

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY RULES

TITLE 14: COMMERCE

SUBTITLE C: ECONOMIC DEVELOPMENT

CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 650

CANNABIS SOCIAL EQUITY PROGRAM

Section

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AUTHORITY: Implementing and authorized by Sections 1-10 and 7-15 of the Cannabis Regulation and Tax Act [410 ILCS 705] and Section 605-55 of the Department of Commerce and Economic Opportunity Law [20 ILCS 605].

SOURCE: Adopted by emergency rulemaking at 44 Ill. Reg. 292, effective December 20, 2019, for a maximum of 150 days.

Section 650.10 Purpose**EMERGENCY**

- a) In the interest of establishing a legal cannabis industry that is equitable and accessible to those most adversely impacted by the enforcement of drug-related laws in Illinois, including cannabis-related laws, the General Assembly has found that a social equity program in the cannabis industry should be established to help

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remedy the harms resulting from the disproportionate enforcement of cannabis-related laws. The Cannabis Social Equity Program authorized by the Act should offer, among other things, financial assistance and License application benefits to individuals most directly and adversely impacted by the enforcement of cannabis-related laws who are interested in starting Cannabis Business Establishments.

- b) In furtherance of this purpose, the Department is authorized to:
- 1) identify geographic areas that have been disproportionately impacted by the enforcement of cannabis-related laws (Disproportionately Impacted Areas);
 - 2) provide financial assistance, loans, grants, and technical assistance to Social Equity Applicants;
 - 3) conduct outreach that may be provided or targeted to attract and support Social Equity Applicants; and
 - 4) assist with job training and technical assistance for Illinois residents in Disproportionately Impacted Areas.
- c) The Cannabis Social Equity Program includes the Business Loan and Financial Assistance Program through which the Department will undertake the following activities:
- 1) Subject to the availability of funding, the Department will provide term loans and lines of credit on a low or no interest basis to eligible Illinois businesses that are seeking or have received licensure under the Act.
 - 2) Applications will be accepted following an announcement on the Department's website. The Department will prioritize loans and lines of credit based on market entry dates, demand, the availability of funding, and the extent to which the financial support furthers the purposes of the Act.
 - 3) The Department may issue conditional commitment letters to Social Equity Applicants to support applications for licensure.
 - 4) The Department may enter into agreements with financial institutions and

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other sources of capital to leverage additional funding for Qualified Social Equity Applicants or to otherwise facilitate social equity in the cannabis industry.

Section 650.15 Definitions**EMERGENCY**

The following definitions are applicable to the Cannabis Social Equity Program.

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

"Adult Use Dispensing Organization License" means a license issued by the Department of Financial and Professional Regulation that permits a person to act as a dispensing organization under the Act and any administrative rule made in furtherance of the Act. [410 ILCS 705/1-10]

"Agreement" means a loan or line of credit agreement under the Program.

"Applicant" means a person that intends to apply or has applied for licensure under the Act as a Social Equity Applicant.

"Basic Wage" means compensation for employment that is no less than the legal minimum wage of the jurisdiction in which the person is employed. Basic wage shall not include overtime pay, bonus pay, stock options, awards or any other equity-based incentive, unreimbursed employee expenses, piecemeal rate of pay, or any form of deferred compensation.

"Borrower" means a Qualified Social Equity Applicant that has entered into an agreement with the Department or a financial institution partner under the Business Loan and Financial Assistance Program.

"Business Applicant" means an applicant or a Social Equity Applicant who is seeking to participate in the Business Loan and Financial Assistance Program.

"Business Loan and Financial Assistance Program" or "Program" means the loan and line of credit Program, designed to promote social equity within the Illinois cannabis industry, set forth in this Part.

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"Cannabis Business Establishment" means a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.
[410 ILCS 705/1-10]

"CI Act" means the Criminal Identification Act [20 ILCS 2630].

"Conditional Adult Use Dispensing Organization License" means a license awarded to top-scoring applicants for an Adult Use Dispensing Organization License that reserves the right to an Adult Use Dispensing Organization License if the applicant meets certain conditions described in the Act, but does not entitle the recipient to begin purchasing or selling cannabis or cannabis-infused products. [410 ILCS 705/1-10]

"Conditional Commitment Letter" means a letter from the Department indicating that an applicant has been provisionally approved for a loan or line of credit under the Program, subject to receipt of a license and meeting other requirements described in a conditional commitment letter.

"Department" means the Illinois Department of Commerce and Economic Opportunity.

