



# IDFPR

Illinois Department of  
Financial and Professional Regulation

Office of Legal Affairs

[idfpr.illinois.gov](http://idfpr.illinois.gov)

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Governor

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## **Next Steps for Conditional Adult Use Dispensing Organization License Holders from the Social Equity Criteria Lottery**

This document is provided as a helpful summary and checklist for Conditional Licensees from the Social Equity Criteria Lottery (“SECL”) to assist you through the Conditional Phase and prepare you for the transition into an Adult Use Licensee. Remember, the Conditional Phase is temporary and does not authorize you to begin cannabis sales to customers or open for business. Rather, the Conditional Phase is the 365-day period in which you may build out your dispensary in order to receive approval from the Department to operate a fully functional Adult Use Dispensary. While this document is intended to assist Conditional Licensees, it is not controlling nor should it be relied upon as legal advice. All Conditional Licensees should review the entire [Cannabis Regulation and Tax Act \(“CRTA”\)](#), the [Social Equity Criteria Lottery administrative rules](#), and your original applications in order to ensure compliance.

If you have questions regarding your conditional license, please reach out to  
[FPR.ConditionalAdultUseLicenses@illinois.gov](mailto:FPR.ConditionalAdultUseLicenses@illinois.gov).

This is a dedicated mailbox for Conditional Licensees that will be monitored daily.

The steps below may be used to help Conditional Licensees organize their path towards full Adult Use Licensure.

### Step 1: Identification of Physical Address



You will need to identify the physical address where your dispensary will be located. Ensure the physical space you identify conforms to the requirements of a dispensary and that you will be able to work in the space. Also keep in mind any local ordinances related to capacity limits, fire codes, etc. to ensure you remain in compliance with local laws. Additionally, pay close attention to the 1,500 foot prohibition for existing dispensaries.

### Step 2: Confirmation of Operation Within BLS Region



Your Conditional License is tied to your BLS Region, as is the Adult Use License you are working towards. With that in mind, you must find a physical location within your BLS Region. The Department will verify that any proposed location is within the designated BLS Region and will reject any application that has a location outside of their BLS Region.

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*At this point in the process, you can begin organizing documents as PDFs, for your final application. These next items must be appropriately labeled and submitted as [one complete 15-36 Application Packet](#).*

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### Step 3: Application for Principal Officers- Exhibit A



All of your prospective principal officers must submit a principal officer application to become licensed by the Department. The current application can be found [here](#). All principal officers must submit an application, regardless of whether they have previously applied with the Department.

Also, all of your prospective principal officers, board members, and agents must submit fingerprints to the Department. Fingerprinting process instructions can be found [here](#). Find a list of licensed fingerprint vendors [here](#). **“You must be fingerprinted by a licensed fingerprint vendor within 30 days prior to submitting your online principal officer application. This means if your fingerprints are taken on Day 1, and you submit your online principal officer application on Day 31, those fingerprints may no longer valid and you will need to be re-fingerprinted.”** This means if your fingerprints are taken on Day 1, and you submit your complete 15-36 Adult Use Application Packet, which includes your fingerprints receipt, on Day 31, those fingerprints are no longer valid and you will need to be re-fingerprinted.

## **Step 4: Notice of Proper Zoning Form and Documentation – Exhibit B**



Once you have identified and secured the physical space your dispensary will operate in, you will also need to obtain zoning approval from your unit of local government. After you have filed for proper zoning, you will need to complete and submit a [Notice of Proper Zoning](#) to the Department. You will also need to provide the Department with your jurisdiction's laws or regulations that establish the operation of an adult use cannabis dispensary is legal in that locality. Additionally, you must submit documentation of (1) zoning approval; (2) conditional zoning approval; or (3) status of a request for zoning approval from the local zoning office. Finally, you will need to submit one of the following: (1) proof of building or land ownership; (2) a contract demonstrating sale of a building to your entity is conditional upon preliminary approval of the location of the Department; or (3) a written statement from the property owner or landlord certifying consent that the organization may operate a dispensary on the premises, including a copy of the lease.

