division in writing, of any material changes to the primary or alternate contact information contained in the application materials. The Division will not consider changes to an application. Should the applicant be issued an authorization, the application becomes a condition of the authorization. Material changes to an applicant’s plans and information must be communicated to the Division after authorization.

Q. What are the application selection criteria? How will the selection criteria be scored?

A. The selection criteria will be divided into five required categories. The required categories will be scored as detailed below. All applications will be reviewed and points awarded based upon the same point system in a fair and unbiased manner. Should the applicant meet the minimum percentage in the five required categories, it may be eligible to be scored in the bonus category. Points available for each category are identified below.

Security Plan	20%
Suitability	15%
Business/Operations Plan	20%
Recordkeeping/Inventory Plan	20%
Financial Plan	15%
Bonus categories	10%

Q. We are having difficulty obtaining a surety bond. Will the Division allow a surety bond based on cash assets?

A. Applicants do not require a surety bond in the application authorization phase. Only entities that are issued an authorization are required to secure a surety bond prior to receiving their registration. The rules do not specify a particular method for obtaining a surety bond or type of collateral that must be pledged for a surety bond, provided the applicant satisfies the requirements of Administrative Code Section 1290.120.

Q. How do applicants obtain a full set of their electronic fingerprints via a live scan vendor?

A. A full set of electronic fingerprints must be taken of the applicant by livescan vendor within the 30 days prior to the application date. The livescan vendor must be licensed by the Division to provide commercial fingerprinting services under the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 [225 ILCS 447]. Applicants should call live scan vendors to confirm whether the vendor will provide electronic fingerprints for the Illinois Medical Cannabis Pilot Program. Certain live scan vendors may not accept fingerprints for this program. Please complete the Division’s fingerprint consent form to submit to live scan vendors. The Division’s fingerprint consent form will have a code to allow the live scan vendors to properly route your fingerprints to the correct location for the Medical Cannabis program.

A list of live scan vendors licensed by the Division can be found at:

<https://www.idfpr.com/licenselookup/fingerprintlist.asp>

Q. Do live scan vendors need an additional license in order to fingerprint applicants applying to own a dispensary?

A. No, live scan vendors do not need an additional license to fingerprint applicants applying for medical cannabis dispensaries. Live scan vendors can fingerprint medical cannabis dispensary applicants as long as they are licensed by the Illinois Department of Financial and Professional Regulation.

Q. Are the regulations defined in Section 1290.410 the only requirements for security alarm systems that must be implemented?

A. The security requirements outlined in the regulations are the minimum security measures that must be implemented. Applicants are encouraged to develop security measures that exceed these minimum standards.

Q. Once an application is submitted to the State, including all required copies, will the information be made public? Will the application results be made public?

A. The Act provides that applications are partially exempt from FOIA. 410 ILCS 130/145(a). The Division intends to publicly announce the names of applicants awarded dispensing organization authorizations. All application materials become property of the State upon submission, and no portion of the application will be returned to applicants.

Once Authorizations are awarded; the Division intends to publicly announce the names of applicants awarded dispensing organization authorizations. Additionally, the Division may disclose parts of the application to the extent they are not excluded in the confidentiality provision in the Act and Rules, and are required by the Freedom of Information Act.

Q. Will copies of the application be returned to the applicant? If so, what will the procedure be for this?

A. Once you submit information to the Division, it becomes the property of the State. Any documents submitted to the state as part of the application will not be returned to the applicant.

Q. Applicants are required to provide information on state licenses, permits or registrations held, current or expired. Does this include licenses such as a driver's license and car registration?

A. No, a driver's license and car registration are not necessary. This section is referring to professional, occupational and business licenses held by the applicant(s).

Q. Applicants are asked to provide copies of tax returns. If a new business entity has been formed, but has not filed tax returns, does the Division require the personal tax returns for proposed dispensing organization's principal officers?

