



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5582

Introduced 2/13/2026, by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

410 ILCS 705/7-20

Amends the Cannabis Regulation and Tax Act. Requires waiver of 50% of any nonrefundable license application fees, any nonrefundable fees associated with purchasing a license to operate a cannabis business establishment, and any surety bond or other financial requirements for a Social Equity Applicant who promises to open and operate the business in a Disproportionately Impacted Area and who promises to hire and employ at least 40% of all employees and contracted labor from persons residing in or headquartered in the Disproportionately Impacted Area where the business will be located. Provides that a breach of a promise by an applicant under those provisions shall constitute a violation of the Act. Provides that fee waivers or other requirement waivers under 2 different specified provisions relating to Social Equity Applicants may not be cumulative, and an applicant who qualifies under both may only choose one.

LRB104 18243 BDA 31682 b

1 AN ACT concerning health.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Section 7-20 as follows:

6 (410 ILCS 705/7-20)

7 Sec. 7-20. Fee waivers.

8 (a) For Social Equity Applicants, the Department of
9 Financial and Professional Regulation and the Department of
10 Agriculture shall waive 50% of any nonrefundable license
11 application fees, any nonrefundable fees associated with
12 purchasing a license to operate a cannabis business
13 establishment, and any surety bond or other financial
14 requirements, provided a Social Equity Applicant meets the
15 following qualifications at the time the payment is due:

16 (1) the applicant, including all individuals and
17 entities with 10% or greater ownership and all parent
18 companies, subsidiaries, and affiliates, has less than a
19 total of \$750,000 of income in the previous calendar year;
20 and

21 (2) the applicant, including all individuals and
22 entities with 10% or greater ownership and all parent
23 companies, subsidiaries, and affiliates, has no more than

1 2 other licenses for cannabis business establishments in
2 the State of Illinois.

3 (a-5) For Social Equity Applicants, the Department of
4 Financial and Professional Regulation and the Department of
5 Agriculture shall waive 50% of any nonrefundable license
6 application fees, any nonrefundable fees associated with
7 purchasing a license to operate a cannabis business
8 establishment, and any surety bond or other financial
9 requirements, if the Social Equity Applicant meets the
10 following qualifications at the time the payment is due:

11 (1) the applicant promises to open and operate the
12 business in a Disproportionately Impacted Area; and

13 (2) the applicant promises to hire and employ at least
14 40% of all employees and contracted labor from persons
15 residing in or headquartered in the Disproportionately
16 Impacted Area where the business will be located.

17 A breach of a promise by an applicant under this
18 subsection shall constitute a violation of this Act.

19 (b) The Department of Financial and Professional
20 Regulation and the Department of Agriculture may require
21 Social Equity Applicants to attest that they meet the
22 requirements for a fee waiver as provided in subsection (a) or
23 (a-5) and to provide evidence of annual total income in the
24 previous calendar year or any other evidence or covenant
25 required. Fee waivers or other requirement waivers under
26 subsections (a) and (a-5) may not be cumulative, and an

1 applicant who qualifies both under subsections (a) and (a-5)
2 may only choose one.

3 (c) If the Department of Financial and Professional
4 Regulation or the Department of Agriculture determines that an
5 applicant who applied as a Social Equity Applicant is not
6 eligible for such status, the applicant shall be provided an
7 additional 10 days to provide alternative evidence that he or
8 she qualifies as a Social Equity Applicant. Alternatively, the
9 applicant may pay the remainder of the waived fee and be
10 considered as a non-Social Equity Applicant. If the applicant
11 cannot do either, then the Departments may keep the initial
12 application fee and the application shall not be graded.

13 (Source: P.A. 101-27, eff. 6-25-19.)