"DFPR" means the Illinois Department of Financial and Professional Regulation.

"Disproportionately Impacted Area" means a census tract or comparable geographic area that:

satisfies, as determined by the Department, at least one of the following criteria:

the area has a poverty rate of at least 20%, according to the latest federal decennial census or the U.S. Census Bureau American Community Survey 5-Year Estimates, 2013-2017, whichever is more current;

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, if current and uniform statewide data is available;

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at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program, according to data from the U.S. Census Bureau American Community Survey 5-Year Estimates, 2013-2017; or

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 United States 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 the sale, possession, use, cultivation, manufacture, or transport of cannabis. [410 ILCS 705/1-10]

"Financial Institution Partner" means a chartered bank or credit union that has entered into an agreement with the Department to provide funding to a Qualified Social Equity Applicant on behalf of or in tandem with the Department.

"Full-Time Employee" means an individual for whom a W-2 is issued by the applicant and who is employed for a basic wage for at least 35 hours each week.

"High Rates of Arrest, Conviction, and Incarceration" means an average annual rate of arrests that exceeds 30 per 10,000 residents of the census tract, according to population data from the latest U.S. Census Bureau American Community Survey 5-year estimates, 2013-2017, and arrest data maintained by the Illinois State Police for the period of January 1, 2009 through May 8, 2019. When at least 20% of arrests by an arresting agency have arrestee address information, those arrests without arrestee address information will be assigned to a census tract as follows:

the distribution of each arresting agency's arrests with known addresses shall be determined for each census tract within that agency's jurisdiction (each tract's share of the total known addresses for that arresting agency being that census tract's "census tract share" for that arresting agency);

the number of arrests with unknown addresses for each arresting agency shall be multiplied by each tract's census tract share, with the product of

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each calculation being allocated to each census tract as an arrest (each such allocation being an "imputed arrest" for that census tract and arresting agency); and

the imputed arrest for each census tract will be summed across all arresting agencies, with the total being added to the known arrests in each census tract summed across all arresting agencies to arrive at each census tract's total number of estimated arrests for that census tract over the period.

However, if uniform statewide data on annual rates of conviction and incarceration is unavailable, the Department may use an average annual rate of persons being released onto parole or mandatory supervised release for offenses eligible for expungement under CI Act Section 5.2 that exceeds 1 per 10,000 residents and has a minimum of 5 persons being released onto parole or mandatory supervised release for offenses eligible for expungement under the Act between July 1, 2009 and August 23, 2019), according to population data from the latest U.S. Census Bureau American Community Survey 5-year estimates, 2013-2017, and data maintained by the Illinois Department of Corrections for the period of July 1, 2009 through August 23, 2019.

"License" means any of the Cannabis Business Establishment licenses established under the Act.

"Member of an Impacted Family" means an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of the Act, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Act. [410 ILCS 705/1-10]

"Ordinary and Necessary Expenses" are those expenses incurred in day-to-day operations that are appropriate, helpful to the success of the business, and approved by the Department.

"Organizational and Ownership Records" means records requested by the Department to verify the bona fide ownership and control of an applicant. These records may include, but are not limited to:

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a Table of Organization, Ownership and Control as described in Section 15-50 of the Act;

articles of incorporation or organization, trust agreement, partnership agreement, joint venture agreements and the like, including any exhibits to these documents;

operating agreement, articles of partnership, corporate bylaws and the like, including any exhibits;

capitalization tables and other records of ownership interests;

to the extent any owner, member, partner, or trustee of the applicant is a corporate entity, the governing documents of that entity and records showing its owners;

copies of all guarantees to which the applicant is a party;

licensing or franchise agreements; and

any other information requested by the Department to identify ownership or any significant beneficial interests in the applicant.

"Ownership and Control" means ownership of at least 51% of the business, including corporate stock if a corporation, and control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to percentage of ownership. [410 ILCS 705/1-10]

"Pay Stub" means a written receipt that shows hours worked, rate of pay, overtime pay and overtime hours, gross wages, an itemization of all deductions, and wages and deductions for the year to date for an employee.

