

# Ohio Division of Cannabis Control Rules Language: Ownership; Dispensary Security and Operations

(Section numbers and citations subject to change)

# **Definitions regarding prohibited facilities:**

- "Prohibited facility" means a school, church, public library, public playground, or public park, as
  defined by this rule.
- "School" means a public or nonpublic primary school or secondary school and includes a childcare center as defined under section 5104.01 of the Revised Code, and a preschool, as defined section 2950.034 of the Revised Code.
- "Church" means a church as defined by section 1710.01 of the Revised Code.
- "Public library" means a library provided for under chapter 3375 of the Revised Code.
- "Public playground" means a playground established by the state or a political subdivision of the state including a county, township, municipal corporation, or park district.
- "Public park" means a park established by the state or a political subdivision of the state including
  a county, township, municipal corporation, or park district.

# **Cannabis Entity Distance from Prohibited Facilities**

- Unless otherwise authorized pursuant to this rule, no cultivator, processor, testing laboratory, or dispensary shall be 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 rule 1301:8-1-01.
- To determine compliance with paragraph A, the following applies:
  - o The distance shall be measured linearly; and
  - The measurement shall occur at the shortest distance between the property line of the prohibited facility and the physical structure under the control of the cannabis facility.
- Paragraph A of this rule does not apply to the following:
  - Cannabis entities issued a certificate of operation pursuant to chapter 3796 of the Revised
     Code for the same licensed premises; and
  - Any state university, academic medical center, or private research and development organization conducting research related to cannabis pursuant to research protocol approved by an institutional review board or equivalent entity.
- The division shall deny a request for a change in location or a request for cultivation area expansion that violates this rule.
  - A licensed entity that is issued a denial pursuant to this paragraph may submit a subsequent request for a change of location or cultivation area expansion that conforms with the requirements of this rule.
- An entity licensed pursuant to this chapter may continue to operate in the event a prohibited
  facility is established within five hundred feet of the facility subsequent to the issuance of a
  provisional license or certificate of operation, provided the entity does the following:
  - Notifies the division in writing; and

 Submits to the division any necessary modifications to ensure ongoing facility security and surveillance and public safety for review and approval.

# **Definition Updates for Ownership:**

- "Ownership" means a person's, direct or indirect, present ownership interest in a person, including membership interest in a limited liability company, shares of stock in a corporation, or similar equity interests in any other corporate person; or a person's beneficial interest or proprietary interest in an individual or group of individuals. The definition of ownership does not include passive equity interest of less than 10% in a licensed cannabis business which is for investment purposes only.
- "Control" means the ability to make or significantly influence the strategic policies or management decisions ordinarily reserved for the majority owners or board of directors of a "person" as defined in Ohio Revised Code 3780.01. Control may be established through ownership, contract, or otherwise; provided control will not be imputed on a bank or licensed lending institution that holds a mortgage or other lien on the person acquired in the ordinary course of business.
  - When determining whether a person is exercising control, or has the ability to exercise control, over another, the Division may consider, among other factors, whether, and to what extent, the person has any power to do the following on behalf of another:
    - Adopt or amend governance documents, including articles of incorporation, articles of organization, bylaws, operating agreements, or buy-sell agreements.
    - Cause or prevent a merger, dissolution, equity sale, or asset sale.
    - Elect or remove directors or officers; or elect or remove other positions that exercise authority similar to those of a director or an officer in an Ohio corporation.
    - Exercise voting power similar to a shareholder in an Ohio corporation.
    - Exercise voting power similar to a director in an Ohio corporation.
    - Call meetings of the directors or owners.
    - Regulate the authority of the owners, directors, or officers.
    - Issue shares, membership interest, or similar equity.
    - Declare dividends or distributions.
    - Enter into contractually binding agreements.
    - Authorize a mortgage, pledge, lien or deed of trust on any real property or personal property.
    - Hire or fire organizations that manage day-to-day operations.
- "Financial interest" means any actual or future right to ownership, or investment, with another person, either directly or indirectly, through business, investment, spouse, parent, or child, in licensed cannabis business. Financial interest does not include ownership of investment securities in a publicly-held corporation that is traded on a national securities exchange or over-the-counter market in the United States, provided the investment securities held by the person and the person's spouse, parent, or child, in the aggregate, do not exceed ten per cent ownership in the licensed cannabis entity.
- "Person" includes, but is not limited to, an individual or a combination of individuals; a
  sole proprietorship, a firm, a company, a joint venture, a partnership of any type, a jointstock company, a corporation of any type, a corporate subsidiary of any type, a limited

liability company, a business trust, or any other business entity or organization; an assignee; a receiver; a trustee in bankruptcy; an unincorporated association, club, society, or other unincorporated entity or organization; entities that are disregarded for federal income tax purposes; and any other nongovernmental, artificial, legal entity that is capable of engaging in business.

