



September 6, 2024

10(B) Dispensary - Process to Obtain Certificate of Operation

The Division of Cannabis Control (DCC or Division) is issuing the following guidance to 10(B) dispensary applicants regarding the process and requirements to obtain a 10(B) Dispensary Certificate of Operation.

The Division has begun the process of issuing provisional licenses to 10(B) applicants who have met the requirements regarding site control, local zoning, and compliance with the 500-foot rule, as described [here](#).

A provisional license must be issued before an applicant can be considered for a Certificate of Operation. A provisional license does **not** permit the holder to sell cannabis. The provisional license is simply issued as a placeholder while the provisional licensee works to meet the requirements to obtain a Certificate of Operation.

The following is intended to assist licensees in preparing to become operational but is not exhaustive. Provisional licensees must follow all requirements of the Ohio Revised Code (O.R.C.) 3780 and 3796; the rules adopted pursuant to those chapters; and all guidance issued by the Division whether specifically mentioned in this guidance or not.

The Division will provide further guidance as necessary.

As a reminder, pursuant to Ohio Administrative Code (O.A.C.) [1301:18-2-06\(M\)](#), 10(B) dispensaries must obtain a Certificate of Operation within 12 months of the issuance of a provisional license.

RULE REQUIREMENTS & VARIANCE REQUESTS

The guidance provided below is based on the Division's proposed rules in O.A.C. Chapter 1301:18. While the Division believes it is likely that these rules will be effective before most 10(B) dispensaries are ready to operate, in the event that a 10(B) dispensary believes they will be ready to operate before the effective date of any new rules, but wishes to build and operate their facility in line with these rules, the dispensary will need to request a variance within the [eLicense portal](#) from the current rule requirements in O.A.C. 3796:6. **Please submit all of your requests within one submission.**

FLOOR PLANS

Dispensaries are required to establish, maintain, and comply with written policies and procedures for the daily operation and distribution of cannabis. Pursuant to proposed O.A.C. [1301:18-8-02](#), dispensaries must establish areas in the facility that are compartmentalized based upon function, which at a minimum includes the designated retail space and secure limited access areas. It is the dispensary's responsibility to ensure that the dispensary retail floor is not accessed by



unauthorized individuals under 21 years of age, and that the secure limited access areas are not accessed by unauthorized individuals. Additionally, dispensaries must ensure appropriate measures are in place to prevent the theft, loss, or diversion of cannabis.

10(B) provisional licensees must submit proposed facility floor plans to the Division for review and approval before a Certificate of Operation may be issued. Floor plans must include, at a minimum, the facility layout and room dimensions, labels indicating what each area is, and labels indicating secure limited access areas and the retail area. It must also include security features such as camera placement and access controls.

Floor plans must be submitted to DCCCompliance@com.ohio.gov with the subject line *"Business Name – 10(B) Dispensary Provisional License Number – 10(B) Dispensary Floor Plan."*

Once a floor plan is approved, the Division expects the licensee to build in accordance with that approved plan. Changes to it must be approved in writing by the Division. Depending on the circumstances a Change of Operations or Variance request may be required. Please direct any questions to DCCCompliance@com.ohio.gov.

Secure Limited Access Areas

Pursuant to proposed O.A.C. [1301:18-8-02](#), dispensaries must designate areas within the facility that are compartmentalized based upon function, which includes designated secure limited access areas that are accessible only by authorized employees.

Secure limited access areas shall include:

- A storage area for all cannabis, cannabis paraphernalia, and any other inventory;
- A security area for all security and surveillance systems and equipment;
- A cannabis destruction and disposal area that complies with proposed O.A.C. [1301:18-3-12](#); and,
- An area for receipt of all deliveries to the facility.

All secure limited access areas must be constantly monitored, video surveilled, and meet all requirements under proposed O.A.C. [1301:18-8-05](#).

Each dispensary must post conspicuous signage at all secure limited access areas stating "Do not enter – Restricted Access Area – Access Restricted to Authorized Employees Only."

Unless otherwise authorized by the Division, no dispensary may create or allow photographs, videos, or other media depicting any secure limited access area.

These are the requirements and standards that must be met under proposed O.A.C. 1301:18-8-02. The proposed rule does **not** specifically require vaults, day storage, passthrough windows, or secured delivery bays. However, the secure limited access area must meet the standards laid out in the proposed rules.



Retail Area

Each dispensary shall maintain a designated retail area.