"Person" means a natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, or limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court. [410 ILCS 705/1-10]

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"Qualified Social Equity Applicant" means a Social Equity Applicant who has been awarded a conditional license under the Act to operate a Cannabis Business Establishment. [410 ILCS 705/1-10]

"Residency Records" means records requested by the Department to verify an applicant's eligibility to participate in the Program. These records may include, but are not limited to:

a signed lease agreement that includes the applicant's name;

a property deed that includes the applicant's name;

records reflecting government housing or other assistance that contain the applicant's name and address;

school records;

a voter registration card;

an Illinois driver license, an Illinois Identification Card, or an Illinois Person with a Disability Identification Card;

paycheck stubs;

utility bills;

military service records showing the member's state of legal residency or home of record;

proof of receipt of a homestead exemption for Illinois property (see 35 ILCS 200/15-175);

a certification of homeless status during the time relevant for consideration;

the applicant's most recent State tax return showing the applicant is subject to the Illinois Income Tax and the Personal Property Tax Replacement Income Tax as a resident of Illinois; or

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other proof that is generally accepted by DFPR, the Department of Agriculture (DOA), the Department of Revenue, or the Illinois Secretary of State to establish a person's status as a resident in Illinois and that is approved by the Department.

"Social Equity Applicant" means an applicant that is an Illinois resident that meets one of the following criteria:

an 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;

have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act; or

are members of an impacted family; or

for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:

currently reside in a Disproportionately Impacted Area; or

have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or member of an impacted family. [410 ILCS 705/1-10]

Section 650.20 Fees
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- a) The Department may charge a borrower a closing fee of up to \$5,000, which may be paid at closing or, in the case of a term loan, added to the principal balance of the loan.
- b) If, during the term of an Agreement, a borrower transfers, sells, or grants its license within 5 years after it was issued to a person or entity that does not qualify as a Social Equity Applicant, the transfer agreement shall require the new license holder to pay the Department a Program closeout fee of up to \$10,000 in addition

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to the balance of the loan or line of credit.

- c) If, during the term of an Agreement, a borrower ceases to meet the criteria of a Social Equity Applicant, the Department may accelerate repayment of the balance of the loan or line of credit and require the borrower to pay a Program closeout fee of up to \$10,000.

Section 650.25 Application Cycle**EMERGENCY**

Applications under the Program will be accepted until allocated Program funds are exhausted, subject to the availability of funding as determined by the Department. Funding decisions will also be subject to market entry or license issuance dates and demand for financial support. The Department will supply an application package upon request.

Section 650.30 Loan and Financial Assistance Program Application Documentation**EMERGENCY**

Receipt of an application to the Program does not commit the Department to award a loan or line of credit or to pay any costs incurred by a Business Applicant in preparation of an application. Written applications will be required and must be submitted on the standard application form provided by the Department.

- a) Applications shall be submitted to the Department office location identified on the application. The application for loans and lines of credit will include:
 - 1) Social Equity Applicant Status Information
 - A) DFPR or DOA Certification shall be provided. Certification means any letter or other written documentation from DFPR or DOA verifying the applicant's status as a Social Equity Applicant or a Qualified Social Equity Applicant for a license issued by that agency. This verification may be provided at any time prior to entering into the loan or line of credit agreement.
 - B) The Business Applicant shall provide:
 - i) Proof of the Business Applicant's Illinois Residency. The proof must consist of at least two residency records.

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Residency will be verified at the time of application to the Program and certified by the borrower at closing. The Department may require more than two residency records to confirm eligibility.

- ii) **Owner Information.** If the Business Applicant's eligibility is based on the majority of its owners having resided in a Disproportionately Impacted Area, the Business Applicant shall provide, for each owner who is relevant to the eligibility determination, the following:
- at least two residency records that establish residency in a Disproportionately Impacted Area for 5 of the 10 years preceding the application; and
 - organizational and ownership records requested by the Department.
- iii) **Eligibility Documentation.** If the Business Applicant's eligibility is based on the majority of its owners having been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or being a member of an impacted family, the Business Applicant shall provide, for each owner who is relevant to the eligibility determination, a record of the arrest, conviction or adjudication from the responsible legal authority. If an owner is a member of an impacted family, the Business Applicant may be required to provide proof (e.g., copies of birth certificates or other records) of the owner's relation to the individual who was arrested for, convicted of, or adjudicated delinquent for such an offense.
- iv) **Employee Information.** If the Business Applicant has at least 10 full-time employees at the time of its application, it may be considered a Social Equity Applicant if at least 51% of its full-time employees reside in a Disproportionately Impacted Area or have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or a

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member of an impacted family. A Business Applicant eligible under this criterion shall provide, for each relevant employee:

- a W-2 issued to the employee by the Business Applicant and the two most recent pay stubs if the employee was first employed by the Business Applicant prior to January 1, 2019. If an employee was first employed by the Business Applicant after January 1, 2019, then the Business Applicant may provide a copy of the W-4 and the two most recent pay stubs. "Most recent" means the two regular pay periods most proximate to the date the application is submitted to the Department. In lieu of W-4s, a Business Applicant may submit copies of the New Hire Reporting Form that it submitted to the Illinois Department of Employment Security for that employee;
 - the Business Applicant's most recent payroll run; and
 - the residency records for the employee or the arrest, conviction or adjudication records. If the employee is a member of an impacted family, the Business Applicant shall also provide proof of the employee's relation to the individual who was arrested for, convicted of, or adjudicated delinquent for an offense eligible for expungement under the CI Act.
- v) Impact of Cannabis-Related Laws. The Business Applicant shall provide a brief narrative of how the Business Applicant, its owners, or its employees were directly and adversely impacted by the enforcement of cannabis-related laws and any supporting documents (e.g., criminal history or case records, affidavits of impacted individuals, public records and news articles; evidence of business or employment opportunities being denied because of criminal history, etc.).

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- vi) Maintenance of Status. A statement that a Business Applicant approved for a conditional commitment letter will maintain its status as a Social Equity Applicant.
- 2) Company Information
- A) History of the Company. A brief history of the Business Applicant and the employee headcount in each year the business has been in operation (limited to the past five years). If the Business Applicant has been in operation for less than one year, only the current headcount is required.
 - B) Market Information/Business Plan. To the extent available, information on the Business Applicant's intended products or services and identification of existing and potential major customers and competitors. A Business Applicant may substitute a general business plan for a market analysis.
 - C) Project Summary. A description of what the Business Applicant intends to do if it receives a license under the Act and funding under the Program, including the type of license the Business Applicant is seeking under the Act and when it was applied for or when the Business Applicant plans to apply for it.
 - D) Need for Funds. A statement and any supporting justification of a need for support under the Program. The request shall also identify the amount of financial support it seeks from the Department. The request shall also detail how funds borrowed from the Department could be secured and repaid (including the anticipated timing for use and repayment of the funds), and how the Business Applicant intends to use any borrowed funds. The Business Applicant should also indicate whether it would prefer a term loan or access to a line of credit under the Program and demonstrate why such an arrangement would be beneficial.
 - E) Financial Information. If the Business Applicant has been operating for more than six months, it shall provide historic financial statements for each of the past three years (to the extent it

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was operating), if the Business Applicant is not a new plant start-up or new business opportunity (i.e., has not been in operation for more than six months), and interim statements dated no more than 90 days prior to application that include:

- i) profit and loss (income) statements;
 - ii) balance sheets; and
 - iii) disclosure of contingent liabilities (if applicable).
- F) Five-Year Projections. Five-year projections of the profit and loss statement and a breakdown of projected expenses and monthly cash flow over a five-year period.
- G) Site Map (if known). An outline of the general location of the project on a site map, including the location of any floodplain areas. If the site is not known at the time of application, potential sites may be submitted.
- H) Description of Machinery and Equipment (if applicable). Major equipment or classes of equipment to be acquired with the Department's Program funds identified; for acquisition of new machinery and equipment, attachments of reliable vendor cost estimates; for moving and installation costs, attachments of written estimates; and for used machinery and equipment acquisition, an appraisal demonstrating that the fair market value is in line with the purchase price, and a specific description of the equipment, including serial numbers if available.
- I) Company Management. A listing of those individuals who are responsible for the management of the company, their positions and responsibilities, and resumes of key senior individuals (e.g., owner, partner, president, vice president, treasurer) at the company location. Also include information about any long-term management or operational support from investors, incubators, or community-based organizations (or other sources of external support).

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- J) Organizational and Ownership Records. As to the extent the Business Applicant did not provide organizational and ownership records as part of application, the Business Applicant shall provide organizational and ownership records sufficient to explain the legal structure of the Business Applicant's business and to identify all owners and persons having a beneficial interest in the applicant and its business.
 - K) Letters of Commitment (if any). Commitment letters documenting all sources of funding. Loans from investors or lenders must have language indicating the investment or loan amount, the specified term and interest, collateral, conditions attendant to the investment or loan, and whether the investment or loan is approved or contingent.
 - L) Any additional records or information to verify eligibility.
- b) The Department may, at its discretion, accept documentation in place of records listed in subsection (a)(1) when the record has been destroyed, lost, or is otherwise unavailable in the time needed to apply to the Program and for licensure under the Act.
 - c) Should any information change between the time of application submission and the time the Department and the Business Applicant enter into an Agreement, the Business Applicant shall notify the Department of any change.