# Ownership, Financial Interest, and Control

- No person shall be issued more than:
  - One cultivator provisional license or certificate of operation;
  - o One processor provisional license or certificate of operation; or
  - Eight dispensary provisional licenses or certificates of operation.
- No person shall maintain ownership or a financial interest in more than:
  - One cultivator provisional license or certificate of operation;
  - One processor provisional license or certificate of operation; or
  - Eight dispensary provisional licenses or certificates of operation.
- No person shall control more than:
  - One cultivator provisional license or certificate of operation;
  - One processor provisional license or certificate of operation; or
  - Eight dispensary provisional licenses or certificates of operation.
- With regard to testing laboratories:
  - No person shall be issued more than one testing laboratory provisional license or certificate of operation;
  - No person shall maintain ownership or a financial interest in more than one testing laboratory provisional license or certificate of operation;
  - No person shall control more than one testing laboratory provisional license or certificate of operation;
  - No person shall be issued a testing laboratory provisional license or certificate of operation, or maintain ownership, financial interest, or control in a testing laboratory provisional license or certificate of operation and do any of the following:
    - Acquire a provisional license or certificate of operation for any other cannabis entity licensed pursuant to this chapter;
    - Maintain ownership or financial interest in any other cannabis entity licensed pursuant to this chapter;
    - Control any other cannabis entity licensed pursuant to this chapter; or
    - Share any corporate officers or employees with any other cannabis entity licensed pursuant to this chapter.
- For purposes of determining eligibility for dispensary licenses pursuant to Ohio Revised Code 3780.10(B), the division will determine any common ownership or control existing when applications for 10(B) licenses are made available pursuant to rule [1301:18-2-06(E)]. Any ownership or control changes that have not been approved by the division and executed by the parties will not be considered when making common ownership or control determinations.
- Applications for changes of ownership or control that are not submitted to the Division by April 1, 2024, may not be processed prior to the issuance of application materials pursuant to [rule 1301:18-2-06(F)].

- Pursuant to section [1301:18-2] of this chapter, each applicant shall submit to the division all of the following:
  - Applicant's ownership list and capitalization table;
    - Each applicant shall identify any person who has a ten percent or greater ownership interest within the applicant's ownership structure.
  - An organizational chart identifying all owners, officers, and board members of the applicant;
  - o For each proposed owner, officer, and board member:
    - Full legal name;
    - Address;
    - Date of birth, evidencing the individual is at least twenty-one years of age or older:
    - The individual's proposed role with the applicant; and
    - If applicable any ownership, financial interest, or control in any other cannabis entity.
  - For any instance in which the applicant or any person associated with the applicant is currently or was previously licensed or authorized in another state or jurisdiction to cultivate, produce, test, dispense, or otherwise deal in the distribution of marijuana in any form, the following:
    - (i) A statement granting permission to contact the regulatory agency that granted the license, accompanied by the contact information, to confirm the information contained in the application; and
    - (ii) If the license, authorization or application was ever warned, fined, denied, suspended, revoked or otherwise sanctioned, a copy of documentation so indicating, or a statement that the applicant was so licensed and was never sanctioned.
  - A list of any person with a direct or indirect financial interest in, or control over, the applicant;
  - A copy of any pending or executed merger, sale, option to purchase, letter of intent, consulting, management, support, administrative services, or other similar agreements between applicant and any other person or that person's affiliates; and
  - Any other documentation evidencing the ownership structure, financial interest, or control of the applicant.
- At least thirty calendar days prior to the issuance or renewal of a certificate of operation, each licensee shall review all documentation provided under paragraph X of this rule.
  - Each licensee shall ensure all information remains true, accurate, and complete as of the date of the review.
  - Each licensee shall submit to the division evidence of compliance with this paragraph and include the following:
    - The date of the review; and
    - Updated documentation containing all information required under paragraph X of this rule.

# **Change of Ownership**

 A licensee shall not modify its ownership without prior approval from the division, provided modifications involving less than 10% of the ownership in a licensee do not require prior approval.