A. Yes. Please review Section 1290.50, Dispensing Organization Requirements. The rules require 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. Also required, is the name of each dispensing organization backer and complete copies of the most recently filed federal, state and foreign (with translation) personal tax returns filed by each dispensing organization backer. If the dispensing organization backer is a business entity, name the principals or board members of the business entity and provide their personal tax returns.

Q. Are tax returns required for a dispensing organization backer who has less than one percent interest in a dispensary and no management control?

A. No. A dispensing organization backer is any person or entity with a direct or indirect financial interest in the dispensing organization, but does not include a person or entity holding an interest not exceeding one percent of the total ownership or interest rights and the person does not participate directly or indirectly in the control, management or operation of the dispensing organization. A financial backer that does not meet the above criteria is not a dispensary organization backer pursuant to the rules and therefore, does not need to provide tax returns.

Q. Is a lender or a financial institution counted as a "financial backer?" If so, must tax returns be provided from a loan company or investor?

A. Possibly. The Division will assess all investment sources and lenders. The Division will also assess the commitments to convert debt to equity. Each applicant must determine whether their lenders meet the definition of financial backers in the rules.

Q. Will it be up to the dispensaries to ensure that each patient can only get the maximum allowed product, or will the State control this?

A. The State intends to implement a web-based verification system to be used at dispensaries' points of sale that will allow dispensaries to determine whether the sale would result in a patient exceeding their particular supply limit.

Q. Does the "site plan drawn to scale of the proposed dispensary showing streets, traffic direction, sidewalks, trees, alleys, property lines, additional buildings on-site, parking areas and handicapped parking spaces, fences, exterior walled areas, garages, vehicle access doors, hangars, security features and outdoor areas as applicable" have to be drawn by a surveyor, or will maps from the town zoning and planning department suffice?

A. Legible maps drawn to scale, including maps from the local zoning and planning department, are sufficient, provided they adequately display the items required by the administrative rules.

Q. What will happen if the local zoning authority will not review the building's zoning and confirm that we are complying with all statutory and rule requirements?

A. The Division's administrative rules require the local zoning authority to review the proposed building's zoning and confirm whether the building meets local zoning requirements. The Division expects that applicants will be in varying stages of zoning compliance process. Applicants must submit the program's zoning form that demonstrates the approval, conditional approval or the status of a request for approval. Obtaining prior zoning approval is not an absolute requirement for selection. For instance, it is possible that an exceedingly qualified applicant without final zoning approval may be selected.

Q. How do we measure the property line from a school or day care center that has multiple campuses?

A. Applicant's should check with the municipality to determine the location of the property lines of a school or day care center with multiple campuses. Please contact the local zoning authority to determine the property lines.

Q. What is the proper method to measure the property line from 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 to the proposed dispensary?

A. The rules require a map that clearly demonstrates 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.

Q. Can I open a medical cannabis dispensary in a building if the building also includes a tenant operating a tutoring facility?

A. The Act and Rules do not prohibit a dispensary from being adjacent to a tutoring facility, provided the tutoring facility is not also a school or day care center as defined in the Act.

Q. Does a tutoring facility constitute a school under the Act?

A. The Act defines school to mean, "any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section."

Q. Section 1290.50 requests a copy of the proposed marketing or advertising plan or materials. Who should the dispensing organization be marketing their product to? Will the marketing be towards the patients, dispensaries or doctors?

A. The Division requires submission of any proposed marketing plans, regardless of the targeted audience.

Q. If a dispensary registration is awarded, what is the duration of time that the registration is valid and what is the renewal fee?

A. Each dispensing organization registration and agent identification card must be renewed annually. The renewal fees are \$25,000 and are set forth in Section 1290.90 of the administrative rules.

Q. What determines an applicant's "character and fitness" to operate a dispensary?

A. Character and fitness will be evaluated primarily on applicant's background checks, and those associated with the applicant, such as its backers, officers, directors and those in accordance with Section 1290.70 of the administrative rules.

