

# INITIATIVE PETITION

**To the Attorney General of Ohio:** Pursuant to Ohio Revised Code § 3519.01(A), the undersigned electors of the State of Ohio, numbering in excess of one thousand, hereby submit to you the full text of a proposed law and a summary of the same.

## TITLE

An Act to Control and Regulate Adult Use Cannabis

## SUMMARY

The Act would enact Chapter 3780 (“Chapter”) of the Ohio Revised Code regarding adult use cannabis control to authorize and regulate the cultivation, processing, sale, purchase, possession, home grow, and use of adult use cannabis by adults at least twenty-one years of age (“adult use consumers”). Adult use cannabis, cannabis and marijuana are all defined under the Act to mean marijuana as defined in section 3719.01 of the Ohio Revised Code.

Among other things, the Act would:

1. Defines the following terms in the definition section of the Act: “adult use cannabis,” “adult use cannabis operator,” “adult use consumer,” “adult use cultivator,” “adult use dispensary,” “adult use extract,” “adult use processor,” “adult use testing laboratory,” “advertising,” “applicant,” “cannabis,” “certificate of operation,” “confidential information,” “cultivate,” “cultivation area,” “cultivation facility,” “dispensary,” “disqualifying offense,” “director,” “extract,” “level I adult use cultivator,” “level II adult use cultivator,” “level III adult use cultivator,” “level I cultivator,” “level II cultivator,” “license,” “license applicant,” “license holder,” “licensee,” “manufacture,” “marijuana,” “medical provisional license,” “minor cannabinoid,” “mother plant,” “paraphernalia,” “person,” “primary residence,” “processor,” “prohibited facility,” “provisional license,” “tetrahydrocannabinol,” and “THC.” Proposed Section 3780.01.
2. Permit controlled and regulated sales and use of adult use cannabis for adult use consumers for the following public purposes: reduce illegal marijuana sales and provide for safer and regulated cannabis product; limit transportation of out-of-state cannabis in the state; and provide funding and social equity opportunities in the state as outlined below. Proposed Section 3780.02.
3. Establish the Division of Cannabis Control (“Division”) within the Department of Commerce, which shall have the authority to license, regulate, investigate, and penalize adult use cannabis operators, adult use testing laboratories, and individuals required to be licensed. The Act further requires the Division to adopt rules on twenty-two topics, and gives the Division the authority to adopt rules necessary for the administration, implementation, and enforcement of the Act. The rules adopted shall be harmonized with the rules adopted under the medical marijuana control program to avoid duplication and excess fees. If there is a conflict with this Act and related rules, and the medical marijuana control program and related rules, then this Act and related rules shall govern. Proposed Section 3780.03.
4. Authorize the forms of adult use cannabis that may be sold under the Act, and allows any person to petition the Division to request that an additional form or method of adult use cannabis be approved or denied within sixty days pursuant to rules that may be adopted by the Division. Proposed Section 3780.04.
5. Require the Division to establish and maintain an electronic database to monitor all adult use cannabis from its seed or clone source through its cultivation, processing, testing, and dispensing, which shall include all adult use cannabis operations. The Act prohibits the Division from making public any information reported to or collected by the division under this section that identifies or would tend to identify any adult use consumer. Proposed Section 3780.05.

6. Require the Ohio Department of Taxation to provide to the Division certain tax information regarding applicants for licensure which the Division shall maintain as confidential. Proposed Section 3780.06.
7. Provide facility requirements for adult use cannabis operators and adult use testing laboratories. Prohibits adult use cannabis operators and adult use testing laboratories from being within five hundred feet of a prohibited facility which is defined in the Act. The Act clarifies that this prohibition does not apply to: current facilities if there is a medical marijuana business operational at that location with a certificate of operation; or to research entities identified in the Act or by the Division. Allows medical marijuana cultivators with a certificate of operation to expand their current facilities to 100,000 square feet of cultivation area for a level I cultivator and 15,000 square feet of cultivation area for a level II cultivator once an adult use cultivator license is issued, and provides a process for further cultivation area expansion if approved by the Division. Allows level I or level II adult use cultivator to relocate all or a part of their cultivation area to more than one facility as long as the relocation complies with the Act and is approved by the Division. Authorizes a level III adult use cultivator to have up to 5,000 square feet in cultivation area and any additional expansion must be approved by the Division. Proposed Section 3780.07.
8. Require a criminal records check (as that term is defined in section 109.572 of the Revised Code), and prescribes the procedure for completing such criminal records check related to an adult use cannabis operator or an adult use testing laboratory for the following: an administrator or person responsible for the operation, owners, officers, board members, and employees or agents required to be licensed by the Division. Proposed Section 3780.08.
9. Require that an adult use cannabis operator and an adult use testing laboratory licensed under the Act to conduct business under their license at the same location where the adult use cannabis operator or adult use testing laboratory, or their owners, also have been issued a medical marijuana certificate of operation. This requirement does not apply if all or a portion of an adult use cannabis operator or adult use testing laboratory facility is relocated as authorized under the Act. All other applicants must conduct business at a facility consistent with the Act. Proposed Section 3780.09.
10. Prohibit operating as an adult use cannabis operator or adult use testing laboratory without a license. Requires within nine months of the effective date of the Act that the following licenses be issued by the Division if the application is in compliance with the Act, and if an applicant, or their same owners, have a certificate of operation, or a medical provisional license that converts to a certificate of operation within 2 years, under the medical marijuana control program, as of the effective date of the Act:
  - A dispensary shall be issued an adult use dispensary license for the current location of the dispensary;
  - A level I cultivator shall be issued three adult use dispensary licenses at locations designated in a license application, and one level I adult use cultivator license for the current location of the level I cultivation facility;
  - A level II cultivator shall be issued one adult use dispensary license at a location designated in the license application, and one level II adult use cultivator license for the current location of the level II cultivation facility;
  - A dispensary shall be issued one adult use dispensary license at a different location as designated in the license application if the dispensary does not have any common ownership or control with any level I adult use cultivator, level II adult use cultivator, or adult use processor license applicant or licensee;
  - A processor shall be issued under this chapter one adult use processor license for the current location of the processor; and
  - A testing laboratory shall be issued under this chapter one adult use testing laboratory license for the current location of the testing laboratory.

The Act requires the Division to issue forty level III adult use cultivator licenses and fifty adult use dispensary licenses with a preference to applications who are participants under the cannabis social equity and jobs program. Authorizes the Division to issue additional adult use cannabis licenses twenty-four months after the first adult use operator license is issued after the Division considers elements outlined in the Act, and after a report and recommendations is sent to the Director of the Department of Commerce for consideration. The Act places a cap on the number of adult use cannabis operator licenses any person can hold at one time which may be set by

rule. The Division may issue additional adult use testing laboratory licenses at any time. Proposed Section 3780.10.

11. Allows authorized applicants to file an application for licensure under the Act and requires that applicants comply with Division rules and requirement related to the application. Requires initial applications to be available within six months of the effective date of the Act. Requires the Division to issue a license if an applicant meets specific requirements under the Act. Provide authority to the Division to set license expiration schedules and states that a license shall be renewed unless good cause is shown. Proposed Section 3780.11.
12. Authorize a level I or level II cultivator licensed under the Act to: cultivate adult use cannabis; distribute, transfer, and sell adult use cannabis to other adult use cannabis operators; and acquire seeds, clones, plants, and other genetic material. The adult use cultivators would not be permitted to cultivate any adult use cannabis for personal, family, or household use under the license. Proposed Section 3780.12.
13. Authorize a level III adult use cultivator licensed under the Act to: cultivate adult use cannabis; distribute, transfer, and sell adult use cannabis to other adult use cannabis operators; and acquire seeds, clones, plants, and other genetic material. A level III adult use cultivator would not be permitted to cultivate any adult use cannabis for personal, family, or household use under the license. Proposed Section 3780.13.
14. Authorize an adult use processor licensed under the Act to: obtain cannabis from adult use cannabis operators; process adult use cannabis obtained from adult use cannabis operators into a form authorized under the Act; and distribute, transfer, and sell processed adult use cannabis to adult use cannabis operators. Proposed Section 3780.14.
15. Authorize an adult use dispensary license issued under the Act to: obtain adult use cannabis from adult use processors, adult use cultivators, level III adult use cultivators, and other adult use dispensaries; distribute, transfer, or sell adult use cannabis to adult use cannabis operators; provide delivery of adult use cannabis and cannabis paraphernalia to patrons as established in rules adopted under the Act; and dispense or sell adult use cannabis subject to limitations and requirements set forth in the Act. These requirements include, only dispensing or selling adult use cannabis to adult use consumers who present a current, valid identification card demonstrating proof that the adult use consumer is twenty-one years of age or older, acceptable form of prepackaged and labeled cannabis received from an adult use cannabis operator, only dispensing or selling adult use cannabis in amounts that do not exceed the possession limits established by the Act, training for employees, and providing addiction services information. Proposed Section 3780.15.
16. Authorize an adult use testing laboratory licensed under to the Act to obtain adult use cannabis from an adult use cannabis operator for testing purposes only and to conduct cannabis testing and research and operations as required by Division rule. Proposed Section 3780.16.
17. Authorize the division to issue a license to an individual applicant, who is at least twenty-one years of age, after the Division has determined that the applicant is eligible for a license under rules adopted by the Division and after the applicant has paid any applicable fees. A license issued under this section is portable and may be used at any adult use cannabis operator or adult use testing laboratory as long as such licensee is registered with the Division for each location where the licensee works or is employed. Proposed Section 3780.17.
18. Establish the cannabis social equity and jobs program which outlines the purposes for the program. The Department of Development is required to: establish the program which includes certifying program applicants based on social and economic disadvantage; develop a process for evaluating and adjusting program goals; educate potential participants about the program; implement a compliance system for the program; provide financial and technical assistance to persons certified under the program; encourage employment practices for adult use cannabis operators to hire and educate specified groups; study and fund judicial and criminal justice reform; study and propose policy reform related to impacts of enforcement of marijuana laws and to track and prevent underage usage of marijuana; fund specified investment in impacted communities related to the program; and use funding for the program only for the purposes of the program. Provide program applicants protection from the Department of Development releasing certain application information as public records. Requires that any license preference under the Act and as a result of the program be based on substantiated evidence that the

preference is needed to address the goals of the program. Create an advisory board for the program to provide recommendations on the program to the Department of Development. Proposed Sections 3780.18 and 3780.19.