- For purposes of this rule, all changes of ownership that occur in a given calendar year shall be calculated in the aggregate.
- Prior to any proposed change, a licensee shall apply on a form prescribed by the division and demonstrating all of the following:
  - The licensee's current:
    - Ownership list and capitalization table;
      - Each applicant shall identify any person who owns ten percent or greater ownership interest within the applicant's ownership structure;
    - Ownership structure;
    - Organizational chart identifying all owners, officers, and board members of the applicant; and
    - Any supporting documentation evidencing the requirements outlined under this paragraph.
  - The licensee's proposed:
    - Ownership list and capitalization table;
      - Each applicant shall identify any person who owns ten percent or greater ownership interest within the applicant's ownership structure.
    - Ownership structure;
    - Organizational chart identifying all owners, officers, and board members of the applicant; and
    - Any supporting documentation evidencing the requirements outlined under this paragraph.
  - That every proposed owner has submitted one of the following:
    - Verification of an active employee badge pursuant to [OAC Employee Rule]; or
    - Both of the following:
      - An application for an employee badge pursuant to [OAC Employee Rule];
         and
      - Evidence showing that the proposed owner has submitted fingerprints to the Ohio bureau of criminal identification and investigation for an Ohio and federal criminal records check within the past sixty calendar days.
  - For any instance in which a proposed owner, or any person associated with the proposed owner, is currently or was previously licensed or authorized in another state or jurisdiction to cultivate, produce, test, dispense, or otherwise deal in the distribution cannabis in any form, the following:
    - (i) A statement granting permission to contact the regulatory agency that granted the license, accompanied by the contact information, to confirm the information contained in the application; and
    - (ii) If the license, authorization or application was ever warned, fined, denied, suspended, revoked or otherwise sanctioned, a copy of documentation so indicating, or a statement that the applicant was so licensed and was never sanctioned.
    - This paragraph does not apply to proposed owners who are all of the following:
      - An active employee badged pursuant to [OAC Employee Rule];
      - A current owner, as outlined in the documentation submitted pursuant to paragraph X of this rule; and
      - A proposed owner, as outlined in the documentation submitted pursuant to paragraph X of this rule.

- Any proposed owner meets all ownership, financial interest, and control requirements under [OAC disclosure of ownership, financial interest, and control];
- The licensee shall remain in compliance with all other licensure requirements outlined under this chapter; and
- o Payment of the requisite fee pursuant to [OAC fee].
- A proposed change of ownership shall not be effective unless and until approved in writing by the division.

# **Change of Entity Name or Registered Trade Name**

- A licensee shall not use an entity name or registered trade name without prior written approval from the Division.
- Prior to any proposed change, a licensee shall apply on a form prescribed by the Division and demonstrate all of the following:
  - The proposed entity name or registered trade name, and any supporting documentation evidencing the licensee's registered use of the name;
  - That the proposed entity name or registered trade name change does not constitute a change of ownership; and
  - o Any other supporting documentation evidencing compliance with this chapter.

# **Financial Responsibility**

- Prior to the issuance or renewal of a certificate of operation, each licensee shall acquire and maintain evidence of financial responsibility as outlined under this rule.
- Financial responsibility maintained pursuant to this rule may be payable to the division in the event a licensee fails to comply with any requirements under this chapter.
- Each licensee shall evidence financial responsibility by acquiring and maintaining both of the following:
  - Commercial general liability insurance covering products liability through an insurance company authorized to conduct business within the state of Ohio; and
  - One of the following:
    - An escrow account with a chartered financial institution within the state of Ohio acting as the escrow agent, in the amount as follows:
      - Level One cultivators: seven hundred fifty thousand dollars
      - Level Two cultivators: seventy-five thousand dollars
      - Processors: two hundred fifty thousand dollars
      - Testing Laboratories: seventy-five thousand dollars
      - Dispensaries: fifty thousand dollars
      - The escrow terms shall include the following:
        - The licensee's business name and license number issued by the division; and
        - Preclusion of the financial institution to release or return any escrow funds maintained pursuant to this rule without prior written authorization by the division.
    - A surety bond executed by a corporate surety company licensed by the state of Ohio and authorized to execute surety bonds pursuant to chapter 3929 of the Revised Code naming the dispensary as the principal of the bond, in the amount as follows:
      - Level One cultivators: seven hundred fifty thousand dollars