Q. Are dispensary facilities allowed to offer delivery services to their patients?

A. No. Delivery services are not permitted.

Q. Can a dispensary offer products or services other than medical cannabis and paraphernalia?

A. Yes. However, any additional services must comply with the local zoning rules. See 68 IAC 1290.410.

Q. Will the number of applications received by the Division be made public?

A. Yes, the Program will release the number of submitted applications for cultivation centers and dispensaries after the application window closes.

Q. Does retail space for a proposed location need to be leased or purchased before the application is submitted?

A. Not necessarily. Applicants should submit documentation sufficient to demonstrate the ownership status of the proposed location.

Q. Can publicly owned property be leased for the proposed dispensary?

A. Yes. There is no prohibition against an applicant leasing publicly owned property, provided the applicant supplies a written statement from the property owner or landlord certifying that the applicant may operate a dispensary on the premises.

Q. Dispensary applicants are required to provide a statement from a financial institution or signed statement from an Illinois licensed CPA documenting control of at least \$400,000

available liquid capital. Does a financial institution have to sign a particular form or is a bank statement acceptable?

A. The Division will accept a bank statement documenting the amount of available liquid capital.

Q. Are there any restrictions to out-of-state individuals or corporations from applying? If not, is there going to be any consideration/preference to local Illinois businesses/owners?

A. There are no restrictions on out-of-state applicants. Should the applicant meet all minimum criteria, it may be eligible to be scored in the bonus category. Illinois based applicants may submit information verifying its -principal place of business is headquartered in Illinois and its proposed agents reside in Illinois.

Q. What rules or regulations apply to minority applicants or businesses?

A. Yes, for purposes of this application, minority, female, and disabled shall be defined as found in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act [30 ILCS 575/2]. Should the applicant meet all minimum criteria, it may be eligible to be scored in the bonus category. Points will be awarded based on an applicant's confirmation of business ownership. An applicant may present whatever material it believes meets the application criteria.

Q. Will the State protect dispensaries or their employees from federal prosecution?

A. No.

Q. If we submit an application but are not chosen in the first round, will the application be reconsidered in the event the Division establishes a second application period? Will a new application fee be required?

A. Subsequent application periods, if any, will require separate applications and fees.

Q. When will dispensary facilities open?

A. This depends on the number of applications received. The Division expects dispensaries to begin operation in Spring 2015, once supplies are available.

Q. Can an applicant apply for both a cultivation center license and a dispensary license?

A. Yes.

Q. Will we need to use a specific IT vendor or system?

A. Dispensaries will need to use an inventory system that is compatible with the system the State procures. The State has not yet selected a vendor for product tracking purposes.

Q. What is the definition of “day care center,” “day care home,” “group day care home” and “Part day childcare facility?”

A. The Child Care Act of 1969 (225 ILCS 10/) defines “day care center,” “day care home,” “group day care home” and “Part day childcare facility.”

Q. Are there any maps or guides to assist me in scouting dispensary locations in Illinois?

A. No. Section 1290.20 identifies the dispensing organization districts along with the number of dispensaries allocated per district. Each applicant should review the local zoning codes or rules, and contact the local zoning authority with questions.

Q. When will DFPR receive an ORI number so the applicants can be fingerprinted through Live Scan?

A. DFPR has received an ORI number for this program and will post the fingerprint consent form soon. Once the fingerprint consent form is posted, applicants may be fingerprinted by an Illinois licensed live scan vendor within 30 days of submitting the application. Please print and complete the Division’s fingerprint consent form and bring it with you to submit to live scan vendor. This will allow the vendor to properly route your fingerprints to the correct location for the Medical Cannabis Pilot Program. Only reports sent directly from an Illinois licensed live scan vendor will be accepted by the State. Applicants must attach the receipt from the live scan vendor to their application.

