



# New Illinois Legalization Bill Means Unprecedented Social and Criminal Justice Reform

The most historic aspect of the Cannabis Regulation and Tax Act is not that it legalizes cannabis for adults, but rather the extraordinary efforts it takes to reduce the harm caused by the failed war on marijuana and the people it affected. This measure is the biggest step forward in social and criminal justice reform anywhere in the country, inside or outside the issue of cannabis reform.

The measure does several things. First, it removes harmful marijuana offenses from criminal histories. Second, it creates opportunities for those who were impacted. Finally, it provides benefits to communities that were hardest hit by the war on cannabis.

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## Undoing the past through expungement:

1. Under the Cannabis Regulation and Tax Act, an astonishing 770,000 cannabis records could be impacted, qualifying individuals to have them removed from criminal histories.
2. The measure takes the former offenses made legal for adults and **automatically** removes them from the criminal histories of those who were convicted of them. These apply to cases involving possession of up to 30 grams of cannabis, except where they also involve violent offenses.
3. For cases between 30 and 500 grams, there will be a **streamlined clemency process** and assistance from legal aid groups to remove convictions from criminal histories.

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## Creating opportunity in the future:

The social equity provisions in the Cannabis Regulation and Tax Act go well beyond expungement. The bill also includes significant opportunities and resources for those seeking to enter the regulatory system:

### Social Equity Applicants

- The new law establishes a “social equity applicant,” which is a person who was arrested or convicted of a minor cannabis offense, or who is related to someone who was. It can also be a person who lives in or has ties to a community with high rates of poverty and has been disproportionately impacted by the war on cannabis. This can include those individuals living in such an area now, or five of the last 10 years.
- A disproportionately impacted area is an area with high rates of arrest, conviction, and

incarceration related to cannabis-related offenses, along with at least one of the following:

- Experiences a poverty rate of at least 20%;
  - At least 75% of the children in the area participate in the federal free lunch program;
  - At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
  - The area has an average unemployment rate over 120% the national unemployment average.
- Those who qualify as social equity applicants can qualify for:
    - Access to the Cannabis Business Development Fund to help defray start-up costs associated with entering the licensed cannabis industry. These include a 50% reduction of the non-refundable license application and any non-refundable fees, along with loans and other financial incentives.
    - A significant points advantage compared to other applicants for licenses.

### Cannabis Business Development Fund

- The bill establishes a Cannabis Business Development Fund, paid for by licensed cannabis businesses that operate during the transition period before new businesses start to operate. The fund — which will start at \$12 million by July 2019, and is anticipated to grow to \$30 million — will be used for the following
  - Pay for outreach to attract qualified business license applicants
  - Assist with job training and technical assistance for residents in disproportionately impacted areas
  - Offset waived or reduced administrative fees for applicants and licensees
  - Provide low-interest loans and grants to help new businesses get started and operate
  - Conduct a study to evaluate whether the program is sufficiently accessible to social equity applicants, in addition to minorities, women, veterans, or people with disabilities
- Financial benefits and other key data will be provided to the governor and members of the General Assembly to determine who benefitted, what works, and what may need to change to ensure fairness.

### Greater Opportunity

- In addition to assistance entering the regulated cannabis industry, there is more opportunity available with a wider range of business licenses.
  - Beginning in October 2019, applications for up to 75 additional dispensaries for adult consumers will be available.
  - Up to 40 licenses for a new type of cultivator — a craft grower — will be available in the first year, with further growth possible. Applications will be available in January 2020.
  - Similarly, up to 40 processor licenses, in which businesses create products made with cannabis, will be available during the first year, with applications also starting in January 2020.
  - A transporter license will also be available the first year, without limits on the total number operating
  - Following a market study, the state can also add more licenses of all types, including top-tier cultivation licenses, called cultivation centers.
  - A training program will be established and made available in community colleges to allow students access to hands-on learning with the plant in areas that are disproportionately impacted.

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## **Helping disadvantaged communities:**

While the new program will help those entering the industry, the Cannabis Regulation and Tax Act also provides benefits directly to disadvantaged communities.

### Recovery, Reinvest, Renew

- The Recovery, Reinvest, Renew (3R) program provides resources directly to community groups to offer services in communities that were disproportionately impacted by violence, poverty, and uneven enforcement of cannabis-related laws.
- 25% of the funds generated from tax revenue and licensing fees will be available for the program.
- The 3R program will initiate a study to determine which areas have been impacted to determine which areas qualify.
- A state oversight board will consider and review proposals presented for assistance.