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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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H.B. 86\*  
135<sup>th</sup> General Assembly

## Bill Analysis

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**Version:** As Passed by the Senate

**Primary Sponsor:** Rep. LaRe

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### SUMMARY

- Revises the limit on the gallons of spirituous liquor that a micro-distillery (A-3a liquor permit holder) may manufacture each year as follows:
  - Increases the amount from less than 100,000 gallons to any amount if the micro-distillery is issued an A-3a permit prior to the bill's effective date, regardless of whether the permit premises location or the premises' ownership is transferred and the permit holder is issued a new A-3a permit after the bill's effective date.
  - Retains the 100,000 gallon limit for a distiller that begins manufacturing spirituous liquor under an A-3a permit on and after the bill's effective date.
- Requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free, rather than requiring at least a 50¢ charge for each tasting sample as under current law.
- Removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.
- Repeals the Cannabis Control Law, enacted by petition and scheduled to take effect December 7, 2023, and instead incorporates many of its adult-use and home grow provisions into the existing Medical Marijuana Control Law.
- Revises the law governing hemp products.
- Levies taxes on adult-use marijuana.

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\* This analysis was prepared before the report of the Senate General Government Committee or the vote of the Senate appeared in the Senate Journal. Note that the legislative history may be incomplete.

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## DETAILED ANALYSIS

### **A-3a liquor permit: manufacturing limit**

The bill increases the amount of spirituous liquor (intoxicating liquor of more than 21% alcohol by volume) that a micro-distillery (A-3a liquor permit holder) may annually manufacture under certain conditions. Under current law, to be eligible for an A-3a permit, a micro-distillery must manufacture less than 100,000 gallons per year. The bill increases that amount to any amount for a micro-distillery issued an A-3a permit prior to the bill's effective date. The removal of the 100,000 gallon limitation applies regardless of whether the permit premises location or ownership of the permit premises is transferred and the permit holder is issued a new A-3a permit. The bill retains the 100,000 gallon per year limit for a micro-distillery issued an A-3a permit on and after the bill's effective date.<sup>1</sup>

Under current law, the Division of Liquor Control may issue two types of liquor permits to distillers of spirituous liquor, an A-3 and an A-3a liquor permit. An A-3 permit is generally issued to large distilleries (100,000 gallons or more per year) and the A-3a permit is issued to micro-distilleries (less than 100,000 gallons per year). Although both distilleries may manufacture spirituous liquor, only an A-3a permit holder may sell spirituous liquor to a personal consumer in sealed containers for consumption off the manufacturing premises.<sup>2</sup> Thus, the bill allows larger distilleries (via the increase in the production limit for A-3a permit holders) to sell their spirituous liquor to personal consumers from their distilleries.

### **Tasting samples of spirituous liquor**

The bill requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free rather than requiring at least a 50¢ charge for each tasting sample as under current law. The bill retains the following current requirements for the provision of the tasting samples:

1. The person consuming the tasting sample must be 21 or above;
2. The tasting sample must not exceed a quarter ounce;
3. The tasting event must not exceed two hours;
4. A person may not consume more than four tasting samples of spirituous liquor per day;
5. The tasting samples must be provided by a trade marketing professional, broker, or solicitor (see below);
6. The liquor agency store must hold a D-8 liquor permit, which authorizes the provision of the tasting samples; and

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<sup>1</sup> R.C. 4303.041(A).

<sup>2</sup> R.C. 4303.04, not in the bill, and 4303.041.

7. The tasting event must take place in the area of the liquor agency store in which spirituous liquor is sold.<sup>3</sup>

### **Trade marketing professionals, brokers, and solicitors**

Under current law, a broker is a company that solicits sales of alcoholic beverages on behalf of a manufacturer or supplier, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws. A solicitor is an individual who solicits liquor permit holders or the Division of Liquor Control for sales of alcoholic beverages on behalf of a manufacturer, supplier, wholesale distributor, or broker, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws.<sup>4</sup> A trade marketing professional is an individual who is an employee of, or is under contract with, a trade marketing company and who has successfully completed a training program on the liquor control laws, conflict management, and safety provisions in an emergency.<sup>5</sup>

### **Grains of paradise as adulterated alcohol**

The bill removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.<sup>6</sup>

### **Marijuana, hemp, and tax laws**

The bill generally replaces the Cannabis Control Law, enacted by petition and scheduled to take effect December 7, 2023, incorporating many provisions of the Cannabis Control Law into the already existing Medical Marijuana Control Law, while amending or outright repealing others, with the resulting law being referred to as the Marijuana Control Law. Both versions authorize nonmedical use of marijuana products by individuals over 21 years of age.