Q. Can a qualifying patient with a valid patient registry identification card be employed as an agent at a dispensary?

A. Yes.

Q. Can a dispensing organization backer be a LLC or a corporation?

A. Yes. A dispensing organization backer may be a person or entity. Any dispensing organization backers must be disclosed in the application.

Q. Do you anticipate using a form similar to the Illinois Secretary of State’s “notice of proper zoning” form?

A. No. DFPR will be using its own local jurisdiction zoning form, which is currently listed on our website.

Q. Where can I check to determine if any licensed day care centers, day care homes, group day care homes, or party day childcare facilities are located within 1,000 feet of my proposed dispensary location?

A. Please check with the Illinois Department of Children and Family Services (DCFS) website, <https://sunshine.dcf.illinois.gov>, to determine the location of DCFS licensed day care centers. DCFS's Sunshine Project website is available after 10:00 a.m. and allows the general public to search for licensed day care centers in Illinois. Applicants can search by day care provider name, address, city or zip code. The City of Chicago and other municipalities may also license these types of childcare centers. Applicants should contact all State, County, municipal or local agencies to ensure that the proposed dispensary location is not a prohibited location pursuant to Section 130(d) of the Act.

Q. Will I be able to submit my application electronically or should it be hand delivered to the Division?

A. All applications will be accepted via hand delivery. Electronic applications will not be accepted. All applications should be placed in a three ring binder with the schedules and addenda in the appropriate order. Each schedule must be separated by a divider and numbered 1-6 and each addendum must be separated by a divider labeled A-G.

Q. Must all principal officers demonstrate experience and qualifications in business management or in the medical cannabis industry?

A. At least one principal officer must demonstrate experience and qualifications in business management or at least one principal officer must demonstrate experience in the medical cannabis industry.

Q. If someone has a financial interest in three dispensary license applications with one group, and a separate financial interest in another group applying for two dispensary licenses and one cultivation center license is this permitted under the rules?

A. Yes. That individual or business would be in compliance with the administrative rules provided he/she or it does not have a financial or ownership interest in more than five dispensaries and three cultivation centers.

Q. What are the specific requirements of the layout of the dispensary? Do the restricted access areas need to be in a certain location or can the individual dispensary determine the interior and exterior layout?

A. Beyond what is required in the rules the Division will not dictate a dispensary's plans or specifications. Each dispensary can determine the interior and exterior layout that best fits their needs.

Q. Is a financial backer considered a Principal Officer? Do financial backers need to submit fingerprints as well?

A. Possibly, financial backers can be Principal Officers. The rules define Principal Officer as “a prospective dispensing organization or dispensing organization board member, owner, president, vice president, secretary, treasurer, partner, officer, member, shareholder or person with a profit sharing arrangement and is further defined in this Part.” A financial backer can be a Principal Officer if his or her involvement falls under the Principal Officer definition.

Possibly, all Principal Officers must provide a full set of fingerprints from an Illinois licensed livescan vendor. If a financial backer’s participation in the dispensary falls within the definition of Principal Officer, then he or she will need to provide a full set of fingerprints.

Q. Will a letter of credit in the amount of \$400,000 issued by an Illinois financial institution be accepted in lieu of a statement under Section 1290.50(c)?

A. No, a letter of credit does not satisfy this requirement. The rules clearly state a surety bond or escrow account is the only acceptable method.

Q. Must my dispensary organization be located at a minimum 1,000 feet from the property line of an unlicensed day care center, day care home, group day care home or part day childcare facility and where can I find the locations?

A. The Act does not differentiate between licensed and unlicensed childcare programs. Rather, it states that a dispensary may not be 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 childcare facility. Applicants must perform due diligence to identify and locate licensed or unlicensed programs as identified in the Act.

Q. I currently live out-of-state, can I have my fingerprints taken outside of Illinois and sent to a livescan vendor in Illinois?

A. No. All fingerprints must be administered by an Illinois livescan vendor licensed by the Illinois Department of Financial and Professional Regulation.