**Section 650.35 Business Loan and Financial Assistance Application Evaluation
EMERGENCY**

The Department will evaluate eligible applications taking into consideration funding available for the Program, demand to participate in the Program, and availability of licenses under the Act. The Department will also consider a Business Applicant's creditworthiness, the potential economic benefit of the project, and the extent to which a Business Applicant demonstrates that the company, its owners, or its employees have been directly and adversely impacted by the enforcement of cannabis-related laws. Specific terms of any loan or line of credit, including the amount, interest rate, security required, and performance measures, will be determined based on the needs and risk profile of each Business Applicant.

- a) The Department will only evaluate completed applications. The Department will

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deem an application complete only after it has received all information it has requested from the Business Applicant.

- b) General Criteria for Evaluating Applications. The Department will screen all applications to determine that all requirements of the application package have been addressed. A Business Applicant will be notified of deficiencies in its application and given an opportunity to correct any deficiencies through submission of additional documentation. Department staff will conduct a technical and financial evaluation of each application.
- 1) Technical Evaluation. Each application will be reviewed to determine whether issuance of a loan or line of credit will further the goals of the General Assembly as set forth in Section 7-1 of the Act. The evaluation will address the following criteria:
- A) Evidence of Need for Program Funding. The Business Applicant must demonstrate the need for Program funds, including evidence that a loan or line of credit will improve the likelihood of the Business Applicant receiving a license under the Act or that the Business Applicant faces barriers to obtaining sufficient working capital to maintain licensure or operate a successful business without the Department's support. The Department will also evaluate whether the proposed use of funds is consistent with the purposes of the Act.
- B) Project Implementation Readiness. The Business Applicant must demonstrate project readiness, including identifying loans and investments from all lenders and investors (or any such investment that is contingent on receipt of a license or conditional commitment letter); a time schedule for project initiation; commitments from material project partners; and cost estimates that support proposed project costs.
- C) Employment Impact. The application shall provide evidence of: employment impact/opportunity (e.g., potential job creation), including a description of the type and the number of any jobs to be created; the average salary or wage of each position category; and any evidence that the jobs will generate additional wealth or employment opportunities for persons living in Disproportionately

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Impacted Areas or who have been adversely impacted by the enforcement of cannabis-related laws.

- D) **Social Equity Applicant Status.** The Business Applicant must demonstrate that it falls within the definition of Social Equity Applicant. It must also demonstrate that its owners or employees have been directly and substantially adversely impacted by enforcement of cannabis-related laws. Funding may be prioritized for Business Applicants with owners who have arrests or convictions for offenses eligible for expungement under the CI Act. The Department will also consider the extent to which the Business Applicant demonstrates a commitment to retain, hire and promote residents of Disproportionately Impacted Areas or other persons directly and substantially adversely impacted by the enforcement of cannabis-related laws.
- 2) **Financial, Management, and Operational Evaluation.** The Department will conduct an analysis of the Business Applicant's financial information, which may consider the liquidity and debt coverage for the project, ability of the company to manage debt, business trends, and projected earnings. The Department will also consider the extent to which the Business Applicant demonstrates commitments from investors, incubators, community-based organizations, or other external partners to provide long-term operational or management support to the Business Applicant to enable it to secure and maintain licensure. The Department may consider the credit risk of the Business Applicant's owners and officers and the presence of management or a workforce with experience in the cannabis business or comparable industries.

**Section 650.40 Selection for Funding
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- a) Applications that best meet the objectives of the Program and demonstrate the greatest potential for benefit to persons and communities directly and adversely impacted by enforcement of cannabis-related laws may be issued conditional commitment letters or approved to participate in the Program. The conditional commitment letters may be provided to and relied upon by DFPR or DOA in scoring applications for licensure under the Act. The conditional commitment letters will indicate that the Business Applicant is eligible for funding under the

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Program if it is issued a license under the Act. The amount of funding will be expressed as a minimum amount, but the total funding amount will be determined after licenses have been issued.