Under the Cannabis Control Law, the cultivation, processing, and dispensing of adult use marijuana is overseen by the Division of Cannabis Control. Under the bill, oversight of adult-use marijuana is transferred to the Division of Marijuana Control (DMC). DMC is currently responsible for the oversight of medical marijuana and oversees 23 Level I cultivators (two of which are provisional), 14 Level II cultivators (one of which is provisional), 46 processors (two of which are provisional), and 114 dispensaries (one of which is provisional). Currently there are approximately 403,000 registered medical marijuana users in Ohio.<sup>7</sup> These medical marijuana license holders would be able to engage in all activities authorized under the Marijuana Control Law.

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<sup>3</sup> R.C. 4301.17 and 4301.171.

<sup>4</sup> R.C. 4301.245(A)(1), not in the bill, by reference to Ohio Administrative Code 4301-1-01(B).

<sup>5</sup> R.C. 4301.245(A)(5). A trade marketing company is a company that solicits the purchase of beer and intoxicating liquor and educates the public about beer and intoxicating liquor (R.C. 4301.171(A)(3)).

<sup>6</sup> R.C. 4399.15.

<sup>7</sup> [Program Update: By the Numbers \(PDF\)](#), November 2023, Division of Marijuana Control.

The table below compares the current Cannabis Control Law with the Marijuana Control Law, as proposed by the bill. Generally, this table provides information only on the ways in which the two laws differ and mostly omits information on the ways in which the laws are substantively the same.

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<b>Oversight</b>	
<p>Establishes the Division of Cannabis Control (DCC) within the Department of Commerce and grants DCC the authority to license, regulate, investigate, and penalize adult-use cannabis license holders and adult-use users (<i>R.C. 3780.03(A) and (B)</i>).</p> <p>Requires, a separate license, for adult-use cultivators, processors, dispensaries, and laboratories, distinct from the medical marijuana license for such activities (<i>R.C. Chapter 3780</i>).</p> <p>Requires DCC to adopt rules pertaining to the issuance and oversight of adult-use cannabis, but also requires DCC to adopt rules pertaining to all of the following:</p> <ul style="list-style-type: none"> <li>▪ Minimum insurance or surety bond requirements for license holders;</li> <li>▪ Standards for samples and advertising;</li> <li>▪ Technical standards for security and surveillance for license holders;</li> <li>▪ Requirements for security services, including armed and unarmed agents;</li> <li>▪ Standards and procedures to allow for delivery and mobile ordering of adult-use cannabis (<i>R.C. 3780.03(C)</i>).</li> </ul>	<p>Invests this authority with the already-existing Division of Marijuana Control (DMC) and specifies that DMC is under the purview of the Superintendent of Marijuana Control (<i>R.C. 3796.02</i>).</p> <p>Requires license holders under the Marijuana Control Law to engage in both medical marijuana and adult-use marijuana activities (<i>R.C. Chapter 3796</i>).</p> <p>Similar, but only requires DMC to adopt rules related to the general oversight and licensure of licenses related to both medical and adult-use marijuana. Repeals the requirement for rules related to insurance or bonds, samples and advertising, security and surveillance, and delivery and mobile ordering. (<i>R.C. 3796.03</i>).</p>
<b>Transition</b>	
No provision.	Exempts, for 12 months after the effective date of the bill, rules adopted by DMC from the requirement that certain state agencies repeal two regulatory restrictions for every new one adopted and that certain state agencies reduce their total number of regulatory restrictions by 30% by 2025 ( <i>R.C. 121.95 and 121.951</i> ).

