



The Division of Cannabis Control (“DCC” or “the Division”) seeks initial stakeholder feedback on [proposed rules](#) related to adult use cannabis license applications.

Please read the following carefully to understand the Division’s plan to meet the statutory requirements and deadlines for the initial adult use license applications for **current medical marijuana facilities and “10(B)” dispensary licenses** as outlined below. These applications will be available by June 7, 2024, and provisional licenses will be issued by September 7, 2024.

The rules also provide a framework for future application periods pursuant to Ohio Revised Code (O.R.C.) 3780.10, including for level III cultivators and dispensaries with a preference toward applicants who have been certified as participants in the Cannabis Social Equity and Jobs Program.

The [proposed rules](#) provide the following basic framework.

### 1. Current Medical Marijuana Facilities

Pursuant to O.R.C. 3780.10, the Division must issue adult use licenses by September 7, 2024, to applicants who have a medical marijuana certificate of operation or provisional license issued under O.R.C. 3796.

- a. The draft rules propose to make applications available for a dual-use license.
  - i. A dual-use license permits the licensee to participate in both the medical and adult-use cannabis markets.
  - ii. A current medical marijuana licensee who wishes to participate in the adult-use cannabis market at their current location must apply for a dual-use license.
  - iii. There is no application fee for a dual-use license application.

### 2. Additional “10(B)” Dispensaries

Pursuant to O.R.C. 3780.10(B), the following licenses (i.e., “10(B)” dispensary licenses) must be issued:

- For a **Level I medical marijuana cultivator** with a certificate of operation or provisional license: **3 dispensary licenses per entity** at locations designated in a license application.
- For a **Level II medical marijuana cultivator** with a certificate of operation or provisional license: **1 dispensary license per entity** at a location designated in a license application.
- For a **medical marijuana dispensary** with a certificate of operation or provisional license, which **does not have any common ownership or control with any cultivator or processor**: **1 dispensary license per entity** at a location designated in a license application.

To meet the application and timeframe requirements set in statute, the Division proposes the following process.

1. The Division will determine each entity that is eligible to apply for the “10(B)” dispensary licenses and the total number of “10(B)” dispensary licenses for which an entity is eligible.
  - a. The entity determination and total number of eligible licenses will be based upon a review of records obtained by the Division related to licensed medical marijuana entity common ownership and control. The Division will provide these determinations to licensed medical marijuana entities prior to accepting “10(B)” dispensary applications. Entities will then be provided an opportunity to review the determinations and share any further relevant information with the Division.
2. Eligible entities must submit a complete application as outlined in the proposed rules. This includes information such as primary point of contact, a roster of all owners and officers, a \$5,000 application fee, and for each “10(B)” dispensary license a designation of dual-use or adult-use only.
3. All applicants are entered into a drawing conducted by a third-party operator.
  - a. Each applicant will be entered into the drawing for each “10(B)” dispensary license for which they are eligible.
  - b. If an applicant designated their “10(B)” dispensary license as dual use on the application, they will be entered into the drawing for twice the chance per license of a higher ranking.
    - a. For example, ABC Corp. is eligible for 3 dispensaries. ABC Corp. indicated on their application that two dispensaries will be dual use and one will be adult use only. When ABC Corp.’s dispensaries are entered into the drawing, the two that will be dual use will each be entered into the drawing twice for the chance at a higher ranking. The one dispensary that is adult use only will only be entered into the drawing once. For the dual use licenses that are entered twice, the higher ranked position will be selected as their final ranking.
    - b. Being entered into the drawing twice is only for purposes of the chance at a higher ranking – it does not affect the total number of licenses for which an entity is eligible.
4. Following the drawing, applicants will be notified of their randomly assigned rank(s).
5. Next, applicants will select facility sites in two phases, as follows:

#### Phase One

1. All applicants must submit to the Division ONE facility site selection by a deadline established by the Division.
  - i. No proposed dispensary may be within one mile radius of a licensed dispensary or another proposed facility site.
2. The Division will review all site selections and determine if any are within one mile of a licensed dispensary or another proposed facility site.
  - i. If a proposed facility site is within one mile of an existing medical marijuana dispensary, the applicant must select another site.
  - ii. If two or more proposed facility sites are within one mile of each other, the entity(ies) who had the lower drawing rank must select a different facility site.
3. The Division will publish the location of selected sites approved and notify applicants who must select a new site. Those applicants will be provided a timeframe to select a new site.

4. At the end of that timeframe, the Division will review the new proposed sites and quickly determine if any are within one mile of a licensed dispensary or another proposed facility site.
  - i. If a proposed facility site is within one mile of an existing medical marijuana dispensary, the applicant must select another site.
  - ii. If two or more proposed facility sites are within one mile of each other, the entity(ies) who had the lower drawing rank must select a different facility site.
5. The DCC proceeds with the process described in step 3 above.
  - i. Any applicants who did not submit a new site within the previous timeframe may do so at this time.
6. At the deadline for Phase One as published by the Division, the process will move on to Phase Two.
  - i. Should any applicants not have an approved location at the conclusion of Phase One, the site selection process for that facility will move to Phase Two.

#### Phase Two

1. The Division will publish a list of applicants and their associated number of "10(B)" dispensary licenses remaining for Phase Two.
2. The Division will establish and make publicly available regional districts throughout the state, and the total number of licenses available in each regional district.
3. Eligible applicants must submit their preferred regional districts to the Division.
4. Applicants will be notified of their assigned regional districts based on the randomly assigned rank established by the prior drawing.
  - i. Applicants must then submit to the Division their proposed facility site within the assigned regional district.
  - ii. If a proposed facility site is within one mile of an existing dispensary or a site selected during Phase One, the applicant must select another site.
  - iii. If two or more proposed facility sites are within one mile of each other, the entity who had the lower drawing rank must select a different facility site.
5. The Division will publish the location of selected sites approved and notify applicants who must select a new site. Those applicants will be provided a timeframe to select a new site.
6. At the end of that timeframe, the Division will review the proposed sites and quickly determine if there are any within one mile of a licensed dispensary, a previously approved site, or another proposed facility site.
  - ii. If a proposed facility site is within one mile of an existing medical marijuana dispensary, the applicant must select another site.
  - iii. If two or more proposed facility sites are within one mile of each other, the entity(ies) who had the lower drawing rank must select a different facility site.
7. The DCC proceeds with the process described in step 5 above.
  - a. Any applicants who did not submit a new site within the previous timeframe may do so at this time.
8. All applicants who have submitted a completed application and approved facility site will be granted a provisional license.

## **6. Cannabis Social Equity & Jobs Program Participants**

In coordination with the Cannabis Social Equity & Jobs Program (program) to be established by the Ohio Department of Development, the Division will provide notice in advance of the application period for which preference will be given to participants in the program.

## **7. 24-Month Review**

Pursuant to O.R.C. 3780.10, the Division will review the number of cannabis operator licenses 24 months after the first issuance of an adult use operator license, and on a biannual basis thereafter. The Division may authorize additional application periods.

**The full text of the proposed rules can be found [here](#). Stakeholders may submit comments to [DCCRrules@com.ohio.gov](mailto:DCCRrules@com.ohio.gov) by Friday, February 9, 2024.**

The Division will review and consider the comments received prior to submitting the proposed rules to the Common Sense Initiative and the Joint Committee on Agency Rule Review in accordance with Chapter 119 of the Ohio Revised Code. Both of those processes will provide stakeholders further opportunity to comment on the proposed rules.