

Social Equity Applicants

- A Social Equity Applicant will receive at least 20% of available points on all license applications.
 - A Social Equity Applicant is one who meets the following criteria:
 1. The applicant with at least 51% ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area;
 2. The applicant with at least 51% of ownership and control by one or more individuals who have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under this Act or member of an impacted family; or
 3. For applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:
 1. Currently reside in a Disproportionately Impacted Area; or
 2. Have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the bill.
- “*Disproportionately Impacted Area*” means a census tract, or comparable geographic area that satisfies the following criteria, as determined by the Department of Commerce and Economic Opportunity:
 - Meets at least one of the following criteria:
 1. 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or
 2. At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
 3. The area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and
 - Has high rates of arrest, conviction, and incarceration related to sale, possession, use, cultivation, manufacture, or transport of cannabis.
- Fee Waivers
 - Social Equity Applicants shall have 50% of the non-refundable license application and any non-refundable fees associated with a license waived when payment is due if:
 - The applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has less than \$750,000 of income in the previous calendar year.
 - The applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than two other licenses for cannabis business establishments in the State of Illinois.
 - A Social Equity applicant may have their non-refundable fees waived as detailed above on a maximum of 2 of their applications.
- Cannabis Business Development Fund
 - HB 1438 establishes the Cannabis Business Development Fund to:
 - Provide low interest loans and grants for ordinary and necessary expenses to start and operate a cannabis business. Social Equity Applicants will have access to approximately \$18 million from the Department of Commerce and Economic Development;
 - Pay for outreach that may be provided or targeted to attract applicants;
 - Conduct any study or research concerning the participation of minorities, women, veterans, or people with disabilities in the cannabis industry, including, without limitation, barriers to such individuals entering the industry as Social Equity owners of cannabis business establishments; and
 - Assist with job training and technical assistance for residents in disproportionately impacted areas.