19. Require that adult use cannabis operators and adult use testing laboratories adopt operating procedures and comply with operation requirements required by Division rules adopted under the Act. Prohibits adult use operators from selling or dispensing adult use cannabis without payment unless otherwise authorized under the Act. Proposed Section 3780.20.
20. Authorize the Division to adopt rules on regulating advertising of license holders to prevent prohibited advertisements, and to set standards and Division audit authority related to the advertising. Proposed Section 3780.21.
21. Establish that (for the purpose of supporting social equity issues, providing funds to support jobs and economic development, providing funding for host communities who have adult use dispensaries in their jurisdiction to support these communities, funding education and treatment for individuals with cannabis and other addiction issues, and defraying the costs of regulation and administering the tax) there shall be an adult use tax on the sale of adult use cannabis by adult use dispensaries to adult use consumers in accordance with the Act in the amount of ten percent which is in addition to sales tax authorized under 5739 of the Revised Code. The tax commissioner is authorized to adopt rules to administer the tax. Proposed Section 3780.22.
22. Create (for the purpose of receiving and distributing, and accounting for, revenue received from the adult use sales tax) the following funds in the state treasury: (1) the adult use tax fund; (2) the cannabis social equity and jobs fund; (3) the host community cannabis fund; (4) the substance abuse and addiction fund; and (5) the division of cannabis control and tax commissioner fund. All monies collected from the tax levied under the Act are required to be deposited into the adult use tax fund which shall be quarterly distributed as follows: thirty-six per cent to the cannabis social equity and jobs fund; thirty-six per cent to the host community cannabis facilities fund; twenty-five per cent to the substance abuse and addiction fund; and three per cent to the division of cannabis control and tax commissioner fund. The director of the Office of Budget and Management shall transfer amounts of the funds as required in the Act. Proposed Section 3780.23.
23. Provides authority to the tax commissioner on the collection, administration, and enforcement of the adult use tax, and gives the tax commission authority to prescribe forms and rules to carry out the adult use tax and the funds created to receive the adult use tax. Proposed Section 3780.24.
24. Permit the legislative authority of a municipal corporation to adopt an ordinance, or a board of township trustees to adopt a resolution, by majority vote, to prohibit, or limit the number of adult use cannabis operators permitted under the Act within the municipal corporation or within the unincorporated territory of the township, respectively. However, the Act provides that a municipal corporation or township may not prohibit or limit: existing operational medical marijuana cultivators, processors, or dispensaries; or an adult use cultivator or an adult use processor, or an adult use dispensary who is co-located with adult use cultivator and an adult use processor, who have, or whose owner have, a medical marijuana certificate of operation at the same location as of the effective date of the Act. Medical marijuana dispensaries, or their owners, are authorized to operate an adult use dispensary in a municipal corporation or township once licensed by the Division. However, a municipal corporation or township may vote to prohibit the operation of an adult use dispensary within one-hundred and twenty days of the adult use dispensary license being issued. If a municipal corporation or township votes to prohibit an adult use dispensary, the adult use dispensary must stop operation within sixty days, unless the adult use dispensary files with the board of elections a valid petition on whether the adult use dispensary should remain open and whether the municipal corporation or township should receive funding related to the adult use dispensary. If the petition is valid, the issue is required to be placed on the next general election ballot as prescribed under the Act but no sooner than ninety days from when the petition is filed with the board of election. If the issue is passed, then the adult use dispensary may remain open. If the issue is not passed, then: the medical marijuana dispensary at that location may continue to operate, or may relocate and such relocation request shall be approved if it is filed within ninety days and complies with applicable law; and the adult use dispensary must close within ninety days unless the adult use dispensary applies to relocate within ninety days and then the adult use dispensary shall remain open until the Division approves the relocation. The Act prohibits a municipal corporation and township from: limiting specific research; levying a tax, fee, or charge on adult use operations,

their owner, or their property not generally charged on other businesses; prohibiting or limiting cannabis home use authorized under the Act; or prohibiting or restricting an activity authorized by the Act. Proposed Section 3780.25.

25. Authorize the Division to enforce, or cause to be enforced, all sections of the Act and the rules adopted thereunder, and authorize the Division to take action against any licensee or applicant for licensure, including, but not limited to, refusing to issue a license, suspending a license, inspecting the premises of a license holder without prior notice, or imposing on a provisional license holder or license holder a civil penalty. The Act establishes additional procedures and requirements the Division must follow in exercising its authority. Proposed Section 3780.26.
26. Authorize the Attorney General to bring a civil cause of action, if requested by the Division, to restrain a violation of the Act and require the applicable court to give any such action priority over all other civil cases before the court. Proposed Section 3780.27.
27. Authorize any citizen of the state of Ohio to commence an action to compel the Division to perform actions mandated under the Act if the Division fails to adopt rules necessary to initially implement the Act within nine months of the effective date of the Act or fails to begin accepting license applications within six months of the effective date of the Act. Establish that, if the Division fails to issue an adult use cannabis operator license, or send a notice of denial to an applicant, within three months after receiving a complete adult use cannabis operator application pursuant to the Act, the applicant may: commence an action to compel the Division to perform actions mandated under the Act; and unless the Division can demonstrate in writing that operating presents a danger of immediate and serious harm to others, the applicant may operate under a temporary license if the applicant has a medical marijuana certificate of operation at the location, and complies with the Act and any rules adopted by the Division under the Act. Proposed Section 3780.28.
28. Authorize adult use consumers, subject to enumerated limitations, to: (1) cultivate not more than six cannabis plants at the individual's primary residence, with a total limitation of not more than twelve cannabis plants per residence where two or more adult use consumers reside at one time; (2) process by manual or mechanical means adult use cannabis cultivated or grown in accordance with section 3780.29 of the Act; (3) transfer up to six cannabis plants to an adult use consumer as long as the transfer is without remuneration and not advertised or promoted to the public; and/or (4) store adult use cannabis that was purchased from an adult use dispensary licensed under the Act or produced in compliance with section 3780.29 of the Act. The Act would also permit a landlord to prohibit home grow activities otherwise authorized under the Act so long as such prohibition is included in the applicable lease agreement. The Act sets forth Division rule making authority to adopt a schedule of civil penalties for violations of this section and a reference to section 3780.99 of the Act for other listed violations in this section. Proposed Section 3780.29.
29. Require the Division to enter into an agreement with the Department of Mental Health and Addiction Services under which the Department shall provide a program for cannabis addiction services to be implemented on behalf of the Division which includes best practices for education and treatment for individuals with addiction issues related to cannabis or other controlled substances including opioids. The Department would also be required to establish, operate, and publicize an in-state, toll-free telephone number Ohio residents may call to obtain basic information about addiction services available to consumer, and options for an addicted consumer to obtain help. Require the Department of Mental Health and Addiction Services to administer the cannabis addiction fund, to use the money in the fund to support addiction services or other services that relate to addiction and substance abuse, and research that relates to addiction and substance abuse, and to prepare an annual report describing the use of the fund for these purposes which shall be submitted to the Director of Commerce and several enumerated elected officials. The Act would require license holders to provide information to patrons regarding addiction issues and available services and resources and training to their employees on the same services and resources. Proposed Section 3780.30.
30. Define certain information collected by the Division as confidential and restrict the Division from disclosing such information unless certain criteria are satisfied. Proposed Section 3780.31.
31. Establish the proper venue for actions challenging the Act will be the Court of Common Pleas of Franklin County, Ohio with limited exceptions, and require that any action asserting that any portion of the Act or any rule adopted

thereunder violates any provision of the Ohio Constitution or federal law shall be brought within ninety days after the effective date of the enactment of the Act or within ninety days after the effective date of any rule adopted pursuant to the Act, as applicable. Proposed Section 3780.32.

32. Protect individuals who hold a license, as defined in section 4776.01 of the Revised Code, or other license, certification, or registration issued by any professional board in the state of Ohio, or pursuant to 2923.125 of the Revised Code (concealed handgun license), from disciplinary action solely for engaging in professional or occupational activities related to adult use cannabis in accordance with the Act, or for engaging in other enumerated activities in compliance with the Act. The Act would create additional protections for individuals who engage in conduct permitted under the Act. Establish as the public policy of the State of Ohio that contracts related to adult use cannabis operators and adult use cannabis testing laboratories are enforceable. Establish that when an adult use consumer who engages in activities related to adult use cannabis in compliance with this chapter, such activities alone do not constitute sufficient basis for conducting a field sobriety test on the individual or for suspending the individual's driver's license. The Act further requires that, to conduct any field sobriety test, a law enforcement officer must have an independent, factual basis giving reasonable suspicion that the individual is operating a vehicle under the influence of adult use cannabis or with a prohibited concentration of marijuana in the person's whole blood, blood serum, plasma, breath, or urine. Proposed Section 3780.33.
33. Define the terms "financial institution" and "financial services," and limit criminal liability for financial institutions that provide financial services to any adult use cannabis operator or testing laboratory licensed under the Act if the adult use cannabis operator or testing laboratory licensed operates in compliance with the Act and the applicable tax laws of the State of Ohio. Proposed Section 3780.34.
34. Protect an employer's authority to establish hiring and employment policies and practices. Specifically, among other protections, nothing in the Act requires an employer to permit or accommodate an employee's use, possession, or distribution of adult use cannabis otherwise in compliance with the Act. Proposed Section 3780.35.
35. Authorizes that adult use consumers may do the following: (1) use adult use cannabis; (2) possess, transfer without remuneration to another adult consumer, or transport adult use cannabis, subject to specified limitations; and (3) purchase adult use cannabis from an adult use dispensary per day an amount of adult use cannabis that does not exceed the possession limits established under the Act. Limit the amount of adult use cannabis that may be possessed by an adult use consumer to two and a half ounces of adult use cannabis in any form except adult use extract and fifteen grams of adult use cannabis in the form of adult use extract. Limit the amount of adult use cannabis that may be transferred by an adult use consumer without remuneration and not advertised or promoted to the public to two and one-half ounces of adult use cannabis in any form except adult use extract and fifteen grams of adult use cannabis in the form of adult use extract. Limit the amount of adult use cannabis that may be transported by an adult use consumer to two and one-half ounces of adult use cannabis in any form except adult use extract and fifteen grams of adult use cannabis in the form of adult use extract. Prohibit any individual from, among other activities: (1) operating a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft while using adult use cannabis or while under the influence of adult use cannabis; (2) smoking, vaporizing, or using any other combustible adult use cannabis product while in a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft; (3) transferring or selling adult use cannabis, with or without remuneration, to an individual under twenty-one years of age; or (4) allowing an individual under twenty-one years of age to purchase, possess, use, process, transport, or cultivate cannabis except where authorized by Chapter 3796 of the Revised Code. Proposed Section 3780.36.
36. Establish that if any provision of this Act or its application is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. Proposed Section 3780.90.
37. Establish penalties for violations of the Act by adult use consumers, individuals under twenty-one years of age, and others who violate the Act. Proposed Section 3780.99.

## FULL TEXT OF LAW

**Be it enacted by the people of the state of Ohio that the following chapter and sections are added to Title XXXVII of the Revised Code:**

### **Chapter 3780: Adult Use Cannabis Control**

#### **Section 3780.01. Definitions.**

(A) As used in this chapter:

- (1) “Adult use cannabis” or “cannabis” or “marijuana” means marihuana as defined in section 3719.01 of the Revised Code.
- (2) “Adult use cannabis operator” means a level I adult use cultivator, a level II adult use cultivator, a level III adult use cultivator, an adult use processor, and an adult use dispensary.
- (3) “Adult use consumer” means an individual who is at least twenty-one years of age.
- (4) “Adult use cultivator” means a level I adult use cultivator or a level II adult use cultivator.
- (5) “Adult use dispensary” means a person licensed pursuant section 3780.15 of the Revised Code, this chapter and any rules promulgated thereunder to sell adult use cannabis as authorized.
- (6) “Adult use extract” or “extract” means a substance obtained by separating or concentrating cannabinoids and other compounds from any part of the adult use cannabis plant by physical or chemical means, intended to be refined for use as an ingredient in an adult use cannabis product or as a standalone adult use cannabis product.
- (7) “Adult use processor” means a person licensed pursuant section 3780.14 of the Revised Code, this chapter and any rules promulgated thereunder to manufacture adult use cannabis as authorized.
- (8) “Adult use testing laboratory” means an independent laboratory located that has been issued a license by the division of cannabis control to have custody and use of adult use cannabis for scientific purposes and for purposes of instruction, research, or analysis.
- (9) “Advertising” means any written or verbal statement, illustration, or depiction created to induce sales through the use of or a combination of letters, pictures, objects, lighting effects, illustrations, videos, sounds, or other similar means. “Advertisement” includes brochures, promotional and other marketing materials consistent with section 3780.21 of the Revised Code.
- (10) “Applicant” means an individual or person who files an application for a license pursuant to this chapter.”
- (11) “Certificate of operation” means a certification of operation or license issued by either the department of commerce or the state board of pharmacy to a person pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(12) “Confidential information” means information that is not a public record for purposes of section 149.43 of the Revised Code.

(13) “Cultivate” means to grow, harvest, package, and transports adult use cannabis pursuant to this chapter.

(14) “Cultivation area” means the boundaries of the enclosed areas in which adult use cannabis is cultivated during the vegetative stage and flowering stage of the cultivation process. For purposes of calculating the cultivation area square footage, enclosed areas used solely for the storage and maintenance of mother plants, clones, or seedlings shall not be included.

(15) “Cultivation facility” means a facility where an adult use cultivator or a level III adult use cultivator is authorized to operate.