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Allows any citizen to commence an action in the Franklin County Court of Common Pleas to compel the DCC to adopt rules related to adult-use cannabis, if it fails to do so within nine months after December 7, 2023 (<i>R.C. 3780.28(A)</i>).</p>	<p>Requires DMC to adopt rules related to adult-use marijuana within nine months after the effective date of the bill. Repeals the right to a cause of action. (<i>Section 4(B)</i>.)</p>
<p>No provision.</p>	<p>Temporarily allows licensed retail dispensaries to sell medical marijuana to any adult-use consumer, upon presentation of valid identification demonstrating the adult-use consumer is at least 21 years of age, beginning on the bill’s effective date and ending within one year thereafter, as specified by DMC rule (<i>R.C. 3796.33(A)</i>).</p>
<p>No provision.</p>	<p>Provides that medical marijuana dispensed pursuant to the temporary authorization is to be treated as adult-use marijuana for the purposes of the Marijuana Control Law, except that:</p> <ul style="list-style-type: none"> <li>▪ The tetrahydrocannabinol (“THC”) and possession limits for medical marijuana apply;</li> <li>▪ Administrative rules relative to medical marijuana apply to the extent they do not conflict with rules or code specific to adult-use marijuana (<i>R.C. 3796.33(B) and (D)</i>).</li> </ul>
<p>No provision.</p>	<p>Specifies that medical marijuana dispensed under the temporary authorization is not to be tracked in the Ohio Automated Rx Reporting System (“OARRS”) (<i>R.C. 3796.33(C)</i>).</p>
Authorized forms	
<p>Authorizes the following forms of adult-use cannabis:</p> <ul style="list-style-type: none"> <li>▪ Seeds;</li> <li>▪ Live plants;</li> <li>▪ Clones;</li> <li>▪ Oils;</li> <li>▪ Tinctures;</li> </ul>	<p>Same as current law (<i>R.C. 3796.06(A) and (B)</i>).</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<ul style="list-style-type: none"> <li>▪ Plant material;</li> <li>▪ Edibles;</li> <li>▪ Patches;</li> <li>▪ Extracts;</li> <li>▪ Drops;</li> <li>▪ Lozenges;</li> <li>▪ Smoking or combustible products;</li> <li>▪ Vaporization products;</li> <li>▪ Beverages;</li> <li>▪ Pills;</li> <li>▪ Capsules;</li> <li>▪ Suppositories;</li> <li>▪ Oral pouches;</li> <li>▪ Oral strips;</li> <li>▪ Oral and topical sprays;</li> <li>▪ Salves;</li> <li>▪ Lotions or similar cosmetic products;</li> <li>▪ Inhalers (<i>R.C. 3780.04(A).</i>)</li> </ul> <p>Allows any person to submit a petition to DCC requesting that an additional form or method of adult-use cannabis be approved. Requires DCC to determine whether or not to approve the petition within 60 days after receipt. (<i>R.C. 3780.04(B) and (C)</i>).</p> <p>No provision</p>	<p>Repeals the authority to submit a petition requesting an additional form or method of adult-use marijuana. Maintains similar authority under continuing law for medical marijuana (<i>R.C. 3796.061, not in the bill; Section 3</i>).</p> <p>Prohibits adult-use marijuana from being dispensed in a form that bears the likeness or characteristics of a realistic or fictional human, animal, or fruit (<i>R.C. 3796.06(D)(2)</i>).</p>
THC limits	
<p>Requires DCC to adopt rules that set THC limits for adult-use cannabis at no less than the following:</p> <ul style="list-style-type: none"> <li>▪ 35% for plant material;</li> <li>▪ 90% for extracts.</li> </ul>	<p>Specifies that THC limits for adult-use marijuana are as follows:</p> <ul style="list-style-type: none"> <li>▪ 35% for plant material;</li> <li>▪ 50% for extracts.</li> </ul>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Authorizes DCC to increase or eliminate such limits (R.C. 3780.03(C)(21)).</p>	<p>Further specifies that the THC content of adult-use marijuana, other than marijuana intended for consumption by vaporization, must not exceed 10 milligrams per serving, and 100 milligrams per package. (R.C. 3796.06(E)(2) and (3)).</p> <p>Repeals general authority to increase or eliminate THC limits. Authorizes DMC, if supported by scientific evidence and industry standards, to do either or both of the following:</p> <ul style="list-style-type: none"> <li>▪ Allow adult-use extracts intended for consumption by vaporization to have a THC content of more than 50%;</li> <li>▪ Establish, subject to the requirements above, THC limits as a percentage of weight, content per unit, or content per package (R.C. 3796.06(F); Section 3).</li> </ul>
<b>Home grow</b>	
<p>Authorizes an adult-use consumer to cultivate, grow, and possess up to six cannabis plants (not more than 12 plants per-household) so long as the plants are kept in a secured area that is not visible from a public space (R.C. 3780.29(A)).</p> <p>Allows home growers to transfer up to six plants to another adult-use consumer without advertisement or remuneration (R.C. 3780.29(A)(3)).</p> <p>Requires home grow to take place at the adult-use consumer’s “primary residence,” i.e., 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 (R.C. 3780.01(A)(33) and 3780.29).</p> <p>Specifies that a person who grows more than double the allowable number of plants is guilty of the illegal trafficking in drugs and the illegal manufacture of drugs (R.C. 3780.29(F) and 3780.99(F)).</p>	<p>Limits home grow to six plants per household (R.C. 3796.04).</p> <p>Prohibits transfer of homegrown marijuana with or without remuneration (R.C. 3796.04(B)).</p> <p>Similar to current law but does not define primary residence. Expressly prohibits cultivation, growth, or possession of homegrown marijuana on behalf of another person (R.C. 3796.04).</p> <p>Similar but specifies that a person who grows more than the allowable number of plants is guilty of possession of marijuana (R.C. 3796.04(A)(1) and 3796.99(D)).</p>
<b>Use, possession, and transportation</b>	