- Level Two cultivators: seventy-five thousand dollars
- Processors: two hundred fifty thousand dollars
- Testing Laboratories: seventy-five thousand dollars
- Dispensaries: fifty thousand dollars
- The bond terms shall include the following:
  - The dispensary's business name and license number issued by the division; and
  - Preclusion of the surety to cancel a bond maintained pursuant to this rule without prior written authorization by the division.
- In the event that a licensee's escrow funds are released, or a bond is cancelled, the licensee shall immediately submit evidence of financial responsibility to the division on or before the effective date of cancellation.
- A licensee may petition the division to reduce its financial responsibility maintained pursuant to paragraph X of this rule in the amount as follows:
  - Level One cultivators: two hundred fifty thousand dollars
  - Level Two cultivators: twenty-five thousand dollars
  - Processors: seventy-five thousand dollars
  - Testing Laboratories: twenty-five thousand dollars
  - Dispensaries: fifteen thousand dollars
- The division shall approve a licensee to reduce its financial responsibility in the amount outlined in [paragraph X] if all of the following requirements are met:
  - A determination by the division that for a period of one calendar year, the licensee:
    - Remained fully operational without substantial interruption; and
    - Demonstrated compliance with all requirements of this chapter and chapter 3780 of the Revised Code.
- The division shall approve a licensee to further reduce its financial responsibility in the amount outlined in [paragraph X]if all of the following requirements are met:
  - A determination by the division that for a period of two consecutive calendar years, the licensee:
    - Remained fully operational without substantial interruption; and
    - Demonstrated compliance with all requirements of this chapter and chapter 3780 of the Revised Code.
  - A licensee may petition the division to terminate its financial responsibility. The division shall approve a request pursuant to this paragraph if it determines that that for a period of three consecutive calendar years, the licensee:
    - Remained fully operational without substantial interruption; and
    - Demonstrated compliance with all requirements of this chapter and chapter 3780 of the Revised Code.

# **Waste Disposal**

- All licensees shall destroy and dispose of all excess, unwanted, outdated, deteriorated, adulterated, or misbranded cannabis under video surveillance and in a manner as to render the cannabis unusable and non-retrievable.
- All cannabis intended for destruction shall be weighed and recorded into the state inventory tracking system, separated from other viable inventory intended for distribution, and maintained in a secure location.

- Cannabis intended for disposal shall be weighed and recorded into the statewide inventory tracking system.
- Pursuant to paragraph A of this rule, cannabis shall be rendered unusable and non-retrievable by grinding and incorporating the waste with one or more of the following materials such that the resulting mixture is at least fifty-one percent non-cannabis waste:
  - Paper waste;
  - Cardboard waste;
  - Food waste:
  - Yard or garden waste;
  - Grease or other compostable oil waste;
  - Bokashi, or other compost activators; or
  - Any other waste as approved by the division.
- Licensed entities shall conduct all cannabis destruction and disposal in a secure, limited access area that is surveilled and accessible only to registered employees.
- In addition to paragraph X, all licensed entities shall maintain records of all cannabis destruction and disposal in accordance with [OAC records rule] and memorialize the following information for each occurrence:
  - Manner of destruction;
  - Rationale for destruction;
  - Date and time of disposal;
  - Assigned state inventory tracking information, if applicable; and
  - o The volume or weight of the associated waste.
- Licensed entities shall ensure that all other non-cannabis waste, including hazardous materials, is disposed of in a manner consistent with state and federal law. For purposes of this rule, noncannabis waste includes the following:
  - o stalks, stems, fan leaves, or roots of the cannabis plant.

# **Definition Update for Facility Visitors:**

• "Facility visitor" means any individual seeking to enter the premises of a licensed entity who does not maintain a valid employee badge pursuant to [OAC Employee Badge] and is not a registered patient, caregiver, or adult-use consumer within a dispensary's retail area.

# **Facility Visitors**

- Upon entering the premises of a licensed entity, all facility visitors must:
  - Provide valid, government issued photographic identification evidencing that they are twenty-one years of age or older;
  - Obtain a visitor badge, to be visibly displayed at all times, and returned upon their departure; and
  - Be escorted and monitored by an assigned registered employee at all times.
- Each licensee shall maintain a visitor log memorializing all visitors that enter the licensed premises. The visitor log must include all of the following information for each visitor:
  - Full legal name of the visitor;
  - The date and time of the visitor's arrival and departure;
  - The employee assigned to escort visitor; and
  - The purpose of the facility visit.