(16) “Dispensary” means a person who has a certificate of operation to operate a dispensary under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(17) “Disqualifying offense” means:

(a) A conviction or plea of guilty, including conspiracy to commit, attempt to commit, or aiding and abetting another in committing, the following:

(i) 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;

(ii) Any theft offense set forth under division (K) in section 2913.01 of the Revised Code, the violation of which constitutes a felony;

(iii) Any violation for which a penalty was imposed under section 3715.99 of the Revised Code;

(iv) A crime of moral turpitude as defined in section 4776.10 of the Revised Code; or

(v) 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.

(b) 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.

(c) Notwithstanding paragraph (a) or (b) 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.

(18) “Director” means the director of the department of commerce.

(19) “Level I adult use cultivator” mean either a person who has a certificate of operation as a level I cultivator and who is licensed pursuant to section 3780.12 of the Revised Code, this chapter and any rules promulgated thereunder to cultivate adult use cannabis as authorized, or a person who is licensed as a level I adult use cultivator pursuant to section 3780.12 of the Revised Code, this chapter and any rules promulgated thereunder to cultivate adult use cannabis as authorized, and either person may operate up to one hundred thousand square footage of space designated as the cultivation area in the application which may be increased if a request for expansion is approved by the division of cannabis control.

(20) “Level II adult use cultivator” mean either a person who has a certificate of operation as a level II cultivator and who is licensed pursuant to section 3780.12 of the Revised Code, this chapter and any rules promulgated thereunder to cultivate adult use cannabis as authorized, or a person who is licensed as a level II adult use cultivator pursuant to section 3780.12 of the Revised Code, this chapter and any rules promulgated thereunder to cultivate adult use cannabis as authorized, and either person may operate up to fifteen thousand square footage of space designated as the cultivation area in the application which may be increased if a request for expansion is approved by the division of cannabis control.

(21) “Level III adult use cultivator” means a person licensed pursuant section 3780.13 of the Revised Code, this chapter and any rules promulgated thereunder to cultivate adult use cannabis as authorized.

(22) “Level I cultivator” means a person who has a certificate of operation to operate as a level I cultivator under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(23) “Level II cultivator” means a person who has a certificate of operation to operate as a level II cultivator under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(24) “License” means a license by the division of cannabis control to a license applicant pursuant to chapter 3780 of the Revised Code and the rules adopted thereunder.

(25) “License applicant” means an individual or person who applies for a license under this chapter.

(26) “License holder” or “Licensee” means an adult use cannabis operator, adult use testing laboratory or an individual who is licensed under the provisions of chapter 3780 of the Revised Code.

(27) “Manufacture” means the process of converting harvested plant material into adult use extract by physical or chemical means for use as an ingredient in an adult use cannabis product.

(28) “Medical provisional license” means a provisional license issued by either the department of commerce or the state board of pharmacy to a person pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(29) “Minor cannabinoid” means any cannabinoid other than CBD, CBDa, Delta-9 THC or Delta 9 THCa, including any isomer, analogue, or derivative thereof, and any other cannabinoid that naturally occurs in cannabis, regardless of whether that cannabinoid may be naturally or synthetically derived, which may be used as an ingredient in adult use products.

(30) “Mother plant” means an adult use cannabis plant that is cultivated or maintained for the purpose of generating clones, and that will not be used to produce plant material for sale to an adult use processor or an adult use dispensary unless the plant is transferred into the cultivation area of the facility.

(31) “Paraphernalia” means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

(32) “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 joint-stock 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.

(33) “Primary residence” means the residence of an individual in which the individual’s habitation is fixed and to which, whenever the person is absent, the person has the intention of returning.

(34) “Processor” means a person who has been issued a processing certificate of operation pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(35) “Prohibited facility” means any church, public library, public playground, public park, or school, as defined in section 3796.30 of the Revised Code.

(36) “Provisional license” means a temporary license issued to an applicant for an individual license that establishes the conditions that must be met by the licensee before the individual is issued a license in accordance with the requirements and conditions set forth in chapter 3780 of the Revised Code and the rules adopted thereunder.

(37) “Tetrahydrocannabinol” or “THC” means the sum of the amount of delta-9 tetrahydrocannabinol (THC) and 87.7 per cent of the amount of delta-9-tetrahydrocannabinolic acid (THCA) present in the product or plant material. THC does not include minor cannabinoids.

**Section 3780.02 Authorization and purpose.**

(A) Controlled and regulated sales and use of adult use cannabis shall be permitted under this chapter for the following public purposes:

- (1) Reducing illegal marijuana sales and providing for a safer and regulated cannabis product;
- (2) Limiting the transportation of out-of-state cannabis into the state;
- (3) Providing key funding to support social equity, job creation, host communities that have adult use dispensaries, cannabis research, and proper oversight and regulation of the adult cannabis industry; and
- (4) Improving social equity issues to address the state's compelling interest to redress past and present effects of discrimination and economic disadvantage for individuals in the state.

(B) Adult use cannabis shall only be sold to, or used by, an adult use consumer pursuant to this chapter unless otherwise authorized pursuant to the Revised Code.

(C) Nothing in this chapter shall limit any sale, use, possession, or any other activity authorized by Chapter 3796 of the Revised Code.

**Section 3780.03. Establishment and authority of division of cannabis control; adoption of rules.**

(A) There is hereby established a division of cannabis control within the department of commerce.

(B) To ensure the proper oversight and control of the adult use cannabis industry, the division of cannabis control shall have the authority to license, regulate, investigate, and penalize adult use cannabis operators, adult use testing laboratories and individuals required to be licensed under this chapter.

(C) The division of cannabis control shall adopt, and as advisable and necessary shall amend or repeal, rules on the following:

- (1) Prevention of practices detrimental to the public interest consistent with this chapter, and also ways to educate the public about this chapter;
- (2) Establishing application, licensure and renewal standards and procedures for license applicants or license holders related to adult use cannabis operators, adult use testing laboratories, and individuals required to be licensed, including any additional background check requirements, the disqualifying offenses under section 3780.01 of the Revised Code that prohibit licensure, and any exemption criteria from licensing requirements for institutional or private investors who do not have significant control or influence over a license applicant or license holder, and whose ownership in a license is for investment purposes only;

- (3) Establishing reasonable application, licensure and renewal fees amounts to ensure license applicants and license holders under this chapter pay for the actual costs for administration and licensure for the division of cannabis control;
- (4) Establishing standards for provisional licenses for an individual who is required to be licensed and who has exigent circumstances. Such standards for provisional licenses must include submission of a complete application and compliance with a required background check. A provisional license shall be valid not longer than three months. A provisional license may be renewed, at the division of cannabis control's discretion, for an additional three months. In establishing standards with regard to instant background checks the division of cannabis control may use all available resources;
- (5) Specifying the process and reasons for which a license holder may be fined, suspended either with or without a prior hearing, revoked, or not renewed or issued;
- (6) The process and requirements for division of cannabis control approval of any requested change in ownership or transfer of control of an adult use cannabis operator or adult use testing laboratory;
- (7) Establishing process and standards for expanding the size of the cultivation area for a cultivation facility;
- (8) Establishing standards and procedures for the testing of adult use cannabis by an adult use testing laboratory licensed under this chapter. When establishing standards and procedures for the testing of cannabis, the division of cannabis control shall do all of the following:
  - (a) Specify when testing must be conducted;
  - (b) Determine the minimum amount of adult use cannabis that must be tested;
  - (c) Specify the manner in which testing is to be conducted in an effort to ensure uniformity of cannabis products processed for and dispensed; and
  - (d) Specify the manner in which test results are provided.
- (9) The minimum amount of insurance or surety bond that must be maintained by an adult use cannabis operator and adult use testing laboratory;
- (10) Requiring the division of cannabis control to adopt reasonable standards for any adult use cannabis samples, and advertising as prescribed in section 3780.21 of the Revised Code;
- (11) Requiring that the records, including financial statements, of an adult use cannabis operator or adult use testing laboratory be maintained in the manner up to two years as prescribed by the division of cannabis control and which shall be made available for inspection upon demand by the division of cannabis control, but shall be subject to section 3780.31 of the Revised Code;

(12) Prescribing technical standards and requirements consistent with industry standards that must be met for security and surveillance equipment necessary for the provision of security and surveillance of adult use cannabis operators and adult use testing laboratories;

(13) Prescribing requirements for a license holder's provision of security services for an adult use cannabis operator and adult use testing laboratories which shall include the license holder's option to use armed or unarmed services including through agents of the license holder;

(14) Prescribing standards according to which license holders shall keep accounts and standards according to which adult use cannabis operators and adult use testing laboratories accounts shall be audited, and establish guidance for assisting the department of taxation in levying and collecting the adult use tax levied under section 3780.22 of the Revised Code;

(15) Determining penalties for violation of division of cannabis control rules or this chapter, and a process for imposing such penalties;

(16) Training requirements for employees and agents of adult use cannabis operators and adult use laboratories;

(17) Prescribing standards and procedures to allow for adult use cannabis delivery to adult use consumers, and online and mobile ordering procedures, which may only be conducted by an adult use dispensary or their agent;

(18) Prescribing cannabis inventory requirements to be maintained in an electronic database consistent with section 3780.05 of the Revised Code;

(19) Prescribing standards and procedures for product packaging and labeling of adult use cannabis products;

(20) Prescribing standards and procedures in coordination with the department of development to administer and enforce the cannabis social equity and jobs program as prescribed under 3780.19 of the Revised Code;

(21) Establishing a tetrahydrocannabinol content limit for adult use cannabis, which for plant material the content limit shall be no less than thirty-five per cent and for extracts the content limit shall be no less than ninety per cent, but that such content limits may be increased or eliminated by the division of cannabis control; and

(22) Prescribing duty to update requirements for license holders.

(D) All rules adopted under this section and chapter shall be adopted in accordance with Chapter 119 of the Revised Code.

(E) In addition to the rules described in division (C) of this section, the division of cannabis control may adopt any other rules it considers necessary for the administration, implementation, and enforcement of this chapter consistent with this chapter.

(F) When adopting rules under this section, the division of cannabis control shall consider standards and procedures that have been found to be best practices relative to the use and regulation of adult use cannabis and shall harmonize any rules with the rules adopted pursuant to sections 3796.03 and 3796.04 of the Revised Code to minimize duplication of operational requirements and fees as much as possible. If there is a conflict with Chapter 3796 and related rules, and chapter 3780 of the Revised Code and related rules, then chapter 3780 and related rules shall govern.

**Section 3780.04. Allowable forms of adult use cannabis.**

(A) Only adult use cannabis may be sold under this chapter in the following forms: plant material and seeds, live plants, clones, extracts, drops, lozenges, oils, tinctures, edibles, patches, smoking or combustible product, vaporization of product, beverages, pills, capsules, suppositories, oral pouches, oral strips, oral and topical sprays, salves, lotions or similar cosmetic products, and inhalers.

(B) Any person may submit a petition to the division of cannabis control requesting that an additional form or method of adult use cannabis be approved. A petition shall be submitted to the division of cannabis control in a manner prescribed by the division of cannabis control.

(C) On receipt of a petition, the division of cannabis control shall determine whether or not to approve the form or method of adult use cannabis described in the petition within sixty days of petition receipt.

(D) The division of cannabis control may adopt rules as necessary to implement this section.

**Section 3780.05. Electronic database.**

The division of cannabis control shall establish and maintain an electronic database to monitor all adult use cannabis from its seed or clone source through its cultivation, processing, testing, and dispensing for all adult use cannabis operator operations. The division of cannabis control may contract with a separate entity or state agency to establish and maintain all or any part of the electronic database on behalf of the division of cannabis control.

The electronic database shall allow for information regarding adult use cannabis to be updated instantaneously. Any license holder licensed under this chapter shall submit to the division of cannabis control any information the division of cannabis control determines is necessary for maintaining the electronic database.

The division of cannabis control, and any entity under contract with the division of cannabis control, shall not make public any information reported to or collected by the division of cannabis control under this section that identifies or would tend to identify any adult use consumer.