Q. What tax returns must I submit as a financial backer of a dispensary?

A. All financial backers must submit complete copies of the most recently filed federal, state and foreign (with translation) personal tax returns filed by each dispensing organization backer. If the backer is a business entity, name the principals or board members of the business entity and provide their personal tax returns.

Q. Can Physicians be on the Board of Directors or an Advisory Board if they do not receive any form of compensation from the dispensary?

A. Physicians cannot be on the Board of Directors pursuant to Section 35 of the Act. A physician may be on an Advisory Board as long as he or she does not have a direct or indirect economic interest. The Division will determine if the Physician has a direct or indirect economic

interest and the Dispensary may be subject to discipline if the Physician has an economic interest.

Q. May the dispensaries use motion sensor surveillance to satisfy the continuous and uninterrupted monitoring requirement?

A. No. The dispensaries must provide continuous and uninterrupted video surveillance. All electronic video monitoring must be available on a real time 24-hour a day, every day, live feed accessible by the division. The rules define ‘monitoring’ to mean “continuous and uninterrupted video surveillance of dispensary activities and oversight for potential suspicious actions.”

Q. What type of packaging can we use for medical cannabis and infused products? Can we design the packaging?

A. Cultivation centers will package the medical cannabis and infused products. Dispensaries are not allowed to repackage any of the products received from the cultivation centers. Packaging should be distinguishable from non cannabis related products and a dispensing organization must include the name of the dispensary on the packaging of any cannabis product it sells.

Q. Will all cannabis products received from Cultivation Centers contain the same quantity (i.e. all cannabis will be stored in 2.5 ounce packages)?

A. No. Cultivation centers may package the cannabis in different quantities. Dispensaries may communicate with cultivation centers to determine the inventory appropriate for their specific dispensary.

Q. Does our documentation proving the proposed dispensary has \$400,000 in liquid assets have to be from one bank account totaling \$400,000 or can we provide multiple investor’s bank accounts to document a total of \$400,000 in liquid assets?

A. Either documentation is acceptable as long as the applicant proves it has at least \$400,000 in liquid assets under its control for each application. The documentation can be proven by one bank account or by an accumulation of investor’s bank accounts.

Q. I am applying for multiple dispensaries do I need proof of \$400,000 liquid assets for each proposed dispensary?

A. Yes. The applicant must present documentation acceptable to the Division that there is at least \$400,000 in liquid assets under its control for each application. The applicant must also present proof of net worth.

Q. What is an indirect financial interest in a proposed dispensary?

A. An indirect financial interest is a financial interest owned through an intermediary. One example is a limited partnership, where the recipient of the financial interest does not supervise or participate in the business decisions. An indirect financial interest can evolve to a direct financial interest if the backer begins to supervise or participate in any investment decisions or managing decisions. The Division will determine if an indirect financial interest exists on a case by case basis.

Q. Can a potential Principal Officer be convicted of an excluded offense? Can the dispensary hire agents if they have been convicted of excluded offenses?

A. No. An application for a dispensing organization registration must be denied if one or more of the prospective principal officers or board members has been convicted of an excluded offense, subject to the exceptions in Section 410 ILCS 130/10(1)(2). The dispensary cannot hire agents if they have been convicted of an excluded offense, subject to the exceptions in Section 410 ILCS 130/10(1)(2). . However, a Principal Officer or an agent can submit a waiver request if the person demonstrates to the Division’s satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use.

Q. Must one minority, veteran, female, or disabled person own at least 51% of the proposed dispensary or can it be an aggregate of minority, veteran, female or disabled person’s ownership to reach the 51%?

A. It can be a combination of ownership to create an aggregate of 51% ownership amongst the minority, veteran, female or disabled persons.

Q. When cannabis is delivered to a dispensary, must the vehicle drive into the dispensary to unload the cannabis or can the vehicle be unloaded in a secure area outside of the four walls of the dispensary?