- Each designated retail area must be secure and video surveilled pursuant to O.A.C. [1301:18-8-05](#) to prevent diversion, theft, loss, or unauthorized access by the public.
- No cannabis, cannabis paraphernalia, or other inventory may be maintained in the designated retail area.
- Within the retail area, each dispensary shall establish a secure limited access area that is physically separated from the remainder of the retail area and is accessible only by authorized registered employees. This area must:
 - Maintain all cash registers or other points of sale; and
 - Ensure any cannabis, cannabis paraphernalia, or other inventory maintained in the area is limited in quantity, separately secured to prevent theft, and not visible from outside the facility.
 - Inventory may be considered secured if an authorized registered employee is physically present in that secure limited access area or the inventory is locked in a secure storage compartment.
 - No person under the age of 21 who is not a medical marijuana patient is permitted to access a dispensary's retail area. Dispensaries must have procedures in place to verify identification to prevent unauthorized access.

These are the requirements and standards that must be met under proposed O.A.C. 1301:18-8-02. The proposed rule does **not** specifically require man traps, lobbies, or consultation rooms. However, the retail area must meet the standards laid out in the proposed rules.

Location of Facility Situated on Parcel

The floor plans submitted must also indicate the location where the facility will be situated relative to the parcel of land. As a reminder, if an applicant submitted coordinates as part of their 10(B) Facility Site Location application, the location of those coordinates must be located within the facility.

Drive-Thru & Curbside Pickup

A dispensary may propose to utilize both a drive-up window and curbside pickup. Standards for both can be found in proposed O.A.C. [1301:18-8-02](#)(J) and (K).

SECURITY & SURVEILLANCE REQUIREMENTS

Minimum security and surveillance requirements for dispensaries, as proposed by the Division, can be found in O.A.C. [1301:18-8-05](#).



All dispensaries must meet the minimum security and surveillance requirements before a Certificate of Operation may be issued.

OTHER REQUIREMENTS FOR CERTIFICATE OF OPERATION

10(B) provisional dispensary licensees will also be required to submit and/or maintain the following prior the issuance of a Certificate of Operation:

- Ownership, Financial Interest, and Control documentation – O.A.C. [1301:18-3-04](#)
- Evidence of financial responsibility – O.A.C. [1301:18-3-08](#)
- Secretary of State certificate(s) evidencing both the licensed entity and any registered tradenames – O.A.C. [3796:6-2-02](#)
- Certificate of Operation Fee (\$70,000) – O.A.C. [3796:6-5-01](#)
 - One Certificate of Operation fee will be assessed per license following the completion of a successful inspection

Employee Badging & Responsible Parties

All owners, officers, board members, administrators, individuals responsible for the daily operation of the facility, employees, and agents of the licensee must obtain an employee badge from the Division prior to the commencement of business. All of these individuals must also submit fingerprints for both an FBI and BCI background check.

Each dispensary must also designate at least one and up to three responsible parties, pursuant to proposed O.A.C. [1301:18-8-03](#).

- The designated responsible party manages the facility's daily operations and ensures compliance with all standard operating procedures.
- A designated responsible party is to be physically present at the licensed premises for at least 20 hours per week and be immediately available to communicate with dispensary staff or the Division during any operating hours when they are not physically present.
- See proposed O.A.C. [1301:18-8-03](#) for further information and requirements of designated responsible parties.

Tax Responsible Party Form

As part of the 10(B) dispensary application process applicants submitted the Authorization to Release Tax Information form. The Division will work with the Department of Taxation to establish your Adult Use Cannabis Tax registration concurrent with the dispensary's initial Certificate of Operation date.



To complete this process, the licensee must submit the [Adult Use Cannabis – Responsible Party form](#) directly to the Department of Taxation. If you have any questions, you will need to [contact](#) the Department of Taxation directly.

Inspection

A provisional dispensary licensee must notify the Division once it is capable of operating and before selling, transferring, or distributing any cannabis. The licensee must not request an inspection until it is fully ready to operate, meaning all compliance, licensing, and other requirements have been met. The dispensary will be inspected to ensure it is capable of operating in accordance with Ohio Revised Code 3780 and 3796, and the rules promulgated pursuant to those chapters.

If the inspection is not satisfactory, the dispensary will be notified of necessary corrective actions. A dispensary may not request another inspection until all of those corrective actions have been completed. Once the dispensary notifies the Division that the corrective actions have been completed, the Division will schedule another inspection, which may occur 30 calendar days following the request.

Inspections will cover, among other things, operating procedures, the point-of-sale system to correctly process a medical and non-medical sale, appropriate security and surveillance coverage pursuant to O.A.C. [1301:18-8-05](#), and employee badging and responsible party designation.

The Division will provide further guidance and updates as necessary. Any questions must be directed to DCCCompliance@com.ohio.gov.