In summary, the following zoning and location documents must be submitted to the Department as Exhibit B:

1. Notice of Proper Zoning Form
2. Copy of Local Government's Laws Allowing Adult Use Dispensaries
3. Proof of one of the following:
  - a. Zoning approval;
  - b. Conditional zoning approval; or
  - c. Status of a request for zoning approval
4. Proof of one of the following:
  - a. Proof of land ownership or lease;
  - b. Sales contract; or
  - c. Landlord's consent
5. Proof the dispensary is not located within 1,500 feet of an existing dispensary.

## **Step 5: Submission of Floor Plan – Exhibit C**



The Department will review all floor plans prior to any inspections once a 15-36 application has been submitted. You may begin your build-out at any time and the Department can answer any questions you may have as well as provide a self-inspection checklist. Floor plans must show and identify, at a minimum:

- A description of the air treatment system used to reduce odors;
- Locations of all holdup, panic, glass break sensors, and motion detectors;
- Locations of all cameras, including the direction they face, if applicable;
- A map that identifies general, limited, and restricted access areas;
- Locations of point-of-sale systems;
- Purchaser ID verification locations;
- A description of any pass-through drawers in and out of a vault or a day-time storage area;
- Location where cannabis will be received from transporters;
- Location where cannabis will be destroyed when necessary;
- A title for each room and closet in the dispensary.

## Step 6: Surety Bond or Escrow Account – Exhibit D



All applicants are required to establish and maintain an escrow account or surety bond unless they are exempt under the CRTA. You will need to show evidence of either your escrow account or surety bond in the amount of \$50,000 or evidence that you qualify for a waiver with your application. The form to show the agreement can be found [here \(surety\)](#) or [here \(escrow\)](#) and will be collected at your final inspection.

You qualify for a waiver if you meet the following:

- i. Your entity, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has less than a total of \$750,000 of income in the previous calendar year; and
- ii. Your entity, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than 2 other licenses for cannabis business establishments in the State of Illinois.

Documents that applicants can submit to qualify for a waiver can be found [here](#).

## Step 7: Completion of Adult Use License Application



Finally, you will need to submit your actual final application, referred to as the 15-36 Application for an Adult Use License. This 15-36 Application will require you to acknowledge and abide by all of the original commitments you submitted in your original application. Please note, for SECL applicants Exhibit E referenced on the 15-36 application is not required. **We strongly recommend you thoroughly review your original application in anticipation of this step.** This 15-36 Application can be found [here](#).

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*Once you have the above documents finalized, you are likely ready to submit your complete 15-36 Application Packet to the Department and work towards the next step of a site inspection.*

*When you have received conditional approval of your 15-36 Application from the Department, you are likely ready for the Department to inspect your dispensary. The following are the steps for that inspection and final approval.*

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## Step 8: Completion of Self Inspection Form



Once you have completed your build-out and believe you are ready to operate, you should complete a self-inspection form. This form is available upon request and will be provided to anyone submitting a 15-36 application. Please send your self-inspection request to [FPR.ConditionalAdultUseLicenses@illinois.gov](mailto:FPR.ConditionalAdultUseLicenses@illinois.gov). This will guide you through the same things our inspectors will look for to ensure you are prepared for the final inspection. One of your principal officers will need to attest that the form was filled out accurately and completely. Once you submit this form, you will be able to schedule your final inspection.

**Step 9: Scheduling of Final Inspection**



The Department must inspect and approve your dispensary in-person before you are able to open for business. This will include a complete inspection of your facilities to make sure the dispensary is compliant with the CRTA. Inspections will be scheduled on a first come, first served basis through [FPR.ConditionalAdultUseLicenses@illinois.gov](mailto:FPR.ConditionalAdultUseLicenses@illinois.gov). **No inspection can be scheduled until the Department has received a self-inspection form, verified construction is complete, verified that cameras can be accessed, and received a finalized application. If changes are necessary that require reinspection, your inspection will be scheduled in the same first-come first-served fashion.**

**Step 10: Submit Payment**



Once you have passed your final inspection, the only thing left is to submit payment for final approval of your 15-36 application. The application and renewal fee for an Adult Use Dispensing Organization license is \$60,000, but the Department will pro-rate this fee for applicants for their initial licensure. Payment for Adult Use licenses will be pro-rated to \$2,500 per month before the 2026 renewal and will be due after your final inspection. The Department will provide you the pro-rated amount owed based on the date on which you are issued your Adult Use License.

