

Ohio Division of Cannabis Control Rules Language:

Rule Package 1

Table of Contents:

- OAC 3796:7-3-01 rescission of patient and caregiver fees – Page 1
- OAC 3796:5-1-01 reduction in chapter 3796 processor fee – Page 2
- Adult Use Applications – Page 2-10
 - OAC 1301:1 Definitions – Page 2-3
 - OAC 1301:2 Applications Page 3-10
- OAC 3796:5-2-04 Provisional Employee Applications Page 10

Rescission of Patient and Caregiver Fees

***** TO BE RESCINDED *****

OAC 3796:7-3-01: Medical marijuana patient and caregiver fee structure

- ~~(A)~~ The following non-refundable fees shall be paid to the state board of pharmacy:
 - ~~(1)~~ The annual fee for a patient registration is fifty dollars. One application fee must be submitted with each application.
 - ~~(2)~~ The annual fee for a caregiver registration is twenty-five dollars. One application fee must be submitted with each application.
- ~~(B)~~ The state board of pharmacy may reduce registration fees to fifty per cent of the full registration price for a prospective patient who qualifies for indigent or veteran status, and any prospective caregiver for such a patient. To qualify the patient must be a patient who is:
 - ~~(1)~~ Enrolled in the federal "Social Security Disability Income" (SSDI) or the "Supplemental Security Income" (SSI) disability programs. To qualify for a reduced registration fee due to enrollment in either SSDI or SSI programs, the prospective patient shall submit to the state board of pharmacy a copy of a letter or other documentation from the United States social security administration demonstrating the:
 - ~~(a)~~ Identity of the patient; and
 - ~~(b)~~ Amount of monthly SSDI and SSI benefits to be received by the prospective patient during the current year of the registration submission.
 - ~~(2)~~ A veteran. To qualify for a reduced registration fee due to veteran status, the prospective patient shall submit to the state board of pharmacy a copy of any of the following documents. All acceptable proof documents, except veterans identification card, must show the veteran status as honorable, general, general under honorable conditions, or discharged or released under conditions other than dishonorable.
 - ~~(a)~~ Department of defense identification card (active, retired, temporary disability retirement list (TDRL));
 - ~~(b)~~ DD214, DD215, or national guard bureau (NGB) military discharge certificate indicating disposition of discharge;

- ~~(c) Report of separation from the national archives national personnel records center in St. Louis, Missouri; or~~
- ~~(d) Veterans identification card from the department of veterans affairs.~~

Reduction in Chapter 3796 Processor Fee

OAC 3796: 5-1-01 Fees

- ***
- (C) A cultivator, processor, or testing laboratory awarded a certificate of operation by the department shall renew on an annual basis from the date the certificate of operation is issued and shall submit the following non-refundable fees:
 - (1) Level I cultivator certificate of operation renewal fee shall be two hundred thousand dollars.
 - (2) Level II cultivator certificate of operation renewal fee shall be twenty thousand dollars.
 - (3) Processor certificate of operation renewal fee shall be **fifty thousand dollars.**~~one hundred thousand dollars.~~
 - (4) Testing laboratory certificate of operation renewal fee shall be twenty thousand dollars.

Chapter 3780 Initial Applications

(All section numbers and citations subject to change)

1301:18-1-01 Definitions:

- (A) "Abandoned Application" means an application submitted pursuant to this chapter which does not meet the minimum eligibility requirements for review, or is otherwise deemed abandoned pursuant to this chapter, and is removed from the application process.
- (B) "Disqualifying offense" means a conviction or plea of guilty, including conspiracy to commit, attempt to commit, or aiding and abetting another in committing, the following:
- (1) Any offense set forth in Chapters 2925, 3719, or 4729 of the Revised Code, the violation of which constitutes a felony or a misdemeanor of the first degree;
 - (2) Any theft offense set forth under division (K) in section 2913.01 of the Revised Code, the violation of which constitutes a felony;
 - (a) Any violation for which a penalty was imposed under section 3715.99 of the Revised Code;
 - (b) A crime of moral turpitude as defined in section 4776.10 of the Revised Code; or
 - (c) A violation of any former law of this state, any existing or former law of another state, any existing or former law applicable in a military court or Indian tribal court, or any existing or former law of any nation other than the United States that is or was substantially equivalent to any of the offenses listed in paragraphs (a)(iv) to (a)(iv) of this definition.