A. The rules and the application only require that the security protocols avoid diversion, theft or loss at the delivery point. It is in the applicant’s interest to propose the best possible plans for the proposed dispensary.

Q. Can a physician, as defined in the statute, be a minority shareholder in an S-Corporation applying for a dispensary license, if that physician will not prescribe medical cannabis or be in a profit-sharing organization with anyone who prescribes medical cannabis and the physician is not involved in dispensary management, operations or is a member of the board of directors of the dispensary?

A. Yes. The Act and Rules state a physician may not hold a direct or indirect economic interest in a cultivation center or dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with

a physician who recommends medical cannabis. The Act and Rules also state a physician may not serve on the board of directors or as an employee of a cultivation center or dispensing organization. The Division will determine if the Physician has a direct or indirect economic interest or if the physician prescribes medical cannabis or in a profit-sharing organization with anyone who prescribes medical cannabis and the Dispensary may be subject to discipline if the Physician has an economic interest.

Q. Will an applicant entity be considered an Illinois Based applicant if the entity is incorporated in Delaware but its headquarters and operations are located in Illinois and the entity is qualified to do business in Illinois?

A. Yes. The applicant's place of business must at a minimum be headquartered in Illinois as well as the applicant's proposed agents that reside in Illinois in order to be eligible to receive bonus points for Illinois Based applicants.

Q. Can a physician who is no longer practicing medicine and has let his or her license expire be a principal officer of a dispensary?

A. Yes because he or she is no longer considered a Physician under the Act. The Act defines a physician to mean "a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practices Act."

Q. Is the Division creating their own form for the surety bond requirement? If so, when will it be posted?

A. The Division is creating a Medical Cannabis Division specific surety bond form and it will be posted in the coming weeks.

Q. Can the location for my proposed dispensary be less than 1,000 feet from an area zoned exclusively for residential use?

A. Yes. Provided the proposed dispensary is not located in an area zoned exclusively for residential use, there is no set back from an area zoned residential.

Q. May I measure the distance between a proposed dispensary location and 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 by taking a straight line from property to property or must I measure following main streets?

A. The property line can be measured in a straight line from the property line of the proposed dispensary to 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.

Q. If the proposed dispensary is located within a shopping center, will the property line be measured from the proposed dispensary line or the property line of the shopping center?

A. The Rule states the proposed dispensary's property line must not be 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 applicant should check with the local municipality's zoning authority to determine the location of property lines.

Q. Does the spacing between lines need to be 1.5 spaced or is the spacing between paragraphs 1.5 spaced?

A. The lines must be 1.5 spaced. The spacing between paragraphs must also be 1.5 spaced.

Q. Whose audited financial statements are required in the application?

A. The applicant is the business entity, not each individual member of the business. The financial statement should be audited by an auditor or licensed CPA.

Q. What if our company was not in existence the previous year and does not have audited financial statements?

A. The applicant does not have to submit annual audited financial statements if the entity was not in existence the previous year. The applicant should state in the application that the business is newly formed and has no annual audited financial statement.

Q. Can the financial backers provide any other information in lieu of submitting complete copies of their most recently filed federal, state and foreign personal tax returns?

A. No. Financial backers must provide complete copies of their most recently filed federal, state and/or foreign personal tax returns. The tax returns are provided to fully evaluate the applicant and backers.

Q. I work for a bond company. Can my company create its own bond form with the guidelines listed on your website?

A. No. The Division is creating a Medical Cannabis Division surety bond form that will be available in the coming weeks.

Q. When submitting the application, should the Addenda be placed before the Schedules?

A. No. The Schedules should be placed first with the Addenda to follow. Schedules and Addenda should be clearly labeled.

Q. How should the submission checklist be submitted?

A. The submission checklist should be placed in a sealed envelope along with the application fee. Label with envelope “Application Fee.” The submission checklist should not be placed in the binder, or sealed envelope/box containing the unreduced application copy.