**Section 3780.06. Information provided by the department of taxation.**

(A)(1) Notwithstanding section 149.43 of the Revised Code or any other public records law to the contrary or any law relating to the confidentiality of tax return information, upon the request of the division of cannabis control, the department of taxation shall provide to the division of cannabis control all of the following information:

(a) Whether an applicant for license under this chapter follows the applicable tax laws of this state;

(b) Any past or pending violation by the applicant of those tax laws, and any penalty imposed on the applicant for such a violation.

(2) The division of cannabis control shall request the information only as it pertains to an application for license that the division of cannabis control is reviewing.

(3) The department of taxation may charge the division of cannabis control a reasonable fee to cover the administrative cost of providing the information.

(B) Information received under this section is confidential. Except as otherwise permitted by other state law or federal law, the division of cannabis control shall not make the information available to any person other than the applicant for licensure to whom the information applies.

#### **Section 3780.07. Facilities.**

(A) Except as provided in divisions (B), (C), and (D) of this section, no adult use cannabis operator or adult use testing laboratory shall be located within five hundred feet of the end boundaries of a parcel of real estate having situated on it a prohibited facility.

If a relocation of an adult use cannabis operator or adult use testing laboratory licensed under this chapter results in the adult use cannabis operator or adult use testing laboratory being located within five hundred feet of the boundaries of a prohibited facility, the division of cannabis control shall deny the relocation and the adult use cannabis operator or adult use testing laboratory may apply with the division of cannabis control to request a relocation to a different location.

(B) Division (A) does not apply to:

(1) Current facilities and properties of adult use cannabis operators if the license holder or applicant, or the owners of the license holder or applicant, also have a certificate of operation and is doing business at that same location; or

(2) Research related to adult use cannabis conducted at a state university, academic medical center, or private or public research and development organization as part of a research protocol approved by an institutional review board or equivalent entity, or any other entity as approved by the division of cannabis control.

(C) Upon a level I cultivator or level II cultivator with a certificate of operation, or the same owners of the level I or level II cultivator, receiving a license from the division of cannabis

control as a level I adult use cultivator or level II adult use cultivator, the license holder may expand its cultivation area and facility as authorized in this chapter notwithstanding any limitation resulting from Chapter 3796 of the Revised Code or Chapter 3796 of the Administrative Code.

(D) Upon the division of cannabis control's receipt of a request from an adult use cultivator or level III adult use cultivator for expansion beyond what is authorized in this chapter, the division of cannabis control shall have ninety days to review and approve or deny a request for expansion consistent with division of cannabis control rule.

(E) After the review and approval from the division of cannabis control, an adult use cultivator may relocate all or a portion of the authorized cultivation area to more than one cultivation facility as long as any relocation complies with this chapter, the relocated facility is operated under the same license, and so long as the aggregate square footage for all related cultivation area and facilities does not exceed the square footage limitations under the license as authorized under this chapter. A level I adult use cultivator or level II adult use cultivator who also has, or whose same owner also has, a certification of operation, may only relocate cultivation area that is above the original approved cultivation area under 3796 of the Revised Code and 3796 of the Administrative Code.

(F) A level III adult use cultivator's cultivation area shall not exceed five thousand square feet unless authorized by the division of cannabis control under this chapter.

(G) The division of cannabis control may adopt rules as necessary to implement this section.

#### **Section 3780.08. Criminal records checks.**

(A) As used in this section, criminal records check has the same meaning as in section 109.572 of the Revised Code.

(B)(1) As part of the application process for a license issued under this chapter, the division of cannabis control shall require each of the following to complete a criminal records check:

(a) An administrator or other person responsible for the daily operation of an adult use cannabis operator or an adult use testing facility seeking a license;

(b) An owner or prospective owner, officer or prospective officer, or board member or prospective board member of an entity seeking the license as an adult use cannabis operator or an adult use testing facility as determined by the division of cannabis control; and

(c) An employee or agent of an adult use cannabis operator or an adult use testing facility required to be licensed under this chapter.

(2) If a person subject to the criminal records check requirement does not present proof of having been a resident of this state for the five-year period immediately prior to the date the criminal records check is requested or provide evidence that within that five-year period the superintendent of the bureau of criminal identification and investigation has requested

information about the person from the federal bureau of investigation in a criminal records check, the division of cannabis control shall request that the person obtain through the superintendent a criminal records request from the federal bureau of investigation as part of the criminal records check of the person. Even if a person presents proof of having been a resident of this state for the five-year period, the division of cannabis control may request that the person obtain information through the superintendent from the federal bureau of investigation in the criminal records check.

(C) The division of cannabis control shall provide the following to each person who is subject to the criminal records check requirement:

(1) Information about accessing, completing, and forwarding to the superintendent of the bureau of criminal identification and investigation the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and the standard impression sheet to obtain fingerprint impressions prescribed pursuant to division (C)(2) of that section;

(2) Written notification that the person is to instruct the superintendent to submit the completed report of the criminal records check directly to the division of cannabis control.

(D) Each person who is subject to the criminal records check requirement shall pay to the bureau of criminal identification and investigation the fee prescribed pursuant to division (C)(3) of section 109.572 of the Revised Code for the criminal records check conducted of the person.

(E) The report of any criminal records check conducted by the bureau of criminal identification and investigation in accordance with section 109.572 of the Revised Code and pursuant to a request made under this section is not a public record for the purposes of section 149.43 of the Revised Code and shall not be made available to any person other than the following:

(1) The person who is the subject of the criminal records check or the person's representative;

(2) The staff of the division of cannabis control and the director; and

(3) A court, hearing officer, or other necessary individual involved in a case dealing with either of the following:

(a) A license denial resulting from the criminal records check;

(b) A civil or criminal action regarding the division of cannabis control or any violation of this chapter.

(F) The division of cannabis control shall deny a license if, after receiving the information and notification required by this section, a person subject to the criminal records check requirement fails to do either of the following:

(1) Access, complete, or forward to the superintendent of the bureau of criminal identification and investigation the form prescribed pursuant to division (C)(1) of section 109.572 of the

Revised Code or the standard impression sheet prescribed pursuant to division (C)(2) of that section;

(2) Instruct the superintendent to submit the completed report of the criminal records check directly to the division of cannabis control.

(G) The superintendent of the bureau of criminal identification and investigation shall conduct a criminal record check under section 109.572 of the Revised Code in a consistent manner as the superintendent conducts a criminal record check as required for sections 3796.12 and 3796.13 of the Revised Code upon the receipt of a request, a completed form prescribed pursuant to section 109.572(C)(1) of the Revised Code, and a set of fingerprint impressions obtained in a manner described in section 109.572(C)(2) of the Revised Code. The superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check in the manner described in section 109.572(B) of the Revised Code to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or plead guilty to a disqualifying offense as defined in this chapter and as clarified in rules adopted under this chapter.

#### **Section 3780.09. Location of adult use cannabis operators.**

(A) Notwithstanding any provision of Chapter 3796 of the Revised Code or Chapter 3796 of the Administrative Code, an adult use cannabis operator and an adult use testing laboratory licensed under this chapter shall conduct business under their license at the same location where the adult use cannabis operator or adult use testing laboratory, or the same owners of the adult use cannabis operator or adult use testing laboratory, also have been issued a certificate of operation, unless the adult use cannabis operator or adult use testing laboratory relocates all or a portion of their facility and business if authorized under this chapter and rules adopted by the division of cannabis control.

(B) All other applicants who do not have a certificate of operation shall conduct business at a facility consistent with this chapter and as approved by the division of cannabis control.

#### **Section 3780.10. Adult use cannabis operator and adult use testing laboratory licenses.**

(A) No person shall operate as an adult use cannabis operator or adult use testing laboratory without a license issued pursuant to this chapter.

(B) The following licenses shall be issued by the division of cannabis control within nine months of the effective date of this section if the license applicant is in compliance with section 3780.11 of the Revised Code and this chapter, and the license applicant, or the same owners of the license applicant, have a certificate of operation or medical provisional license issued as of the effective date of this section:

(1) A dispensary issued a certificate of operation or medical provisional license shall be issued an adult use dispensary license under this chapter for the current location of the dispensary;

(2) A level I cultivator issued a certificate of operation or medical provisional license shall be issued under this chapter three adult use dispensary licenses at locations designated in a license

application, and one level I adult use cultivator license for the current location of the level I cultivation facility;

(3) A level II cultivator issued a certificate of operation or medical provisional license shall be issued under this chapter one adult use dispensary license at a location designated in the license application, and one level II adult use cultivator license for the current location of the level II cultivation facility;

(4) A dispensary issued a certificate of operation or medical provisional license shall be issued under this chapter one adult use dispensary license at a different location as designated in the license application if the dispensary does not have any common ownership or control with any level I adult use cultivator, level II adult use cultivator, or adult use processor license applicant or licensee;

(5) A processor issued a certificate of operation or medical provisional license shall be issued under this chapter one adult use processor license for the current location of the processor; and

(6) A testing laboratory issued a certificate of operation shall be issued under this chapter one adult use testing laboratory license for the current location of the testing laboratory.

Notwithstanding anything in this section, a license shall not be issued pursuant to division (B) of this section to a license applicant holding only a related medical provisional license unless the medical provisional license holder is issued a certificate of operation within two years of the effective date of this section.

(C) The division of cannabis control shall issue up to forty level III adult use cultivator licenses consistent with this chapter with preference provided to applicants who have been certified as cannabis social equity and jobs program participants under the cannabis social equity and jobs program pursuant to 3780.19 of this chapter. No person may have any ownership or control in more than one level III adult use cultivator license under this chapter. No adult use cultivator or adult use processor may have any ownership or control in a level III adult use cultivator license.

(D) The division of cannabis control shall issue up to fifty additional adult use dispensary licenses in conformity with this chapter with preference provided to applicants who have been certified as cannabis social equity and jobs program participants under the cannabis social equity and jobs program.

(E) 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 adult use cannabis operator licenses on a biannual basis and may authorize additional licenses after considering:

(1) The current and anticipated market growth and consumer demand, including the number of adult use consumers seeking adult use cannabis;

(2) The current and projected supply of adult use cannabis produced by licensed adult use cultivators, level III adult use cultivators, and adult use processors; and

(3) The geographic distribution of adult use dispensary sites in an effort to ensure adult use customer access to adult use cannabis.

(F)(1) The division of cannabis control shall provide a report and recommendation within ninety days of the conclusion of the requirements in division (E) of this section to the director for consideration.

(2) The division of cannabis control may adopt rules as necessary to implement this division.

(3) The division of cannabis control shall adopt a rule regarding the number of licenses a license holder may hold for each type of license consistent with this chapter. As of the effective date of this section, and notwithstanding any other provision of this chapter, no person shall be issued more than eight adult use dispensary licenses, and not more than one adult use cultivator license, and not more than one adult use processor license at any time, unless authorized by the division of cannabis control after an analysis supporting the licensing pursuant to rule.

(G) The division of cannabis control may authorize additional adult use testing laboratory licenses at any time.

**Section 3780.11. Application requirements for adult use cannabis operators and adult use testing laboratories.**

(A) An adult use cannabis operator and adult use testing laboratory license applicant authorized to file an application may file an application for licensure with the division of cannabis control. Each application shall be submitted in accordance with rules adopted under section 3780.03 of the Revised Code and in conformity with this chapter. Initial applications shall be made available to adult use operators and adult use testing laboratory within six months of the effective date of this section and license applicants shall comply with all requirements of this chapter and related rules prior to the issuance of a license.

(B) The division of cannabis control shall issue a license to an applicant if all of the following conditions are met:

(1) The report of the criminal records check conducted pursuant to section 3780.08 of the Revised Code with respect to the application demonstrates the following:

(a) The criminal offenses for which an applicant will be disqualified from licensure; and

(b) The criminal offenses that will not 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.

(2) The adult use cannabis operator applicant demonstrates that it does not have an ownership or investment interest in or compensation arrangement with any of the following:

(a) An adult use testing laboratory licensed under this chapter; or

(b) An applicant for a license to conduct adult use laboratory testing.