- (3) Any first degree misdemeanor offense listed in paragraphs (a)(i) to (a)(v) of this definition will not automatically disqualify an applicant from licensure if the applicant was convicted of or pleaded guilty to the offense more than five years before the date the application for licensure is filed.
 - (4) Notwithstanding paragraph (1) or (2) of this definition, no misdemeanor offense, including misdemeanors of the first degree, related to cannabis possession, cannabis trafficking, illegal cultivation of cannabis, illegal use or possession of drug paraphernalia or cannabis drug paraphernalia, or other cannabis related crimes shall be considered a disqualifying offense.
- (C) “Dual-use license” means a license issued by the division that allows:
- (1) A cultivator to engage in all permissible activities outlined under sections 3796.18, 3780.12, and 3780.13 of the Revised Code.
 - (2) A processor to engage in all permissible activities outlined under sections 3796.19 and 3780.14 of the Revised Code.
 - (3) A testing laboratory to engage in all permissible activities outlined under sections 3796.21 and 3780.16 of the Revised Code.
 - (4) A dispensary to engage in all permissible activities outlined under sections 3796.20 and 3780.15 of the Revised Code.

1301:18-2-01 Applications Generally

- (A) The division shall provide notice in advance of its intent to accept applications for licensure. The application notice shall be published on the division’s internet website and contain the following information:
- (1) The type of applicants authorized to apply;
 - (2) Requirements for a complete application including:
 - (a) A list of all application information and materials needed; and
 - (b) Requisite non-refundable application fee.
 - (3) Minimum eligibility requirements for licensure;
 - (4) The deadline to submit an application;
 - (5) The number of available licenses, if applicable;
 - (6) Any geographical or regional considerations associated with the available licenses; and
 - (7) Any other criteria the division determines is necessary for the issuance of licenses.

1301:18-2-02 Authorized Initial Application Periods

- (A) The following applicants are authorized to file an application for licensure with the division:
- (1) Cultivators, processors, testing laboratories, and dispensaries currently licensed as a chapter 3796 medical marijuana facility seeking license conversion to a dual-use license as defined by **Ohio Admin. Code 1301:18-1-01(A)**.
 - (2) Entities eligible for a 10(B) dispensary license as established by Ohio Admin. Code 1301:18-2-06.
- (B) All application materials for the applicants authorized to apply in accordance with paragraph A of this rule will be published no later than June 7, 2024.

1301:18-2-03 Cannabis Social Equity and Jobs Program

- (A) In accordance with sections 3780.18 and 3780.19 of the Revised Code and coordination with the department of development cannabis social equity jobs program, the division shall provide notice in advance of an application period for which preference shall be given to applicants certified as cannabis social equity and jobs program participants.

1301:18-2-04 Additional Cannabis Operator Licenses

- (A) Following twenty-four months from the first date of issuance of an adult use operator license, the division of cannabis control shall review the number of cannabis operator licenses on a biannual basis and may authorize additional application periods after considering:
 - (1) The current and anticipated market growth and consumer demand, including the number registered patients and adult use consumers seeking cannabis;
 - (2) The current and projected supply of cannabis produced by licensed cultivators and processors; and
 - (3) The geographic distribution of dispensary sites in an effort to ensure patient and consumer access to cannabis.
- (B) These application periods shall comply with Ohio Admin. Code 1301:18-2-01.

1301:18-2-05 Application to Convert Chapter 3796 license to dual-use cannabis license

- (A) Pursuant to 1301:18-2-02(A)(1) a cultivator, processor, testing laboratory, or dispensary that is currently licensed pursuant to chapter 3796 may apply to convert its current medical facility and site to a dual-use facility. To be eligible for conversion, the applicant must comply with all dual-use application requirements outlined under this rule.
- (B) A chapter 3796 licensed entity seeking to convert its current facility to a dual-use facility must submit a complete application on a form as prescribed by the division. This application will demonstrate, at a minimum:
 - (1) The applicant's designated point of contact that shall serve as the main contact for the division for the duration of the application period.
 - (2) Applicant does not have an ownership or investment interest in, or compensation arrangement with:
 - (a) An adult use testing laboratory licensed pursuant to chapter 3780 of the Revised Code; or
 - (b) An applicant for a license to conduct adult use laboratory testing.
 - (3) Applicant does not share any corporate officers or employees with:
 - (a) An adult use testing laboratory licensed pursuant to chapter 3780 of the Revised Code; or
 - (b) An applicant for a license to conduct adult use laboratory testing.
 - (4) Compliance with all applicable tax laws within the state of Ohio;
 - (5) Applicant is not contemporaneously employed by a regulatory agency or governmental entity within the state of Ohio that within that role may significantly influence or control entities licensed under chapters 3796 or 3780 of the Revised Code.
- (C) Upon receipt of a complete application for a dual-use license, the division shall review the application.
- (D) After review of the application, the division may:
 - (1) Approve the application and issue a dual-use provisional license;

- (2) Deny the application; or
 - (3) Advise in writing that the applicant failed to meet all application requirements.
- (E) Upon determination that an applicant failed to meet all requirements of paragraph (B) of this rule, the division shall notify the applicant in writing of all deficiencies contained within the application.
- (F) Within ten business days of receipt of written notification from the division, the applicant shall alleviate all deficiencies outlined and submit any further documentation requested by the division. If an applicant fails to alleviate all deficiencies in the time provided their application will be abandoned by the division.