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Enables adult-use consumers to use, possess, purchase, process, transfer without remuneration to another adult consumer, or transport adult-use cannabis. Defines “adult-use cannabis” to include all marijuana (<i>R.C. 3780.01(A)(1) and 3780.36(A)</i>).</p>	<p>Defines “adult-use marijuana” to include only marijuana that is cultivated, processed, dispensed, processed, or tested in accordance with the bill and that is not medical marijuana or homegrown marijuana (<i>R.C. 3796.01(A)(9)</i>).</p>
<p>Enables adult-use consumers to possess up to 2.5 ounces (70.87 grams) of adult-use cannabis in a form other than extract and up to 15 grams of adult-use extract (<i>R.C. 3780.36(B)</i>).</p>	<p>Prohibits transfer of adult-use or homegrown marijuana by persons other than licensed marijuana operators. Specifies that any person who engages in activities requiring a license without a license issued by DMC is guilty of trafficking in marijuana or the illegal cultivation of marijuana in violation of Ohio Drug laws (<i>R.C. 3796.99(E)</i>).</p>
<p>Enables adult-use consumers to possess up to 2.5 ounces (70.87 grams) of adult-use cannabis in a form other than extract and up to 15 grams of adult-use extract (<i>R.C. 3780.36(B)</i>).</p>	<p>Similar to current law, but applies the possession limits to plant material (up to 2.5 ounces) and extracts (15 grams). Specifies that the possession limit for plant material does not apply to seeds, live plants, or clones being cultivated, grown, or processed in accordance with home grow law (<i>R.C. 3796.04(D) and 3796.221(B)</i>).</p>
<p>Transfer or transportation of adult-use cannabis in amounts greater than these limits is considered the illegal trafficking of drugs under the Ohio Criminal Code (<i>R.C. 3780.99(G)</i>).</p>	<p>Transfer of adult-use marijuana in violation of the bill is a violation of illegal trafficking in marijuana under the Ohio Criminal Code. Unlawful transportation penalties described below. (<i>R.C. 3796.99(E)</i>.)</p>
<p>No provision.</p>	<p>Prohibits any person from transporting marijuana or marijuana paraphernalia in a motor vehicle unless it is adult-use, homegrown, or medical marijuana and meets either or both of the following:</p> <ul style="list-style-type: none"> <li>▪ The marijuana or paraphernalia is in its original, unopened packaging (does not apply to homegrown marijuana);</li> <li>▪ The marijuana or paraphernalia is stored in the trunk of the vehicle or, if there is no trunk, such as in a truck, behind the last upright seat of the vehicle or in an area not normally occupied by the driver or passengers and not easily accessible by the driver (<i>R.C. 3796.062</i>).</li> </ul>



Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
No provision.	Requires that all adult-use marijuana be stored in its original packaging unless it is actively being used ( <i>R.C. 3796.221(E)</i> ).
<b>Smoking, combustion, and vaporization</b>	
Smoking or combustion of adult-use cannabis is subject to the same limitations that apply to smoking under continuing law ( <i>See R.C. Chapter 3794</i> ).	Same as current law, but also specifies that the smoking, combustion, and vaporization of adult-use and homegrown marijuana is permitted only in a private residence that is not a child care home or where such activity is prohibited according to a lease and makes a violation of this prohibition a minor misdemeanor ( <i>R.C. 3796.06(C)(2) and 3796.99(B)</i> ).
<b>Smoking marijuana in a vehicle</b>	
Prohibits an individual from operating a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft while using adult use cannabis or while under its influence.	Authorizes the use of adult use cannabis in only certain locations, such that a vehicle, streetcar, trackless trolley, watercraft, or aircraft is not included ( <i>R.C. 3796.06(C)(2)</i> ).
Subjects the operator to R.C. 4511.19 (the OVI law) for violations of the above prohibition ( <i>R.C. 3780.36(D)(1)</i> ).	Subjects the operator of a vehicle, streetcar, trackless trolley, watercraft, or aircraft to R.C. 1547.11 (watercraft OVI), 4511.19 (vehicle OVI), or 4561.15 (aircraft OVI), as applicable ( <i>R.C. 3796.99(A)(1)</i> ).
Prohibits an individual 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.	Authorizes the use of adult use cannabis in only certain locations, such that a vehicle, streetcar, trackless trolley, watercraft, or aircraft is not included ( <i>R.C. 3796.06(C)(2)</i> ).
Subjects the individual to the OVI law for violations of the above prohibition ( <i>R.C. 3780.36(D)(2)</i> ).	Subjects a passenger using adult use cannabis in a vehicle, streetcar, trackless trolley, watercraft, or aircraft to the following penalties: <ul style="list-style-type: none"> <li>▪ First-time offender: first degree misdemeanor; mandatory 3-day jail term (additional term up to 6 months); \$375 to \$1,075 fine; Class 7 driver's license suspension (up to 1 year).</li> </ul> <p>Second-time offender (within ten years): first degree misdemeanor; mandatory ten-day jail term (additional term up to 6 months); \$525 to \$1,625 fine; Class 6</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
	<p>driver's license suspension (3 months to 2 years).</p> <ul style="list-style-type: none"> <li>▪ Third-time offender (within ten years): first degree misdemeanor; mandatory 30-day jail term (additional term up to 1 year); \$850 to \$2,750 fine; Class 5 driver's license suspension (6 months to 3 years).</li> <li>▪ Fourth-time offender (within ten years): fourth degree felony; mandatory prison term of 1, 2, 3, 4, or 5 years; \$1,350 to \$10,500 fine; Class 4 driver's license suspension (1 to 5 years).</li> <li>▪ One prior felony violation for the use of adult use cannabis as a passenger (regardless of when the offense occurred): third degree felony; mandatory prison term of 1, 2, 3, 4, or 5 years; \$1,350 to \$10,500 fine; Class 3 driver's license suspension (2 to 10 years) (<i>R.C. 3796.99(A)(2)</i>).</li> </ul>
Underage use and false identification	
<p>Makes violating the prohibition against underage use of adult-use cannabis through the use of a false ID subject to the following penalties:</p> <ul style="list-style-type: none"> <li>▪ First offense – fined between \$250 and \$1,000 and jailed for up to six months;</li> <li>▪ Second offense – fined between \$500 and \$1,000 and jailed for up to six months. Also subject to a class 7 driving suspension (a period of less than a year) or community service, at the discretion of the court;</li> <li>▪ Third offense – fined between \$500 and \$1,000 and jailed for up to six months. Also subject to a class 6 driving suspension (between 3 months and 2 years), driving suspension until the offender turns 21, or community service, at the discretion of the court (<i>R.C. 3780.99(C)</i>).</li> </ul>	<p>Maintains current law, but specifies that such financial sanctions are in lieu of any other sanctions or penalties that may apply to the violation being a first degree misdemeanor, but also specifies that they are in addition to any other misdemeanor penalties or sanctions that may apply (<i>R.C. 3796.99(G)</i>).</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Specifies that an employee or agent of a licensed adult-use dispensary who knowingly sells cannabis to an individual under 21 years of age is guilty of a first degree misdemeanor (<i>R.C. 3780.99(E)</i>).</p> <p>DCC is permitted to suspend or revoke a marijuana operator license for violations, including dispensing cannabis to an underage person (<i>R.C. 3780.26</i>).</p> <p>Prohibits parents or guardians from knowingly permitting their residence or private property to be used by underage persons to use cannabis in a way that violates the Medical Marijuana or Adult-Use Cannabis Law.</p> <p>Specifies that a first violation of this requirement is a third-degree misdemeanor and a first degree misdemeanor for any subsequent offense. If the violation results in death or great bodily harm, the violation is a fourth degree felony (<i>R.C. 3780.36(G) and 3780.99(I)</i>).</p>	<p>Similar, but adds that any subsequent violation is a felony of the fifth degree (<i>R.C. 3796.99(C)(1)(b)</i>).</p> <p>Same, but requires DMC to immediately revoke the license of any marijuana license holder who distributes marijuana to an underage person (<i>R.C. 3796.06(G) and 3796.99(C)(2)</i>).</p> <p>A person that transfers marijuana to another person under 21 years of age is guilty of a first degree misdemeanor for a first offense and a fifth degree felony for all subsequent offenses (<i>R.C. 3796.99(C)</i>).</p>
Cultivator licenses	
<p>Authorizes DCC to issue the following cultivator license types:</p> <ul style="list-style-type: none"> <li>▪ Level I – may cultivate up to 100,000 square feet;</li> <li>▪ Level II – may cultivate up to 15,000 square feet;</li> <li>▪ Level III – may cultivate up to 5,000 square feet.</li> </ul> <p>All cultivator license levels may request an increase in cultivation areas from DCC (<i>R.C. 3780.01(A)(19) to (23)</i>).</p> <p>Prohibits any level I or II license holder or adult-use processor license holder from having any ownership or control in a level III cultivator license (<i>R.C. 3780.10(C)</i>).</p>	<p>Authorizes DMC to issue the following cultivator license types:</p> <ul style="list-style-type: none"> <li>▪ Level I – may cultivate up to 25,000 square feet, may request an expanded cultivation area of up to 75,000 square feet;</li> <li>▪ Level II – may cultivate up to 3,000 square feet, may request an expanded cultivation area of up to 9,000 square feet (<i>R.C. 3796.18(D)</i>).</li> </ul> <p>Repeals prohibition (<i>Section 3</i>).</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Prohibits any person from having any ownership or control in more than one level III cultivator license (R.C. 3780.10(C)).</p> <p>Authorizes medical marijuana cultivator license holders that receive adult-use cannabis cultivator licenses to receive an expanded cultivation area (R.C. 3780.07(C)).</p> <p>Authorizes cultivator license holders to relocate all or a portion of the license holder's cultivation area to more than one cultivation area (R.C. 3780.07(E)).</p> <p>No provision.</p> <p>Establishes separate licenses for adult-use cultivators and medical marijuana cultivators (R.C. chapters 3780 and 3796).</p> <p>No provision.</p>	<p>Repeals prohibition (Section 3).</p> <p>Repeals authorization (Section 3).</p> <p>Repeals authorization (Section 3).</p> <p>Requires cultivators to identify, package, and label all marijuana products in accordance with the Marijuana Control Law before delivering or selling the products to a licensed processor (R.C. 3796.18(C)).</p> <p>Establishes one cultivator license and requires licensees to cultivate both adult-use and medical marijuana (R.C. 3796.18(A)(2)).</p> <p>Specifies that a provisional cultivator license (i.e., a temporary license that sets forth certain conditions to be met before the cultivator may begin operations) is not transferrable (R.C. 3796.09(H)).</p>