# **Dispensary Specific Rules**

# **Dispensary Certificate of Operation**

- Unless otherwise authorized by the division, each dispensary is prohibited from distributing or selling cannabis as authorized under this chapter until the division issues the dispensary a certificate of operation.
- The division shall not issue a provisional dispensary a certificate of operation unless and until the dispensary meets all requirements outlined under this chapter.
- Each dispensary shall have twelve months from the date the dispensary is issued a provisional license pursuant to this chapter to obtain a certificate of operation.
- Upon receipt of its certificate of operation, a dispensary may engage in the following activities:
  - Obtain cannabis from a cultivator, processor, or other dispensary licensed pursuant to this chapter;
  - Distribute, transfer, and sell cannabis to a cultivator, processor, or other dispensary licensed pursuant to this chapter;
  - Transfer cannabis for research and development or laboratory testing to a laboratory licensed pursuant to this chapter; and
  - o Deliver cannabis and cannabis paraphernalia pursuant to [OAC delivery rule].
- A certificate of operation shall be issued to, and valid only for, the designated business entity, owners, and licensed premises specified within the dispensary's initial application for licensure pursuant to rule [1301:18-2-02].

#### 1301:18-5 Dispensary Operations

# **Operating Procedures and Quality Assurance**

- Each dispensary shall establish, maintain, and comply with written policies and procedures for the daily operation and distribution of cannabis. The dispensary's standard operating policies and procedures shall mitigate the risk of diversion, theft, or loss and ensure compliance with all requirements under this chapter.
- Unless otherwise authorized, a dispensary shall only distribute cannabis, cannabis paraphernalia, or other inventory at the licensed premises.

#### • Major Modifications

- Any proposed major renovation or modification of the licensed premises shall be submitted to the division at least sixty calendar days prior to implementation.
- The division shall review the proposed modification and may do any of the following:
  - Approve the submission;
  - Deny the submission; or
  - Require updates to the submission to ensure compliance with this chapter.
- The division may inspect the licensed premises pursuant to any proposed major renovation or modification.
- Each dispensary shall ensure the licensed premises:
  - Conforms with all relevant local ordinances, zoning and planning requirements, and fire codes;
  - Does not exceed maximum building capacity and prevents the presence of individuals not engaged in activities authorized pursuant to this chapter;

- o Prominently displays its certificate of operation issued by the division;
- Maintains proper cleanliness, ventilation, temperature control, and sanitation to ensure safe and consistent inventory;
- Contains sufficient lighting to ensure visibility, security, and proper surveillance;
- A dispensary licensed as a dual-use facility pursuant to rule [1301:18-2-05] shall ensure the facility:
  - Serves and accommodates medical patients and caregivers and adult-use consumers alike;
  - Maintains ongoing inventory sufficient to maintain an adequate supply of medical cannabis to meet the current demand and projected patient and caregiver population;
  - Provides accommodations to medical cannabis patients and caregivers that may include, but is not limited to:
    - Dedicated hours of operation limited to medical-only patients and caregivers during which adult-use consumers are prohibited from the facility.
    - Expanded options for medical cannabis delivery and online ordering.
    - Efficient point-of-sale accommodations that similarly and expeditiously serve medical patients and caregivers and adult-use consumers.
- Each dispensary shall designate areas within the facility that are compartmentalized based upon function.
  - Each dispensary shall maintain designated secure, limited access areas that are accessible only by authorized registered employees.
    - Each dispensary's designated secure, limited access areas shall include the following:
      - 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 [OAC waste disposal];
      - An area for receipt of all deliveries to the facility.
    - All secure, limited access areas shall be constantly monitored, video surveilled, and meet all requirements under [OAC Security].
    - Each dispensary shall post conspicuous signage at all secure, limited access areas stating: "Do not enter- Restricted Access Area – Access Restricted to Authorized Employees Only."
    - No dispensary shall create or allow photographs, videos, or other media depicting any secure, limited access area.
  - Each dispensary shall maintain a designated retail area.
    - Pursuant to [OAC security/surveillance], the retail area shall be secure and video surveilled to prevent diversion, theft, loss, or unauthorized access by the public.
    - Except as outlined under paragraph X of this rule, cannabis, cannabis paraphernalia, and other inventory may not 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 secure, limited access area shall:

- Maintain all cash registers or other points of sale; and
- Ensure any cannabis, cannabis paraphernalia, or other inventory maintained in this area is limited in quantity, separately secured to prevent theft, and not visible from outside the facility.