(3) The adult use cannabis operator applicant demonstrates that it does not share any corporate officers or employees with any of the following:

(a) An adult use testing laboratory licensed under this chapter; or

(b) An applicant for a license to conduct adult use laboratory testing.

(4) The adult use testing laboratory applicant demonstrates that it does not have an ownership or investment interest in or compensation arrangement with any of the following:

(a) An adult use cannabis operator licensed under this chapter; or

(b) An applicant for a license to conduct adult use cannabis operations.

(5) The adult use testing laboratory applicant demonstrates that it does not share any corporate officers or employees with any of the following:

(a) An adult use cannabis operator licensed under this chapter; or

(b) An applicant for a license to conduct adult use cannabis operations.

(6) The applicant demonstrates that the operations will not be located within five hundred feet of a prohibited facility consistent with this chapter unless the prohibited facility was located within five hundred feet after the applicant filed the application with the division of cannabis control, or after the applicant, or the applicant owners, was operating under Chapter 3796 of the Revised Code at the same location, or unless otherwise authorized in this chapter.

(7) The information provided to the division of cannabis control pursuant to section 3780.06 of the Revised Code demonstrates that the applicant is in compliance with the applicable tax laws of this state.

(8) The applicant meets all other license eligibility conditions established in rules adopted under section 3780.03 of the Revised Code.

(9) The applicant is not employed by a regulatory body of a governmental unit of this state and in that capacity has significant influence or control, as determined by the division of cannabis control, over the ability of the applicant to conduct business in this state.

(C) A license expires according to the renewal schedule established in rules adopted under section 3780.03 of the Revised Code and may be renewed in accordance with the procedures established in those rules. A license shall be automatically renewed by the division of cannabis control unless good cause is otherwise shown.

### **Section 3780.12. Level I and level II adult use cultivator license.**

(A) Notwithstanding any conflicting provision of the Revised Code and except as provided in division (B) of this section, the holder of a current and valid level I or level II adult use cultivator license issued under this chapter may do either of the following:

- (1) Cultivate adult use cannabis;
- (2) Distribute, transfer, and sell adult use cannabis to other adult use cannabis operators; and
- (3) Acquire seeds, clones, plants, and other genetic material.

(B) A level I or level II adult use cultivator license holder shall not cultivate any adult use cannabis for personal, family, or household use under the license.

**Section 3780.13. Level III adult use cultivator license.**

(A) Notwithstanding any conflicting provision of the Revised Code, and except as provided in division (B) of this section, the holder of a current and valid level III adult use cultivator license issued under this chapter may do any of the following:

- (1) Cultivate adult use cannabis;
- (2) Distribute, transfer, and sell adult use cannabis to other adult use cannabis operators; and
- (3) Acquire seeds, clones, plants, and other genetic material.

(B) A level III adult use cultivator license holder shall not cultivate any adult use cannabis for personal, family, or household use under the license.

**Section 3780.14. Adult use processor license.**

(A) Notwithstanding any conflicting provision of the Revised Code, the holder of a current and valid adult use processor license issued under this chapter may do any of the following:

- (1) Obtain cannabis from adult use cannabis operators;
- (2) Subject to the rules adopted pursuant to this section, process adult use cannabis obtained from adult use cannabis operators into a form authorized under this chapter; and
- (3) Distribute, transfer, and sell processed adult use cannabis to adult use cannabis operators.

**Section 3780.15. Adult use dispensary license.**

(A) Notwithstanding any conflicting provision of the Revised Code, the holder of a current and valid adult use dispensary license issued under this chapter may do the following:

- (1) Obtain adult use cannabis from adult use processors, adult use cultivators, level III adult use cultivators, and other adult use dispensaries;
- (2) Distribute, transfer, or sell adult use cannabis to adult use cannabis operators;

(3) Provide delivery of adult use cannabis and cannabis paraphernalia to patrons as established in rules adopted under section 3780.03 of the Revised Code; and

(4) Dispense or sell adult use cannabis in accordance with division (B) of this section and sell paraphernalia.

(B) When dispensing or selling adult use cannabis, a licensed adult use dispensary shall do all of the following:

(1) Dispense or sell adult use cannabis only to those adult use consumers who present a current, valid identification card demonstrating proof that the adult use consumer is twenty-one years of age or older;

(2) Only accept adult use cannabis from a licensed adult use cannabis operator that has been prepackaged and labeled in compliance with chapter 3780 of the Revised Code and the rules adopted under 3780.03 of the Revised Code; and

(3) Not dispense or sell adult use cannabis to adult use consumers per day in amounts that exceed the possession limits in 3780.36(B)(1) of the Revised Code.

(C) When operating a licensed adult use dispensary, an adult use dispensary shall:

(1) Only use licensed individuals who have met the training requirements established in rules adopted under section 3780.03 of the Revised Code; and

(2) Maintain addiction services information materials available at the adult use consumer's request.

#### **Section 3780.16. Adult use testing laboratory license.**

(A) Notwithstanding any conflicting provision of the Revised Code, the holder of a current and valid adult use testing laboratory license issued under this chapter may do both of the following:

(1) Obtain adult use cannabis from one or more adult use cannabis operators licensed under this chapter for testing purposes only; and

(2) Conduct cannabis testing, research and operations in the manner specified in rules adopted under section 3780.03 of the Revised Code.

#### **Section 3780.17. Licensure of individuals.**

(A) The division of cannabis control may issue a license to an individual applicant required to be licensed related to an adult use cannabis operator or adult use testing laboratory after it has determined that the applicant is eligible for a license under rules adopted by the division of cannabis control and after the applicant has paid any applicable fees.

(B) To be eligible for a license, an applicant shall be at least twenty-one years of age.

(C) Each application for a license shall be on a form prescribed by the division of cannabis control and shall contain all information required by the division of cannabis control.

(D) Each applicant shall submit with each application, on a form provided by the division of cannabis control, two sets of the applicant's fingerprints and a photograph as required by rule consistent with this chapter. The division of cannabis control shall charge each applicant an application fee to cover all actual regulatory costs generated by each licensee and all background checks.

(E) A license issued under this section is portable and may be used at any adult use cannabis operator or adult use testing laboratory as long as such licensee is registered with the division of cannabis control for each location where the licensee works or is employed.

**Section 3780.18. Purpose of cannabis social equity and jobs program.**

(A) Additional efforts are needed to reduce barriers to ownership and opportunities within the adult use cannabis industry for individuals and communities most adversely impacted by the enforcement of marijuana-related laws.

(B) In the interest of establishing an adult cannabis industry that is equitable and accessible to those most adversely impacted by the enforcement of marijuana-related laws in this State, the cannabis social equity and jobs program should be established.

(C) Individuals who have been arrested or incarcerated due to drug laws suffer long-lasting negative consequences, including impacts to employment, business ownership, housing, health, and long-term financial well-being.

(D) Family members, especially children, and communities of those who have been arrested or incarcerated due to drug laws, suffer from emotional, psychological, and financial harms as a result of such arrests or incarcerations.

(E) Certain communities have disproportionately suffered the harms of enforcement of marijuana-related laws. Those communities face greater difficulties accessing traditional banking systems and capital for establishing businesses.

(F) Individuals who have resided in areas of high poverty suffer negative consequences, including barriers to entry in employment, business ownership, housing, health, and long-term financial well-being.

(G) Promotion of business ownership and employment by individuals who have resided in areas of high poverty and high enforcement of marijuana-related laws furthers an equitable cannabis industry.

(H) Therefore, in the interest of remedying the harms resulting from the disproportionate enforcement of marijuana-related laws, a cannabis social equity and jobs program shall provide financial assistance and license application support to individuals most directly and adversely

impacted by the enforcement of marijuana-related laws who are interested in starting or working in cannabis business entities.

**Section 3780.19. Cannabis social equity and jobs program.**

(A) As used in this section, "cannabis social equity and jobs program participant" means a person certified as a participant in the cannabis social equity program by the department of development under this section of the Revised Code.

(B) The department of development shall establish a business assistance program known as the cannabis social equity and jobs program funded by the cannabis social equity and jobs fund, and shall adopt rules in accordance with Chapter 119 of the Revised Code to administer the program including the following:

(1) Establish procedures by which a person may apply for certification under the cannabis social equity and jobs program;

(2) Establish a system of certifying cannabis social equity and job program applicants based on a requirement that the business owner or owners show both social and economic disadvantage based on the following, as determined to be sufficient by the department of development:

(a) Wealth of the business seeking certification as well as the personal wealth of the owner or owners of the business.

(b) Social disadvantage based on any of the following:

(i) The business owner or owners demonstrate membership in a racial minority group or show personal disadvantage due to color, ethnic origin, gender, physical disability, or long-term residence in an area of high unemployment;

(ii) The owner or owners, or their spouse, child, or parent, have been arrested for, convicted of, or adjudicated delinquent for a marijuana related offense as determined by rule by the department of development prior to the effective date of this section.

(c) Economic disadvantage based on economic and business size thresholds and eligibility criteria designed to stimulate economic development through license awards to businesses located in qualified census tracts.

(3) Establish standards to determine when a cannabis social equity and jobs program participant no longer qualifies for cannabis social equity program certification;

(4) Develop a process for evaluating and adjusting goals established by this section to determine what adjustments are necessary to achieve participation goals established by the department of development;

- (5) Implement an outreach program to educate potential participants about the cannabis social equity and jobs program;
  - (6) Implement a system of self-reporting by cannabis social equity and jobs program participants on compliance, as well as an on-site inspection process to validate the qualifications of a cannabis social equity program;
  - (7) Establish a process for when there is a transfer of a license from a certified cannabis social equity and jobs program participant to a person or entity that does not qualify as a participant to the cannabis social equity and jobs program, which process shall not undermine the policy goals of the program;
  - (8) Provide financial assistance, loans, grants, and technical assistance to persons certified by the department under the cannabis social equity and jobs program pursuant to rules adopted under this section. Notwithstanding any other law to the contrary, the cannabis social equity and jobs program fund is not subject to budgetary sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the cannabis social equity and jobs program fund into any other fund of the state;
  - (9) Encourage employment practices, in which an adult use cannabis operator can demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;
  - (10) Study and fund judicial and criminal justice reform including bail, parole, sentencing reform, expungement and sealing of records, legal aid, and community policing related to marijuana;
  - (11) Study and propose policy reforms to address the social and economic impacts of the enforcement of marijuana laws and to track and prevent underage use of marijuana;
  - (12) Fund direct investment in disproportionately impacted communities to enhance education, entrepreneurship, legal aid, youth development, violence prevention, and the arts related to the program; and
  - (13) Utilize the cannabis social equity and jobs fund exclusively for the purposes of this section and for the implementation of this section.
- (C) For certified cannabis social equity and job program participants, the division of cannabis control shall waive at least fifty percent of any license or application fees associated with a license holder's application or license.
- (D) Any business or personal financial information, or trade secrets submitted by a cannabis social equity and jobs program applicant to the department of development pursuant to this section are not public records for purposes of section 149.43 of the Revised Code, unless the division of cannabis control or department of development is required to present the financial information or trade secrets at a public hearing or public proceeding regarding the applicant's

eligibility to participate in the program in which case the agency shall only disclose any required information.

(E) Any license or other preference to persons certified under the cannabis social equity and jobs program under this section shall be based on substantiated evidence that the preference is needed to address the goals of cannabis social equity and job program under this chapter.

(F) The department of development shall create a cannabis social equity and jobs program advisory group promulgated through rule in accordance with Chapter 119 of the Revised Code. The advisory group may develop and submit to the department of development on any recommendations related to the cannabis social equity and jobs program under sections 3780.18 and 3780.19 of the Revised Code.