1301:18-2-06 10(B) Dispensaries

- (A) For purposes of this rule, the following definitions apply:
 - (1) “10(B) applicant” means any cultivator or dispensary who is eligible pursuant to section 3780.10(B) of the Revised Code to apply, and submits an application for, a 10(B) license in accordance with this rule.
 - (2) “10(B) license” means a dispensary license issued pursuant to section 3780.10(B) of the Revised Code and this rule.
 - (3) “Facility site location application” means an application for selection of a facility site for a 10(B) license.
- (B) All 10(B) applicants authorized to apply for 10(B) licensure shall abide by all application requirements outlined under this rule.
- (C) An applicant that fails to abide by all application requirements may have its application eligibility adjusted, or its application abandoned, by the division.
- (D) Distribution of 10(B) application materials shall occur on the division’s internet website located at www.com.ohio.gov/divisions-and-programs/cannabis-control.
 - (1) Any and all updates and ongoing public notices shall be conspicuously posted on the division’s internet website.
 - (2) All 10(B) applicants have a duty to regularly monitor and review all notices provided on the division’s internet website throughout the application process.
- (E) The 10(B) application period shall consist of two phases of site selection.
- (F) Prior to publishing 10(B) application materials, the division shall determine which entities are authorized to apply for 10(B) licensure.
- (G) The division shall notify all authorized entities in writing of the following:
 - (1) That the entity is authorized to apply for 10(B) licensure;
 - (2) The total number of 10(B) licenses for which the entity may apply;
 - (3) The number of licenses an entity is authorized to apply for that are eligible for the phase one site selection process; and
 - (4) The number of licenses an entity is authorized to apply for which are eligible for the phase two site selection process.
- (F) Each entity authorized to apply shall have one 10(B) license eligible for the phase one site selection process.
 - (1) Any additional 10(B) licenses issued to the same entity shall be eligible for the phase two site selection process.

(G) Upon receipt of its authorization to apply, all eligible 10(B) applicants may proceed to the Application Process as outlined by paragraph H of this rule.

(H) The application process is as follows:

- (1) All 10(B) applications shall include the following on a form prescribed by the division that demonstrates or attests the following:
 - (A) The applicant's designated point of contact that shall serve as the main contact for the division for the duration of the application period.
 - (B) The following information for the applicant's point of contact:
 1. Full legal name;
 2. Telephone number that may be utilized during normal business hours;
 3. Electronic mail address; and
 4. Mailing address.
 5. All information provided must be in working order and readily available to receive voice messages, electronic messages, or other communication as applicable.
 - (C) The identity of all of following associated with the applicant:
 1. All current owners, officers, and board members;
 2. All proposed owners, officers, and board members;
 3. All institutional or private investors;
 4. Any individual with a financial interest in the applicant; and
 5. Any individual with significant influence or control over the applicant.
 - (D) Applicant does not have an ownership or investment interest in, or compensation arrangement with:
 1. An adult use testing laboratory licensed pursuant to chapter 3780 of the Revised Code; or
 2. An applicant for a license to conduct adult use laboratory testing.
 - (E) Applicant does not share any corporate officers or employees with:
 1. An adult use testing laboratory licensed pursuant to chapter 3780 of the Revised Code; or
 2. An applicant for a license to conduct adult use laboratory testing.
 - (F) All of the following individuals associated with applicant do not have a disqualifying offense as defined by 1301:18-1-01 which would preclude individual licensure:
 1. Any administrator or individual responsible for the daily operation of the proposed facility;
 2. All owners, officers, and board members, of the applicant seeking licensure; and
 3. All employees and agents of the proposed facility.
 - (G) Applicant will not operate within five hundred feet of a prohibited facility as defined by [RC 3780.01(A)(35)].
 - (H) Compliance with all applicable tax laws within the state of Ohio;
 - (I) Applicant is not contemporaneously employed by a regulatory agency or governmental entity within the state of Ohio that within that role may significantly influence or control entities licensed under chapters 3796 or 3780 of the Revised Code.