- b) **Funding Terms.** The amount of funding available to a Business Applicant, the repayment terms, the applicable interest rates, and other terms will be determined after the Business Applicant is verified to be a Qualified Social Equity Applicant.
- c) **Conditions to Close.** To proceed to closing, a Qualified Social Equity Applicant must maintain its eligibility for the loan or line of credit and comply with all pre-closing instructions. The Department will verify that the Business Applicant remains eligible prior to closing, and it may decline issuance of a loan or line of credit if the Business Applicant ceases to be a Social Equity Applicant, if funding from the Department is not necessary due to additional investment in the company post-license issuance, or if the Business Applicant is unable to fulfill all terms of the loan or line of credit agreement.

**Section 650.45 Loan and Financial Assistance Administrative Requirements
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- a) **Agreement.** A borrower must comply with all terms of the loan or line of credit Agreement, as applicable. A borrower must be able to make all representations, warranties, and covenants set forth in the Agreement. In the event of default under the Agreement, the Department and the borrower may enter into a forbearance agreement at the sole discretion of the Department.
- b) **Security.** The Department may protect its interests in the event of default by requiring personal guarantees from the borrower's principals (all individuals/entities owning or controlling 20% or more of the borrower) or other persons with a material interest in the borrower.
- c) **Use of Proceeds.** The funding made available is to be used for the borrower's ordinary and necessary expenses to start and operate a cannabis business establishment. Proceeds may not be used on capital expenditures unless otherwise approved by the Department.
- d) **Payments.** Payments shall be due and payable to the Department in the method and times specified in the Agreement. Unless otherwise provided in the Agreement, all payments shall be applied first to interest and then to principal on

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all simple interest loans. All payments on amortized loans will be applied to the amortization schedule as stated.

- e) Reporting. A borrower shall provide, at least quarterly, information and reports required by the Department (e.g., reports on job creation/retention; uses of proceeds; financial statement of assets and liabilities; statements of status as a Qualified Social Equity Applicant; and changes in owners, officers and directors).
- f) Monitoring and Evaluation. A borrower must permit any agent authorized by the Department, the Illinois Attorney General, the Illinois Auditor General, or any other legal authority, upon presentation of credentials, to have full access to and the right to examine any documents, papers, and records of the borrower involving transactions related to the Program.
- g) Records. A borrower shall keep detailed records of the project and the use of proceeds. A borrower of more than \$100,000 is required to furnish to the Department, with the submission of financial statements following the expenditure of project funds, a copy of any audit reports received during a specified period. The Department, pursuant to the Agreement, may require a borrower to undergo an audit to verify the use of loan or line of credit proceeds.
- h) Performance Requirements. The Department may require a borrower to meet certain economic development objectives (e.g., create a minimum number of full-time jobs within a certain time or achieve certain job quality standards identified in an Agreement).
- i) Transfer of License. Loans and lines of credit will not be transferrable, and any outstanding amount owed by a borrower at the time of a transfer of its license shall be paid by the new license holder, along with any waived fees. (See Section 7-25 of the Act.)
- j) Confidentiality. Any documentary materials or data made available or received by the Department or any agent of the Department shall be deemed confidential and shall not be deemed public records to the extent that the materials or data consists of trade secrets, commercial or financial information regarding the operation of the business conducted by the applicant or borrower, or any information regarding the competitive position of a business in a particular field of endeavor, or any information, the disclosure of which would be an unwarranted invasion of personal privacy (e.g., criminal history record information or information about the impact

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of the enforcement of cannabis-related laws on a specific person or family). Nothing in this subsection shall prevent the Department from sharing information with other governmental entities. The names of borrowers and the amounts of any financial assistance shall be considered a public record.

ILLINOIS GAMING BOARD

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- 1) Heading of the Part: Sports Wagering
- 2) Code Citation: 11 Ill. Adm. Code 1900
- 3)

<u>Section Numbers:</u>	<u>Emergency Actions:</u>
1900.110	New Section
1900.120	New Section
1900.130	New Section
1900.150	New Section
1900.160	New Section
1900.210	New Section
1900.220	New Section
1900.230	New Section
1900.240	New Section
1900.250	New Section
1900.260	New Section
1900.270	New Section
1900.310	New Section
1900.320	New Section
1900.330	New Section
1900.500	New Section
1900.510	New Section
1900.520	New Section
1900.530	New Section
1900.700	New Section
1900.710	New Section
1900.715	New Section
1900.720	New Section
1900.730	New Section
1900.735	New Section
1900.740	New Section
1900.750	New Section
1900.760	New Section
1900.770	New Section
1900.780	New Section
1900.790	New Section
1900.795	New Section
1900.810	New Section
1900.815	New Section