### **Section 3780.20. Operations.**

(A) Adult use cannabis operators and adult use testing laboratories shall adopt operating procedures and comply with operation requirements required by rules under 3780.03 of the Revised Code, which include, but are not limited to, the following as applicable:

- (1) Quality assurance;
- (2) Package and labeling;
- (3) Waste disposal;
- (4) Inventory control and storage;
- (5) Monitoring, surveillance and security requirements;
- (6) Laboratory testing;
- (7) Records and reporting requirements;
- (8) Hours of operation and procedures when location is closed;
- (9) Receipt of adult use cannabis;
- (10) Dispensing errors reporting and review;
- (11) Destruction and disposal of adult cannabis;
- (12) Recall procedures; and
- (13) Transportation of adult use cannabis.

(B) No adult use cannabis operator may sell or dispense adult use cannabis without remuneration unless authorized under rule pursuant to 3780.03 of this chapter.

(C) The division of cannabis control may adopt other operation rules as necessary consistent with this chapter.

**Section 3780.21. Advertising.**

(A) The division of cannabis control may adopt rules regulating advertisements of license holders to prevent advertisements that are false, misleading, targeted to minors, promote excessive use, or that promote illegal activity.

(B) Rules adopted by the division of cannabis control pursuant to section (A) of this chapter shall not require preapproval and shall not overly burden the legitimate commercial speech of adult use cannabis operators in communicating with adult use consumers. Notwithstanding, the division of cannabis control may adopt narrowly tailored time and place restrictions preventing advertising targeted to minors.

(C) The division of cannabis control at any time may conduct an audit of license holder's published advertisements to ensure it complies with section (A) of this chapter and the rules adopted pursuant to this chapter.

(D) The division of cannabis control may require a license holder to stop using an advertisement if the division of cannabis control finds the license holder violated rules adopted pursuant to division (A) of this section.

**Section 3780.22. Tax levied on adult use consumers.**

(A) For the purpose of supporting social equity issues, providing funds to support jobs and economic development, providing funding for host communities who have adult use dispensaries in their jurisdiction to support these communities, funding education and treatment for individuals with cannabis and other addiction issues, and defraying the costs of regulation and administering the tax, there shall be an adult use tax on the sale of adult use cannabis by adult use dispensaries to adult use consumers in accordance with this chapter.

(B) The rate of the adult use tax shall be ten per cent. The adult use tax applies and is collectable when the sale is made, regardless of the time when the price is paid, or when the adult use cannabis is delivered.

(C) The adult use tax is in addition to the tax levied or collected under Chapter 5739 of the Revised Code on adult use cannabis sales by adult use dispensaries to adult use consumers.

(D) The tax authorized under division (A) shall be collected consistent with Chapter 5739 of the Revised Code, but the tax commissioner shall adopt rules the commissioner deems necessary to administer the adult use tax including the licensure, filing, collection, distribution, refund, assessment, bad debt, liability of unpaid taxes, recordkeeping, and any penalty related to the adult use tax consistent with this chapter.

**Section 3780.23. Funds created.**

(A) For the purpose of receiving and distributing, and accounting for, revenue received from the adult use tax levied by section 3780.22 of the Revised Code, the following funds are created in the state treasury:

- (1) The adult use tax fund;
- (2) The cannabis social equity and jobs fund;
- (3) The host community cannabis fund;
- (4) The substance abuse and addiction fund; and
- (5) The division of cannabis control and tax commissioner fund.

(B) All monies collected from the tax levied under this chapter shall be deposited into the adult use tax fund.

(C) Unless otherwise authorized under this chapter or rule, the director of budget and management shall transfer amounts to each fund as follows:

- (1) Thirty-six per cent to the cannabis social equity and jobs fund to be used to implement the requirements of 3780.19 of the Revised Code;
- (2) Thirty-six per cent to the host community cannabis fund for the benefit of municipal corporations or townships that have adult use dispensaries, and the municipal corporations or townships may use such funds for any approved purpose. Distributions to municipal corporations or townships shall be based on the percentage of adult use tax attributable to each municipal corporation or township;
- (3) Twenty-five per cent to the substance abuse and addiction fund to support the efforts of the department of mental health and addiction services to alleviate substance and opiate abuse and related research in the state under section 3780.30 of the Revised Code; and
- (4) Three per cent to the division of cannabis control and tax commissioner fund to support the operations of the division of cannabis control and to defray the cost of the department of taxation for administering the tax levied under section 3780.22 of the Revised Code.

Payments under of this section shall be made by the end of the month following the end of each quarterly period. The tax commissioner shall make the data available to the director of the office of budget and management for this purpose and the director of budget and management shall transfer amounts the funds in this section as required. The tax commission may serve as agent of the municipal corporations or townships only for the purposes of division (C)(2) of this section as promulgated by rule.

**Section 3780.24. Tax administration and enforcement.**

The tax commissioner shall administer and enforce sections 3780.22 through 3780.23 of this chapter. In addition to any other powers conferred upon the tax commissioner by law, the tax commissioner may:

(A) Prescribe all forms that are required to be filed under sections 3780.22 through 3780.23 of this chapter;

(B) Adopt rules that are necessary and proper to carry out section 3780.22 through 3780.23 of this chapter; and

(C) Appoint professional, technical, and clerical employees as are necessary to carry out the tax commissioner's duties under sections 3780.22 through 3780.23 of this chapter.

**Section 3780.25. Local authority regarding adult use cannabis operators.**

(A) The legislative authority of a municipal corporation may adopt an ordinance, or a board of township trustees may adopt a resolution, by majority vote to prohibit, or limit the number of adult use cannabis operators permitted under this chapter within the municipal corporation or within the unincorporated territory of the township, respectively.

(B) Notwithstanding, division (A) above:

(1) Existing cultivators, processors, or dispensaries who have a certificate of operation may not be prohibited or limited by a municipal corporation or township from operating under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code by a municipal corporation or township unless there is a revocation of the certificate of operation;

(2) Adult use cultivators, adult use processors, and adult use dispensaries that are co-located on the same parcel or contiguous parcels with an adult use cultivator and an adult use processor, who are applicants or license holders under this chapter, and whose owners also have a certificate of operation at the same location as the effective date of this section, may not be prohibited or limited by any municipal corporation or township from operating as an adult use cultivator, adult use processor, or an adult use dispensary co-located with an adult use cultivator and an adult use processor under this chapter because of the significant capital investment in the facilities; and

(3) Dispensaries, or the owners of dispensaries, who have a certificate of operation, and who are not co-located on the same parcel or contiguous parcels with a cultivator or processor that has a certificate of operation, as of the effective date of this section, shall also be authorized to operate as an adult use dispensary without any municipal or township prohibitions upon receiving a license from the division of cannabis control, unless a majority of the members of the legislative authority of a municipal corporation affirmatively pass an ordinance, or a majority of township trustees in a township affirmatively pass a resolution, after the license is issued and within one hundred and twenty days from license issuance, prohibiting the operation of the adult use dispensary within the municipal corporation or within the unincorporated territory of the township, respectively.

(C) If a majority of the members of the legislative authority of a municipal corporation pass an ordinance, or a majority of township trustees in a township pass a resolution, prohibiting the adult use dispensary pursuant to division (B)(3) of this section, then the adult use dispensary license holder shall cease operations within sixty days, unless the adult use dispensary license holder files with the board of elections within the sixty day timeframe a petition prescribed by the secretary of state, and signed by the lessor of one hundred qualified electors or five per cent of the qualified electors of the municipal corporation or township, requesting that the issue, of whether the adult use dispensary shall remain open as long as the adult use dispensary is licensed pursuant to chapter 3780 of the Revised Code by the division of cannabis control and the municipal corporation or township is eligible to receive host community cannabis funding, be placed on the next general election ballot which election shall not occur less than ninety days from petition filing. If the required signatures and form of petition is verified by the board of election, the issue shall be placed on the next general election which is ninety days or greater away from the petition filing, and notwithstanding any provision of this chapter, the adult use dispensary license holder may continue to operate until the issue is decided at the next authorized general election. A board of elections may discontinue verifying signatures when the number of verified signatures on a petition equals the minimum number of qualified signatures. The secretary of state shall adopt rules in accordance with 119 of the Revised Code for the proper administration and implementation of divisions (C) and (D) of this section.

(D) The form of the ballot to be used at the election provided for in division (C) of this section shall be as follows:

“Shall the following adult use dispensary, \_\_\_\_\_ (here insert name of adult use dispensary), whose owners also have had a licensed medical marijuana dispensary at \_\_\_\_\_ (here insert address) since \_\_\_\_\_ (here insert the date of opening), remain open as long as the adult use dispensary is licensed pursuant to Chapter 3780 of the Revised Code by the Division of Cannabis Control under the Department of Commerce, and the \_\_\_\_\_ (here insert name of municipal corporation or township) is eligible to receive host community cannabis funding?

Yes, for the Issue	
No for the Issue	

”

(E) If a majority of the voters at the general election vote yes for the issue, then the adult use dispensary may operate within the municipal corporation or township and the municipal corporation or township shall receive related host community cannabis funding as authorized under section 3780.23 of the Revised Code.

(F) If a majority of the voters at the general election vote no for the issue, then:

(1) The dispensary with a certificate of operation at that location may continue to operate at its current address, or the dispensary may request to relocate the dispensary within ninety days of election certification consistent with the requirements of Chapter 3796 of the Revised Code, and

related rules, which relocation request shall be approved regardless of the dispensary districts established by the board of pharmacy as long as the relocation request meets all other applicable requirements of Chapter 3796 of the Revised Code and related rules; and

(2) The adult use dispensary must close within ninety days unless the adult use dispensary applies to the division of cannabis control for a request to relocate within ninety days of the election certification, and then the adult use dispensary may continue to operate until the request to relocate is approved by the division of cannabis control. The division of cannabis control shall review and approve a request to relocate timely once the request to relocate application is in compliance with this chapter and related rules.

(G) A legislative authority of a municipal corporation or a board of township trustees is prohibited from:

(1) Adopting an ordinance or resolution limiting research related to marijuana conducted at a state university, academic medical center, or private research and development organization as part of a research protocol approved by an institutional review board or equivalent entity;

(2) Levying any tax, fee, or charge on adult use cannabis operators, their owners or their property which is not generally charged on other businesses in the municipal corporation or township;

(3) Prohibiting or limiting home grow otherwise authorized under this chapter; and

(4) Prohibiting or restricting an activity that is authorized by this chapter.

### **Section 3780.26. Enforcement authority of the division of cannabis control.**

(A) The division of cannabis control shall enforce, or cause to be enforced, all sections of this chapter and the rules adopted thereunder. If the division of cannabis control has information that any provision of this chapter or that any rule adopted thereunder has been violated, it may investigate the matter and take any reasonable action as it considers appropriate.

(B) The division of cannabis control may do any of the following for any reason specified in rules adopted under section 3780.03 of the Revised Code:

(1) Suspend, suspend without prior hearing upon finding clear and convincing evidence that continued distribution of adult use cannabis presents a danger of immediate and serious harm to others, revoke, restrict, or refuse to renew a license it issued under this chapter;

(2) Refuse to issue a license unless a license is required in accordance with this chapter;

(3) Inspect the premises of an adult use cannabis operator or an adult use testing laboratory without prior notice; or

(4) Impose on a provisional license holder or license holder a civil penalty in an amount to be determined by the division of cannabis control through rule to be paid into the division of cannabis control and tax commissioner fund.

(C) If the division of cannabis control suspends, revokes, or refuses to renew any license issued under this chapter or determines that there is clear and convincing evidence of a danger of immediate and serious harm to any individual, the division of cannabis control may place under seal all adult use cannabis owned by or in the possession, custody, or control of the affected license holder. Except as provided in this section, the division of cannabis control shall not dispose of the adult use cannabis sealed under this section until the license holder exhausts all of the license holder's appeal rights under Chapter 119 of the Revised Code. The court involved in such an appeal may order the division of cannabis control, during the pendency of the appeal, to sell cannabis that is perishable. The division of cannabis control shall deposit the proceeds of the sale with the court.

(D) The division of cannabis control's enforcement actions under this section shall be taken in accordance with Chapter 119 of the Revised Code.

(E) Nothing in this chapter shall be construed to require the division of cannabis control to enforce minor violations of this chapter if the division of cannabis control determines that the public interest is adequately served by a notice or warning to the alleged offender.