(2) A non-refundable application fee in the amount of five-thousand dollars, to be submitted via a method approved by the division; and

(3) Selection of one of the following categories for licensure:

(A) Dual-use cannabis dispensary license.

1. For purposes of this rule, a dual-use license has the same meaning as defined by 1301:18-1-01 of the Administrative Code.
2. Applicants who choose to apply for a dual-use license shall:
 - a. Adhere to all dual-use licensing requirements for a period of four years.
 - b. Ensure that its facility equally serves and accommodates medical patients and caregivers and non-medical consumers alike.
 - c. Ensure ongoing inventory sufficient to maintain an adequate supply of medical marijuana to meet the current demand and projected patient and caregiver population.
 - d. Provide accommodations for medical marijuana patients and caregivers that may be provided in any of the following ways:
 - i. Dedicated hours of operation limited to medical-only patients and caregivers during which non-medical consumers are prohibited from the facility.
 - ii. Expanded options for medical marijuana delivery and online ordering.
 - iii. A point-of-sale accommodation which services medical patients and caregivers prior to adult use consumers.

(B) Adult-use only dispensary license.

1. An adult-use only dispensary license may engage in all permissible activities outlined under section 3780.15 of the Revised Code.

(I) Deficiencies in applications:

- (1) Upon determination by the division that a 10(B) applicant failed to meet all requirements of paragraph (H) of this rule, the division shall notify the applicant in writing of all deficiencies contained within the application.
- (2) Within ten business days of receipt of written notification from the division, the applicant shall alleviate all deficiencies outlined and submit any further documentation requested by the division.
- (3) Should an applicant fail to cure all application deficiencies, the application shall be deemed abandoned.
- (4) The division shall establish a date and time by which all 10(B) applications must be submitted. Any application submitted to the division after the deadline shall be ineligible for licensure and returned to the applicant at the mailing address outlined in the application.

(J) The Division shall conduct a 10(B) Application Drawing as follows:

- (1) The division shall contract with a third-party operator to randomly rank all 10(B) applications.

- (2) 10(B) applicants that choose to apply for a dual-use license shall have two times the number of opportunities of selection in the drawing.
- (3) Drawing process.
 - (A) The third-party operator shall randomly rank all 10(B) applicants, beginning with one and continuing sequentially.
 - (B) All 10(B) applicants shall be ranked numerically in the order in which the application was drawn by the third-party operator. A 10(B) applicant who received two times the opportunities of selection pursuant to 1301:18-2-06(J)(2) will use the higher ranked selection.
 - (C) The third-party operator shall not have access to any information, including the initial applications, that would allow the operator to correlate a 10(B) applicant with its randomly assigned rank.

(K) Phase one site selection shall proceed as follows:

- (1) After the drawing as outlined in paragraph J of this rule, the division shall proceed with phase one site selection. The division shall establish the beginning and end dates of the phase one site selection process.
- (2) Throughout the phase one site selection process, the division shall establish one or more days to publish to all applicants all proposed facility site business addresses received by the division up to the date of publication.
- (3) During phase one site selection, a 10(B) application that is eligible for phase one site selection may submit a facility site location application on a form prescribed by the division.
- (4) The facility site location application shall demonstrate the following:
 - (A) The business address for the proposed facility;
 - (B) The proposed facility site will not be located within one mile of an existing dispensary or the proposed facility site of another 10(B) applicant as published under 1301:18-2-06(K)(2).
 - (C) The proposed facility site is not located within five hundred feet of the end boundaries of a parcel of real estate having situated on it a prohibited facility as defined by [RC 3780.01(A)(35)];
 - (D) The proposed facility site is not subject to any local ordinances or prohibitions from operation as outlined under RC 3780.25];
 - (E) The proposed facility site meets all zoning or other local requirements for operation of a dispensary at the proposed facility site; and
 - (F) Any other information required by the division.
- (5) In the event that more than one 10(B) applicant submits the same facility site, the 10(B) applicant issued the lower rank pursuant to Paragraph J of this rule, will be required to select a different facility site and will be authorized to submit an additional location site application.
- (6) In the event a 10(B) applicant submits a facility site that is within one mile of an existing dispensary or a 10(B) license facility site as published by the division pursuant to Paragraph K(2) of this rule, the 10(B) applicant issued the lower rank pursuant Paragraph J of this rule, will be required to select a different facility site and will be authorized to submit an additional location site application.

- (7) Should a 10(B) applicant fail to comply with all requirements of this paragraph, or fail to submit a facility site application that meets all required criteria by the end of the phase one site selection process, the division may modify the applicant's rank or move the applicant into the phase two of site selection process.

(L) Phase Two site selection.