#### Employees

- Prior to commencing employment, each dispensary shall ensure all employees are registered with the division pursuant to [OAC employee badge] and receive adequate education and training on standard operating procedures and as required by [OAC Employee Education Requirements].
- All registered employees must display their employee badge at all times during working hours.
- A registered responsible party as outlined by [OAC designated responsible party rule] must be present at the licensed premises at least twenty hours per week.

#### Hours of Operation

- o A dispensary may operate between the hours of 7:00 AM and 11:00 PM.
- Each dispensary shall maintain reasonable hours of operation and conspicuously post such hours of operation at the licensed premises.
- Each dispensary shall establish, maintain, and comply with written procedures for facility closure.
  - Each dispensary shall include in its written closure procedures a method to notify patients and caregivers of when the dispensary will resume normal hours of operation and conspicuously post such information at the licensed premises.
- Each dispensary shall notify the division in advance of any permanent, long-term modifications to its hours of operation.

# Daily Operations

- Each dispensary shall require all members of the public to present valid, governmentissued photographic identification containing the individual's date of birth prior to each of the following events:
  - Entering the designated retail area;
  - Executing any sale conducted at the licensed premises; and
  - Transferring possession of any purchased materials to a customer.
- Unless otherwise authorized under this chapter, no person under the age of twenty-one shall be granted access to the dispensary's licensed premises.
  - Registered patients who are under the age of twenty-one may enter the premises if they present valid patient identification.
  - Registered patients under the age of eighteen must be accompanied by their registered caregiver.
- Prior to entering the dispensary's retail area, all members of the public shall be required to present valid, government-issued photographic identification containing the individual's date of birth.
  - A registered dispensary employee shall review the individual's identification and ensure the following:
    - The individual is at least twenty-one years of age or older; or
    - For registered patients:
      - The individual is eighteen years of age or older or accompanied by the patient's registered caregiver; and

 The dispensary employee shall also require presentation of valid patient identification.

#### Points of Sale

- Prior to any sale, or the transfer of possession of any cannabis, a registered dispensary employee shall review the customer's valid, government-issued photographic identification containing the customer's date of birth. The employee shall confirm the individual is:
  - A customer is at least twenty-one years of age or older or authorized to engage in activities pursuant to this chapter;
  - The information contained on the customer's identification matches the individual presenting the identification;
  - The information contained on the customer's identification matches the information provided in the order; and
  - If applicable, the registered employee shall also review documentation evidencing the individual is:
    - A registered patient or caregiver; or
    - Veteran or indigent status.
- A dispensary may accept orders and payment for cannabis and cannabis paraphernalia via the internet.
  - A dispensary that accepts orders and payment pursuant to this paragraph shall ensure a registered dispensary employee requires the customer to present all identifying information outlined under paragraph x of this rule prior to transferring possession of any purchased materials to the customer.
- A dispensary may utilize a self-serve ordering kiosk located within the physical premises of the facility.
  - The dispensary shall ensure that the kiosk and surrounding area are secure and surveilled to prevent diversion, theft, and loss.
  - A self-serve ordering kiosk may not automatically or directly dispense cannabis to individuals.
- Each dispensary shall maintain at each point-of-sale:
  - Educational materials in compliance with section 3780.30 of the Revised Code on substance abuse and access to addiction services;
  - Contact information for the division's toll-free telephone line in compliance with section 3796.17 of the Revised Code; and
  - Any other information required by the division.

#### • Drive-Up Window:

- A dispensary may petition the division to distribute inventory via a drive-up window affixed to the physical premises of the facility.
- The dispensary shall ensure that the drive-up window, and the area immediately surrounding, is secure, video surveilled, and meet all requirements outlined under [OAC surveillance rule].
- The area immediately surrounding the drive-up window must be possessed or controlled by the dispensary and not include any public property.

#### Curbside Pickup:

 A dispensary may petition the division to distribute purchased inventory via curbside pickup.

- The dispensary shall ensure the area designated for curbside pickup, and the immediately surrounding area, is secure, video surveilled, and meets all requirements under [OAC surveillance rule].
- Any area designated for curbside pickup, and the immediately surrounding area, must be
  possessed or controlled by the dispensary or authorized for use of the area via express
  written consent by the property owner.
- The dispensary shall assign a registered dispensary employee who meets the requirements outlined under [OAC Security Designated Personnel Rule] to monitor and assist with any curbside pickup distribution.
- A registered dispensary employee shall require presentation of the individual's identification as outlined under paragraph X of this rule prior to transferring possession of the purchased inventory.