**Step 11: 365 Days to Identify a Location**



Pursuant to [68 IAC 1291.440\(e\)](#), you have 365 days from the date your Conditional License was issued to identify a physical location for your dispensary. Proof of identifying a location includes but is not limited to:

- (A) proof of building ownership by the conditional licensee
- (B) agreement to purchase building or lease that is dependent on zoning or state license approval
- (C) signed lease for the term of the initial license
- (D) proof of zoning approval or application for zoning approval

If a conditional license holder is unable to find a suitable physical address within 365 calendar days after the issuance of the conditional license, the Department may extend the period for finding a physical address another 180 calendar days if the conditional licensee demonstrates the steps it has taken to secure a location and hardship. If the Department denies the request for an extension or the conditional license holder is unable to become operational within 545 calendar days after being awarded a conditional license, the Department will rescind the conditional license and may proceed to the next applicant drawn in accordance with Section 121.405(c).

The request for extension form can be found on the Department’s website and may be submitted to [FPR.ConditionalAdultUseLicenses@illinois.gov](mailto:FPR.ConditionalAdultUseLicenses@illinois.gov).

### Summary Check List

Any documents must be submitted to the Department as a PDF. The Department cannot accept any documents that are in a format such as a JPEG, a screenshot, etc. Submit all PDF documents in one application packet with all exhibits clearly labeled to [FPR.ConditionalAdultUseLicenses@illinois.gov](mailto:FPR.ConditionalAdultUseLicenses@illinois.gov).

Please consider using this checklist to track your progress towards your 15-36 Adult Use License.

ACTION	COMPLETED
1. Identify a physical space for your dispensary	
2. Confirm the physical space is inside your BLS region	
3. Complete principal officer applications for each principal officer ( <b>Exhibit A</b> )	
<ul style="list-style-type: none"> <li>• Obtain fingerprints for each principal officer within 30 days of submitting their application</li> </ul>	
<ul style="list-style-type: none"> <li>• Obtain zoning and gather location documentation</li> </ul>	
4. Complete Notice of Proper Zoning ( <b>Exhibit B</b> )	
5. Confirm floor plan for your dispensary ( <b>Exhibit C</b> )	
6. Obtain the surety bond or escrow account or gather evidence for the waiver ( <b>Exhibit D</b> )	
7. Complete your 15-36 Application	
<ul style="list-style-type: none"> <li>• Submit your 15-36 application as one complete packet with exhibits properly labeled</li> </ul>	
8. Complete and submit self-inspection form	
9. Schedule your final inspection	
10. Submit payment for your Adult Use License	
11. 365 Days to Identify a Location	

## STATUTORY AND ADMINISTRATIVE CITATIONS APPENDIX

The complete Cannabis Regulation and Tax Act is available [here](#).

The complete administrative rules are available [here](#).

<b>1,500 Foot Prohibition</b> .....	410 ILCS 705/15-70(p)(15) and 68 IAC 1291.440(e)(2)
<b>365 Days Requirement and Extension</b> .....	68 IAC 1291.440(e)(1)-(3)
<b>Administration</b> .....	410 ILCS 705/15-65
<b>BLS Regions</b> .....	410 ILCS 705/1-10 and 68 IAC 1291.405(a)
<b>Conditional License Application Criteria</b> .....	68 IAC 1291.410
<b>Fee</b> .....	410 ILCS 705/15-36(b)(2) and 410 ILCS 705/15-45(d)(1)
<b>Floor Plans</b> .....	410 ILCS 705/15-100
<b>Grounds for Discipline</b> .....	410 ILCS 705/15-145
<b>Inspection</b> .....	410 ILCS 705/15-36(b)(1)
<b>Inventory control system</b> .....	410 ILCS 705/15-75
<b>Operational Requirements/Prohibitions</b> .....	410 ILCS 705/15-70
<b>Principal Officer Applications</b> .....	410 ILCS 705/5-20(b); 410 ILCS 705/15-50(e);
<b>Principal Officer Background Checks</b> .....	410 ILCS 705/5-20
<b>Recordkeeping</b> .....	410 ILCS 705/15-110
<b>Security</b> .....	410 ILCS 705/15-100
<b>Security Bond/Escrow Account</b> .....	410 ILCS 705/15-55
<b>Storage requirements</b> .....	410 ILCS 705/15-80
<b>Zoning</b> .....	410 ILCS 705/15-36 and 410 ILCS 705/15-70(g)