- (1) After the phase one site selection process, the division will establish regional districts for the phase two site selection process and publish the regional districts to eligible applicants.
- (2) Applicants who are eligible for the phase two site selection process will submit a preference sheet on a form prescribed by the division establishing their ranked order for preferences of regional district for the location of their 10(B) license. The division shall establish a date and time by which all these preference forms must be submitted. Any eligible applicant who fails to submit the required preference form by the date and time established will have their preferences determined by the division.
- (3) After the date identified in Paragraph L(2) of this rule, the division shall notify each eligible 10(B) applicant of its the assigned regional district for its 10(B) license based upon its preferences submitted within its application and its rank in the 10(B) application drawing in Paragraph J of this rule. Applicants who ranked higher in the drawing receiving will receive first choice of regional district.
- (4) After the notification to all applicants pursuant to Paragraph L(3) of this rule, eligible 10(B) applicants may submit a facility site location application on a form prescribed by the division.
- (5) Throughout the phase two site selection process, the division shall establish one or more days that it will publish to all applicants all proposed facility site business addresses received by the division up to the date of publication.
- (6) The facility site location application for phase two site selection shall demonstrate the following:
 - (A) The business address for the proposed facility;
 - (B) The proposed facility site will not be located within one mile of an existing dispensary or the proposed facility site of another 10(B) applicant as published under L(5) of this rule.
 - (C) The proposed facility site is not located within five hundred feet of the end boundaries of a parcel of real estate having situated on it a prohibited facility as defined by [RC 3780.01(A)(35)];
 - (D) The proposed facility site is located within the regional district assigned to the 10(B) applicant pursuant to paragraph L(3) of this rule.
 - (E) The proposed facility site is not subject to any local ordinances or prohibitions from operation as outlined under RC 3780.25;
 - (F) The proposed facility site meets all zoning or other local requirements for operation of a dispensary at the proposed facility site; and
 - (G) Any other information required by the division.
- (7) In the event that more than one 10(B) applicant submits the same facility site, the 10(B) applicant issued the lower rank pursuant to paragraph J of this rule, will be required to select a different facility site and will be authorized to submit a substitute facility site location application.

(8) In the event a 10(B) applicant submits a facility site that is within one mile of an existing dispensary or a 10(B) license facility site as published by the division pursuant to paragraph L(5) of this rule, the 10(B) applicant issued the lower rank pursuant paragraph J, will be required to select a different facility site and will be authorized to submit a substitute facility site location application.

(M) **Provisional licenses.** After receiving a facility site location application from a 10(B) applicant and determining that the applicant has met all requirements for provisional licensure established in Chapter 3780 of the Revised Code and division 1301:18 of the administrative Code, the division shall issue a provisional 10(B) license to the applicant for the facility site identified in the facility site location application.

(N) **Certificate of Operation.** All 10(B) licenses must obtain a certificate of operation within twelve months of receipt of its provisional license.

Provisional Employee ID Badging

NEW OAC 3796:5-2-04 Provisional Employee Identification Cards

- (A) The division may issue an provisional employee identification card to any individual required to obtain an employee identification card pursuant to Ohio Admin. Code 3796:5-2-01, 3796:6-2-07, or 3796:6-2-08.
- (B) Any licensee seeking a provisional employee identification card shall submit the following to the division on behalf of the applicant:
- (1) All employee identification card application materials as required under 3796:5-2-01, 3796:6-2-07 or 3796:6-2-08;
 - (2) The associated application fee as defined by Ohio Admin. Code 3796:5-2-02 and 3796:6-5-01; and
 - (3) Assurance by the licensed entity of the following on a form prescribed by the division:
 - (a) The licensee conducted a thorough background evaluation to confirm the applicant does not have a disqualifying offense, as defined by section 1-1-01 of this division; and
 - (b) Confirmation that the applicant submitted all required information to the Ohio bureau of criminal identification to obtain an Ohio and federal bureau of criminal records check as required by sections 3796.12 and 3796.13 of the Revised Code.

(C) Provisional Employee Identification Card

- (1) Upon receipt of a complete application, the division shall process the application and issue the applicant a provisional employee identification card.
- (2) The applicant may then immediately commence business at the associated licensee.
- (3) Unless otherwise authorized by the division, an applicant's provisional employee identification card expires three months after the date of issuance.

(D) Division review of application.

- (1) The division shall review the employee identification card application and accompanying Ohio and federal criminal identification records checks when received and will approve or

deny issuance of an employee identification card pursuant to sections 3796:5-2-01, 3796:6-2-07 or 3796:6-2-08 of the Administrative Code. If the Division approves issuance of an employee identification card under this section, that card will replace the provisional employee identification card issued pursuant to this rule.