**Section 3780.27. Enforcement by the attorney general.**

(A) Upon receiving a written request from the division of cannabis control, the Ohio attorney general may bring a cause of action to restrain a violation of this chapter. Such an action is a civil action, governed by the Rules of Civil Procedure.

(B) The court of common pleas of Franklin county shall give any claim filed under division (A) of this section priority over all other civil cases before the court, irrespective of position on the court's calendar, and shall make a determination on the claim expeditiously. A court of appeals shall give any appeal from a final order issued in a case brought under division (A) of this section priority over all other civil cases before the court, irrespective of position on the court's calendar, and shall make a determination on the appeal expeditiously.

(C) Any action filed under division (A) of this section does not preclude an administrative or criminal proceeding on the same facts.

**Section 3780.28. Enforcement of chapter.**

(A) If the division of cannabis control fails to adopt rules necessary to initially implement this chapter within nine months of the effective date of this chapter or fails to begin accepting license applications within six months of the effective date of this chapter as provided in section 3780.11 of the Revised Code, any citizen of the state of Ohio may commence an action in the court of common pleas of Franklin county, Ohio to compel the division of cannabis control to perform the actions mandated under this chapter.

(B) If the division of cannabis control fails to issue a license to an adult use cannabis operator, or send a notice of denial to an applicant, within three months after receiving a complete adult use

cannabis operator application pursuant to section 3780.11 of the Revised Code, the applicant may:

(1) Commence an action in the court of common pleas of Franklin county, Ohio to compel the division of cannabis control to perform the actions mandated under this chapter; and

(2) Unless the division of cannabis control can demonstrate in writing that operating presents a danger of immediate and serious harm to others, operate under a temporary license, which shall be issued by the division of cannabis control, and in compliance with this chapter, until the division of cannabis control issues or denies the license. If this occurs, the adult use cannabis operator license applicant may only operate if the applicant:

(a) Is also operating at the application location under a corresponding certificate of operation issued under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code; and

(b) Complies with this chapter and any rules adopted by the division of cannabis control under this chapter.

(C) Nothing in this section shall be construed to authorize the operation of an adult use cannabis operator or a medical marijuana cultivator, processor, or dispensary whose license, certificate of operation or application has been suspended, revoked, or denied, including a suspension, revocation, or denial due to a determination by the division of cannabis control that the applicant or operator has violated this chapter or committed a disqualifying offense.

### **Section 3780.29. Home Grow.**

(A) Except as otherwise provided in this chapter, and notwithstanding any other provision of the Revised Code, the following acts by an adult use consumer are lawful:

(1) Cultivating, growing, and possessing not more than six cannabis plants at the individual's primary residence, if all of the following apply:

(a) Not more than twelve cannabis plants are cultivated or grown at a single residence where two or more individuals who are at least twenty-one years of age reside at any one time; and

(b) Cultivation or growing of adult use cannabis only takes place within a secured closet, room, greenhouse, or other enclosed area in or on the grounds of the residence that prevents access by individuals less than twenty-one years of age, and which is not visible by normal unaided vision from a public space.

(2) Processing by manual or mechanical means adult use cannabis cultivated or grown in accordance with this section; or

(3) Transferring up to six cannabis plants to an adult use consumer as long as the transfer is without remuneration and not advertised or promoted to the public.

(B) An adult use consumer may store at their primary residence adult use cannabis that was purchased from an adult use dispensary licensed under this chapter or produced in compliance with this section.

(C) This section does not authorize an individual to:

(1) Cultivate, grow, or process adult use cannabis except at the individual's primary residence;

(2) Permit individuals less than twenty-one years of age to use, cultivate, process, transfer, or transport adult use cannabis;

(3) Process adult use cannabis by hydrocarbon-based extraction; or

(4) Sell, or profit from, adult use cannabis except as specifically authorized in this chapter.

(D) A landlord may prohibit conduct otherwise authorized under division (A) this section so long as such prohibition is included in the applicable lease agreement.

(E) The division of cannabis control shall adopt rules setting forth a schedule of civil penalties that may be applied for violations of this section.

(F) If an individual cultivates or grows double the maximum number of cannabis plants permitted under division (A) of this section or transfers cannabis plants in violation of division (A)(3) of this section, division (F) of section 3780.99 of the Revised Code shall apply.

### **Section 3780.30. Cannabis addiction services; toll-free numbers.**

(A) The division of cannabis control shall enter into an agreement with the department of mental health and addiction services under which the department shall provide a program for cannabis addiction services to be implemented on behalf of the division of cannabis control which includes best practices for education and treatment for individuals with addiction issues related to cannabis or other controlled substances including opioids.

(B) The department of mental health and addiction services shall establish, operate, and publicize an in-state, toll-free telephone number Ohio residents may call to obtain basic information about addiction services available to consumer, and options for an addicted consumer to obtain help. The telephone number shall be staffed twenty-four hours per day, seven days a week in order to respond to inquiries and provide that information. The costs of establishing, operating, and publicizing the telephone number shall be paid for with money in the substance abuse and addiction fund.

(C) The director of mental health and addiction services shall administer the substance abuse and addiction fund. The director shall use the money in the fund to support addiction services or other services that relate to addiction and substance abuse, and research that relates to addiction and substance abuse. Treatment and prevention services supported by money in the fund under this section shall be services that are certified by the department of mental health and addiction services.

(D) The director mental health and addiction services shall prepare an annual report describing the use of the fund for these purposes. The director shall submit the report to the director of the department of commerce, the speaker and minority leader of the house of representatives, the president and minority leader of the senate, and the governor.

(E) License holders shall provide informational resources for patrons related to cannabis addiction issues and services.

(F) License holders shall provide training for their employees regarding the cannabis addiction services resources for patrons related to this section.

### **Section 3780.31. Confidentiality.**

(A) The following information submitted, collected, or gathered under this chapter is confidential and not subject to disclosure by any state agency or political subdivision as a public record under section 149.43 of the Revised Code:

- (1) Social security numbers, passport numbers, or federal tax identification numbers;
- (2) Home addresses and telephone numbers;
- (3) Birth certificates;
- (4) Driver's license numbers;
- (5) Dates of birth;
- (6) Places of birth;
- (7) The personal financial information and records, including tax returns and information, and records of criminal proceedings;
- (8) Any information concerning a victim of domestic violence, sexual assault, or stalking;
- (9) Electronic mail addresses;
- (10) Internet Protocol addresses or similar addresses;
- (11) Any trade secret, and patents, or exclusive licenses;
- (12) Client records and adult use consumer identifying information; and
- (13) Security information, including risk prevention plans, detection and countermeasures, location of vaults or other money and/or cannabis storage areas, emergency management plans, security and surveillance plans, equipment and usage protocols, and theft and fraud prevention plans and countermeasures.

(B) Notwithstanding any other law, upon written request, the division of cannabis control shall provide the following information, except as provided in this chapter:

(1) The amount of tax paid to the state by any license holder; and

(2) A copy of a letter providing the reasons for the denial of an applicant's license, but with confidential information redacted.

(C) An individual who holds, held, or has applied for a license under this chapter may waive the confidentiality requirements of division (A) of this section.

(D) Confidential information received by the division of cannabis control from another jurisdiction relating to an individual who holds, held, or has applied for a license under this chapter is confidential and not subject to disclosure as a public record under section 149.43 of the Revised Code.

(E) After giving reasonable notice to the applicant, the current or former provisional license holder, or the current or former license holder, the division of cannabis control may share any information gathered pursuant to this chapter with, or disclose the information to, the inspector general, any appropriate prosecuting authority, any law enforcement agency, or any other appropriate governmental or licensing agency, but the agency that receives the information shall comply with the same requirements regarding confidentiality required under Ohio law.

(F) The division of cannabis control, and any entity under contract with the division of cannabis control, shall not make public any information reported to or collected by the division of cannabis control under this chapter that identifies or would tend to identify any adult use consumer, or tend to show any adult use consumer's purchase history.

### **Section 3780.32. Venue for court actions.**

(A) Any action asserting that this chapter, any portion of this chapter, or any rule adopted thereunder, violates any provision of the Ohio Constitution or federal law shall be brought in the court of common pleas of Franklin county within ninety days after the effective date of the enactment of this chapter or within ninety days after the effective date of any rule adopted pursuant to this chapter, as applicable.

(B) Any claim asserting that any action taken by the division of cannabis control under this chapter violates any provision of the Ohio Constitution or any provision of the Revised Code shall be brought in the court of common pleas of Franklin county within ninety days after the action is taken.

(C) Divisions (A) and (B) of this section do not apply to any claim within the original jurisdiction of the Supreme Court of Ohio or any court of appeals under Article IV of the Ohio Constitution.

(D) The court of common pleas of Franklin county shall give any claim filed under (A) or (B) of this section priority over all other civil cases before the court, irrespective of position on the

court's calendar, and shall make a determination on the claim expeditiously. A court of appeals shall give any appeal from a final order issued in a case brought under divisions (A) or (B) of this section priority over all other civil cases before the court, irrespective of position on the court's calendar, and shall make a determination on the appeal expeditiously.

**Section 3780.33. Liabilities and immunities.**

(A) The holder of a license, as defined in section 4776.01 of the Revised Code, or other license, certification, or registration issued by any professional board in the state of Ohio, or pursuant to 2923.125 of the Revised Code, are not subject to disciplinary action solely for engaging in professional or occupational activities related to adult use cannabis in accordance with this chapter, for owning or providing professional assistance to prospective or licensed adult use operators, adult use testing laboratories or to other individuals for activity in accordance with this chapter, or for obtaining, possessing, transporting, or using adult use cannabis in accordance with this chapter.

(B) Unless there is clear and convincing evidence that a child is unsafe, the use, possession, or administration of adult use cannabis in accordance with this chapter shall not be the sole or primary basis for any of the following:

(1) An adjudication under section 2151.28 of the Revised Code determining that a child is an abused, neglected, or dependent child;

(2) An allocation of parental rights and responsibilities under section 3109.04 of the Revised Code; or

(3) A parenting time order under section 3109.051 or 3109.12 of the Revised Code.

(C) Notwithstanding any conflicting provision of the Revised Code, the use or possession of adult use cannabis in accordance with this chapter shall not be used as a reason for disqualifying an individual from medical care or from including an individual on a transplant waiting list.

(D) Notwithstanding any conflicting provision of the Revised Code, the use, possession, administration, cultivation, processing, testing, dispensing, transporting, sale, delivery, or transferring of adult use cannabis in accordance with this chapter shall not be used as the sole or primary reason for taking action under any criminal or civil statute.

(E) Notwithstanding any conflicting provision of the Revised Code, when an adult use consumer engages in activities related to adult use cannabis in compliance with this chapter, such activities alone do not constitute sufficient basis for conducting a field sobriety test on the individual or for suspending the individual's driver's license. To conduct any field sobriety test, a law enforcement officer must have an independent, factual basis giving reasonable suspicion that the individual is operating a vehicle under the influence of adult use cannabis or with a prohibited concentration of marijuana in the person's whole blood, blood serum, plasma, breath, or urine.

(F) Notwithstanding any conflicting provision of the Revised Code, an individual's status as an adult use consumer shall not be used as the sole or primary basis for rejecting the individual as a

tenant unless the rejection is required by federal law. Notwithstanding this division, a landlord may prohibit the consumption of cannabis by combustion so long as such prohibition is included in the applicable lease agreement.

(G) Notwithstanding any conflicting provision of the Revised Code, the use or possession of adult use cannabis in accordance with this chapter shall not be used as a reason for disqualifying an individual from a public benefit program administered by any state or local authority, or for otherwise denying an individual a public benefit administered by the state or any locality.