Q. In the Department of Financial and Professional Regulation’s rules is a section missing after 68 IAC 1290(c)(8)(G)?

A. No. 68 IAC 1290(c)(8)(G) is the last subsection in 68 IAC 1290(c)(8) regarding patient education and support and 68 IAC 1290(d) immediately follows.

Q. What is the correct page limit for the Local Community/Neighborhood Report in the Bonus Section?

A. The page limit is 3 pages, excluding supporting documents for the Local Community/Neighborhood Report in the Bonus Section.

Q. What is the page limit for the verification of minority-owned, female-owned, veteran-owned or disabled person-owned in the Bonus Section?

A. The page limit is 3 pages excluding supporting documents for the verification of minority-owned, female-owned, veteran-owned or disabled person-owned in the Bonus Section.

Q. What is the page limit for the section Illinois Based Applicants in the Bonus Section?

A. The page limit is 3 pages excluding supporting documents for the Illinois Based Applicants section in the Bonus Section.

Q. In Schedule 2 under Knowledge and Experience, must the resumes include the types and quantities of products planned to be offered, including paraphernalia or edibles?

A. The resumes should contain individuals’ education and experience. The narrative relevant to this section must contain the types and quantities of products planned to be offered.

Q. If I meet all the qualifications and am not selected to receive a registration to operate a dispensary when is the next application period and will I have to submit a new application?

A. The dates of the next application period are still under consideration. Once the Division announces the next application period, information will be circulated concerning that process.

Q. If a licensee’s license is revoked will the license be awarded to the next qualified applicant?

A. No. Any redistribution of licenses will be completed after a separate application process.

Q. May additional financial backers be added or can ownership of the dispensary be modified after a Dispensary is awarded a license?

A. To change individuals listed as financial backers or principal officers, the registrant must follow the Act and Administrative Rules.

Q. Must each Principal Officer sign a separate Principal Officer Attestation Form?

A. No. Principal Officers should all affix their signatures to one Principal Officer Attestation Form. If additional signature spaces are needed, then a second Principal Officer Attestation Form may be used until all Principal Officers sign the document.

Q. May dispensaries advertise to the public?

A. Yes. However, dispensaries must comply with the Administrative Rules on advertising.

Q. Is there a missing page #4 in the application?

A. No. Page #4 is not missing.

Q. Per question #53 in the application, can we attach the business and operations, security, recordkeeping and inventory plans as additional documents and refer to them in the respective schedules?

A. No. The business and operations, security, recordkeeping and inventory plans cannot be answered in question #53. The Schedule sections have a page limit to ensure answers are concise.

Q. May the same Research Project be used in the Bonus Section in more than one dispensary application?

A. Possibly. The same research project may be used in more than one dispensary application provided the project remains relevant to each location.

Q. How should larger drawings/maps be attached in binders?

A. Any drawing, map, diagram or photograph larger than 8.5" by 11", may be folded to fit in the binder.

Q. May I use my livescan receipt for all cultivation and dispensary applications?

A. Yes. Principal Officers can use one livescan receipt for multiple cultivation and dispensary applications.

Q. May an applicant use the company name or distinguishing characteristics in Schedules 1-6 in the un-redacted application?

A. Yes. An applicant should use the company name and distinguishing characteristics in Schedules 1-6 and the Addenda in the un-redacted application. The company name and distinguishing characteristics should not be used in Schedules 1-6 and the Addenda in the redacted application.

Q. Are applicants permitted to submit addenda beyond the mandatory addenda and additional sections within the Schedules?

A. Applicants are encouraged to submit the best application possible giving the Schedules and Addenda provided. Additional addenda and pages exceeding the page limit are not recommended.

Q. Does the 12-point Times New Roman font also apply to Headings and Titles?

A. Yes. Headings and titles may be underlined, italicized or bolded to distinguish from responses.