#### **Dispensary Designated Responsible Party**

- Prior to the issuance or renewal of a certificate of operation, each dispensary shall designate at least one, but not more than three individuals to serve as the licensee's responsible party as defined by [OAC Employee rule].
- A dispensary's designated responsible party shall manage the facility's daily operations and ensure compliance with all standard operating procedures.
- A responsible party must be physically present at the licensed premises at least twenty hours per week and must be immediately available to communicate with dispensary staff or the division during any operating hours when they are not physically present. The responsible party shall ensure the following:
  - The licensed premises remain secure, surveilled, and in compliance with [OAC security rule];
  - All inventory is maintained in the facility's secure, limited access storage area;
  - All inventory is properly recorded and tracked in the state inventory tracking system;
  - o All delivery and receipt of cannabis occurs in a secure, limited access area;
  - o All dispensing errors are immediately remedied and reported to the division;
  - In the event of any diversion, theft, or loss the dispensary complies with [OAC theft/loss].
- Each dispensary shall notify the division in writing of a change of a designated responsible party within ten calendar days of the effective date of the appointment of a new designated responsible party.

# **Minimum Security and Surveillance Requirements**

- Each dispensary shall establish, maintain, and comply with written policies and procedures that ensure adequate security, surveillance, and control of the licensed premises that prevent diversion, theft, or loss and meet the minimum requirements outlined under this rule.
  - Pursuant to rule [OAC Dispensary Operations, major modification], each dispensary shall petition the division prior to implementing any major modification to the facility's security procedures, systems, or equipment.
- Prior to the commencement of business, each dispensary shall meet the following security and surveillance requirements that ensure compliance with all standards established by the division:
  - Designate a secure, limited access area for all equipment maintained pursuant to this rule that is accessible only by authorized registered dispensary employees with foundational training in security and surveillance;

- Install a security alarm system with commercial grade equipment that includes the following:
  - An access alarm on all entry points and windows;
  - Motion detectors that identify unauthorized access into the facility; and
  - A silent alarm, which may be utilized during instances of duress that sends a prerecorded voice message to the facility's designated security personnel and law enforcement, public safety, or emergency services requesting dispatch.
- Install a video surveillance system that complies with the following:
  - Capable of electronic monitoring of the facility and real-time access by the division;
  - Collects twenty-four-hour live video feed with motion-activated recording capabilities for all video cameras;
  - Archives and retains recordings for at least forty-five calendar days;
  - Contains a display monitor with a minimum screen size of nineteen inches;
  - Exports still images in an industry standard format that guarantees authentication and prevents alteration of the recorded images;
  - Produces clear color still photographs that are a minimum of 9600 dpi from any camera image, live or recorded;
  - Embeds a date and time stamp on all recordings;
  - Includes a failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;
- o Install unobstructed, tamper-evident cameras that capture the entirety of the facility premises and clearly identify all individuals and activities within the surveilled area;
- Camera placement at all the following locations:
  - All points of ingress and egress;
  - All secure, limited access areas;
  - Any area that stores cannabis or facility inventory;
  - The facility's cannabis destruction and disposal area;
  - All areas where sales proceeds are stored or transferred;
  - Each point of sale;
- Document all entry and exit with time in and time out of secure, limited access areas;
- Develop emergency policies and procedures for securing all inventory and currency in the event of diversion, theft, or loss; and
- Any other requirements the division deems necessary to maintain proper security and surveillance and ensure public safety.
- Each dispensary shall inspect and test all security and surveillance equipment at least once per thirty calendar days to ensure functionality.
  - Pursuant to [OAC Records], each dispensary shall record and maintain of all security and surveillance equipment tests.
  - Each dispensary shall notify the division of any failure in the facility's security or surveillance system or equipment.
    - Any necessary repair or replacement shall occur within twenty-four hours of identification.
- In the event a dispensary is made aware of any pending criminal, civil, or administrative investigations or legal proceedings for which a video recording may contain relevant information, the dispensary shall retain an unaltered copy of the recording until the investigation or proceeding

| is closed or the entity conducting the investigation or proceeding notifies the dispensary that it is not necessary to retain the recording. | \$ |
|--|----|
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |
|  |    |