(H) This chapter does not do any of the following:

(1) Permit the use, possession, cultivation, processing, dispensing, or transportation of adult use cannabis other than as authorized by this chapter;

(2) Permit the cultivation, processing, and dispensing of adult use cannabis by any person unless licensed as an adult use cannabis operator by the division of cannabis control except as authorized under this chapter;

(3) Permit the use, cultivation, dispensing, or processing of adult use cannabis on federal, state, or locally owned land located in the state of Ohio;

(4) Require any public place to accommodate an individual's use of adult use cannabis;

(5) Prohibit any public place from accommodating an individual's use of adult use cannabis; or

(6) Restrict research related to cannabis at a state university, academic medical center, or private research and development organization as part of a research protocol approved by an institutional review board or equivalent entity.

(I) It is the public policy of the state of Ohio that contracts related to adult use cannabis operators and adult use cannabis testing laboratories are enforceable.

### **Section 3780.34. Financial institutions.**

(A) As used in this section:

(1) "Financial institution" means any of the following:

(a) Any bank, trust company, savings and loan association, savings bank, or credit union or any affiliate, agent, or employee of a bank, trust company, savings and loan association, savings bank, or credit union;

(b) Any money transmitter licensed under sections 1315.01 to 1315.18 of the Revised Code or any affiliate, agent, or employee of such a licensee.

(2) “Financial services” means services that a financial institution is authorized to provide under Title XI, sections 1315.01 to 1315.18, or Chapter 1733 of the Revised Code, as applicable, including electronic payments to the extent not in conflict with other state law or federal law.

(B) A financial institution that provides financial services to any adult use cannabis operator, or testing laboratory licensed under this chapter shall be exempt from any criminal law of the state of Ohio an element of which may be proven by substantiating that a financial institution provides financial services to an individual or entity who cultivates, possesses, delivers, processes, or dispenses cannabis or cannabis derived products, including section 2925.05 of the Revised Code and sections 2923.01 and 2923.03 of the Revised Code as those sections apply to violations of Chapter 2925 of the Revised Code, if the adult use consumer, adult use cannabis operator or adult use testing laboratory is in compliance with this chapter and the applicable tax laws of the state of Ohio.

(C)(1) Notwithstanding section 149.43 of the Revised Code or any other public records law to the contrary, upon the request of a financial institution providing services to an adult use cannabis operator or adult use testing laboratory, the division of cannabis control shall provide to the financial institution all of the following information:

(a) Whether an individual or entity with whom the financial institution is seeking to do business is an adult use cannabis operator or adult use testing laboratory licensed under this chapter;

(b) The name of any other business or individual affiliated with the individual or entity;

(c) An unredacted copy of the application for a license under this chapter, and any supporting documentation, that was submitted by the individual or entity;

(d) If applicable, information relating to sales and volume of product sold by the individual or entity, except where prohibited by this chapter;

(e) Whether the individual or entity follows this chapter; and

(f) Any past or pending violation by the individual or entity of this chapter, and any penalty imposed on the individual or entity for such a violation.

(2) The division of cannabis control may charge a financial institution a reasonable fee to cover the administrative cost of providing the information.

(D) Information received by a financial institution under division (C) of this section is confidential. Except as otherwise licensed by other state law or federal law, a financial institution shall not make the information available to any individual other than the customer to whom the information applies and any trustee, conservator, guardian, personal representative, or agent of that customer.

### **Section 3780.35. Rights of employer.**

(A) Nothing in this chapter does any of the following:

- (1) Requires an employer to permit or accommodate an employee's use, possession, or distribution of adult use cannabis otherwise in compliance with this chapter;
  - (2) Prohibits an employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hire, tenure, terms, conditions, or privileges of employment because of that individual's use, possession, or distribution of cannabis otherwise in compliance with this chapter;
  - (3) Prohibits an employer from establishing and enforcing a drug testing policy, drug-free workplace policy, or zero-tolerance drug policy;
  - (4) Interferes with any federal restrictions on employment, including the regulations adopted by the United States Department of Transportation in Title 49 of the Code of Federal Regulations, as amended;
  - (5) Permits an individual to commence a cause of action against an employer for refusing to hire, discharging, disciplining, discriminating, retaliating, or otherwise taking an adverse employment action against an individual with respect to hire, tenure, terms, conditions, or privileges of employment related to the individual's use of cannabis; or
  - (6) Affects the authority of the administrator of workers' compensation to grant rebates or discounts on premium rates to employers that participate in a drug-free workplace program established in accordance with rules adopted by the administrator under Chapter 4123 of the Revised Code.
- (B) An individual who is discharged from employment because of that individual's use of cannabis shall be considered to have been discharged for just cause for purposes of division (D) of section 4141.29 of the Revised Code if the individual's use of cannabis was in violation of an employer's drug-free workplace policy, zero-tolerance policy, or other formal program or policy regulating the use of cannabis.

### **Section 3780.36 Limitations on conduct by individuals.**

- (A) Except as otherwise provided in this chapter and notwithstanding any conflicting provision of the Revised Code, an adult use consumer, may do the following:
- (1) Use adult use cannabis;
  - (2) Possess, transfer without remuneration to another adult consumer, or transport adult use cannabis, subject to division (B) of this section; and
  - (3) Purchase adult use cannabis from an adult use dispensary per day in amounts that do not exceed the possession limits set forth in division (B)(1) of this section.
- (B) Except as otherwise provided in chapter 3796 of the Revised Code:

(1) The amount of cannabis that may be possessed by an adult use consumer shall not exceed:

- (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and
- (b) Fifteen grams of adult use cannabis in the form of adult use extract.

(2) The amount of cannabis that may be transferred by an adult use consumer without remuneration and not advertised or promoted to the public shall not exceed:

- (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and
- (b) Fifteen grams of adult use cannabis in the form of adult use extract.

(3) The amount of cannabis that may be transported by an adult use consumer shall not exceed:

- (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and
- (b) Fifteen grams of adult use cannabis in the form of adult use extract.

(C) Except as otherwise provided in this chapter, an adult use consumer shall not be subject to arrest, criminal prosecution, or civil penalty for engaging in any of the activities authorized under this chapter, including:

- (1) Obtaining, using, possessing, or transporting adult use cannabis;
- (2) Performing conduct authorized under section 3780.29 of the Revised Code;
- (3) Acquiring, possessing, using, purchasing, manufacturing, selling, or transporting paraphernalia; and
- (4) Assisting another adult use consumer, or allowing property to be used, in any of the acts authorized by this chapter.

(D)(1) An individual is prohibited from operating a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft while using adult use cannabis or while under the influence of adult use cannabis and is subject to section 4511.19 of the Revised Code for any violation of this division.

(2) An individual is prohibited from smoking, vaporizing, or using any other combustible adult use cannabis product while in a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft and is subject to section 4511.19 of the Revised Code for any violation of this division.

(E) Except as otherwise provided in this chapter, no individual under twenty-one years of age shall knowingly show or give false information concerning the individual's name, age, or other identification for the purpose of purchasing adult use cannabis from an adult use dispensary licensed under this chapter.

(F) Nothing in this chapter is intended to permit the transfer or sale of adult use cannabis, with or without remuneration, to an individual under twenty-one years of age, or to allow an individual under twenty-one years of age to purchase, possess, use, process, transport, or cultivate cannabis except where authorized by Chapter 3796 of the Revised Code.

(G) It is unlawful for any parent or guardian to knowingly permit their residence, any other private property under their control, or any vehicle, conveyance, or watercraft under their control to be used by an invitee of the parent's child or the guardian's ward, if the invitee is under twenty-one years of age, in a manner that constitutes a violation of this chapter.

(1) A parent or guardian is deemed to have knowingly permitted their residence, any other private property under their control, or any vehicle, conveyance, or watercraft under their control to be used in violation of this chapter if they knowingly authorize or permit consumption of cannabis by underage invitees.

(2) Where the residence or other property has an owner and a tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or lessee.

#### **R.C. 3780.90. Severability.**

If any provision of this chapter or its application is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

#### **Section 3780.99. Penalties.**

(A) Except as otherwise provided in Chapter 3796 of the Revised Code, section 2925.11 of the Revised Code shall apply when an adult use consumer possesses an amount of cannabis greater than the limits set forth in division (B)(1) of section 3780.36 of the Revised Code.

(B) Except as otherwise provided in this chapter, an adult use consumer who uses adult use cannabis in public areas, or who violates division (D)(2) of section 3780.36 of the Revised Code as a passenger, is guilty of a minor misdemeanor.

(C)(1) An individual under twenty-one years of age who knowingly shows or gives false information concerning the individual's name, age, or other identification for the purpose of purchasing or otherwise obtaining adult use cannabis from an adult use dispensary licensed under this chapter is guilty of a misdemeanor of the first degree. If, in committing a first violation, the offender presented to an adult use dispensary licensed under this chapter a false, fictitious, or altered identification card, a false or fictitious driver's license purportedly issued by any state, or a driver's license issued by any state that has been altered, the offender is guilty of a misdemeanor of the first degree and shall be fined not less than two hundred fifty and not more than one thousand dollars, and may be sentenced to a term of imprisonment of not more than six months.

(2) On a second violation in which, for the second time, the offender presented to an adult use dispensary licensed under this chapter a false, fictitious, or altered identification card, a false or fictitious driver's license purportedly issued by any state, or a driver's license issued by any state that has been altered, the offender is guilty of a misdemeanor of the first degree and shall be fined not less than five hundred nor more than one thousand dollars, and may be sentenced to a term of imprisonment of not more than six months. The court also may impose a class seven suspension of the offender's driver's or commercial driver's license or permit or nonresident operating privilege from the range specified in division (A)(7) of section 4510.02 of the Revised Code. The court, in lieu of suspending the offender's temporary instruction permit, probationary driver's license, or driver's license, instead may order the offender to perform a determinate number of hours of community service, with the court determining the actual number of hours and the nature of the community service the offender shall perform.

(3) On a third or subsequent violation in which, for the third or subsequent time, the offender presented to an adult use dispensary licensed under this Chapter a false, fictitious, or altered identification card, a false or fictitious driver's license purportedly issued by any state, or a driver's license issued by any state that has been altered, the offender is guilty of a misdemeanor of the first degree and shall be fined not less than five hundred nor more than one thousand dollars, and may be sentenced to a term of imprisonment of not more than six months. Except as provided in this division, the court also may impose a class six suspension of the offender's driver's or commercial driver's license or permit or nonresident operating privilege from the range specified in division (A)(6) of section 4510.02 of the Revised Code, and the court may order that the suspension or denial remain in effect until the offender attains the age of twenty-one years. The court, in lieu of suspending the offender's temporary instruction permit, probationary driver's license, or driver's license, instead may order the offender to perform a determinate number of hours of community service, with the court determining the actual number of hours and the nature of the community service the offender shall perform.

(D) An individual who is under twenty-one years of age and who solicits another individual to purchase adult use cannabis from an adult use dispensary licensed under this chapter is guilty of:

(1) For a first violation, a misdemeanor of the fourth degree; and

(2) For a second or subsequent violation, a misdemeanor of the second degree.

(E) An employee or agent of an adult use dispensary licensed under this chapter who knowingly sells cannabis to an individual under twenty-one years of age is guilty of a misdemeanor of the first degree.

(F) Any individual who violates division (A) of section 3780.10 of the Revised Code, or division (F) of 3780.29 of the Revised Code, is guilty of the illegal trafficking in drugs under section 2925.03 of the Revised Code and the illegal manufacture of drugs under section 2925.04 of the Revised Code.

(G) Any individual who violates divisions (B)(2) or (B)(3) of section 3780.36 of the Revised Code is guilty of the illegal trafficking in drugs under section 2925.03 of the Revised Code.

(H) Any individual who violates division (B) of section 3780.20 of the Revised Code is guilty of illegal dispensing of drug samples under section 2925.36 of the Revised Code.

(I)(1) An individual who violates division (G) of Section 3780.36 of the Revised Code is guilty of:

(a) For a first violation, a misdemeanor of the third degree; and

(b) For a second or subsequent violation, a misdemeanor of the first degree.

(2) If a violation of division (G) of Section 3780.36 of the Revised Code directly or indirectly results in great bodily harm or death to any individual, the individual violating this division is guilty of a felony of the fourth degree.