### Processor licenses

Enables licensed processors to do all of the following:

- Obtain cannabis from adult-use cultivators, other adult-use processors, or adult-use dispensaries;
- Process adult-use cannabis into an authorized form;
- Distribute, transfer, or sell processed cannabis to adult-use cultivators, adult-use processors, or adult-use dispensaries (R.C. 3780.14).

Similar to current law, but enables licensed processors to do the following:

- Obtain marijuana only from licensed cultivators;
- Process marijuana into an approved form;
- Deliver or sell processed marijuana only to licensed retail dispensaries (R.C. 3796.19(A)(1)).

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Establishes separate licenses for adult-use processors and medical marijuana processors (<i>R.C. chapters 3780 and 3796</i>).</p> <p>No provision.</p>	<p>Establishes one processor license and requires licensees to process and sell both adult-use and medical marijuana (<i>R.C. 3796.19(A)(2)</i>).</p> <p>Specifies that a provisional processor license (i.e., a temporary license that sets forth certain conditions to be met before the processor may begin operations) is not transferrable (<i>R.C. 3796.09(H)</i>).</p>
Dispensary licenses	
<p>Authorizes licensed dispensaries to do all of the following:</p> <ul style="list-style-type: none"> <li>▪ Obtain adult-use cannabis from processors, cultivators, and other adult-use dispensaries;</li> <li>▪ Distribute to licensed cultivators, processors, or other dispensaries;</li> <li>▪ Provide for delivery adult-use cannabis and paraphernalia to patrons as established in DCC rules;</li> <li>▪ Dispense or sell adult-use cannabis or paraphernalia (<i>R.C. 3780.15(A)</i>).</li> </ul> <p>Establishes separate licenses for adult-use dispensaries and medical marijuana dispensaries (<i>R.C. chapters 3780 and 3796</i>).</p> <p>No provision.</p> <p>No provision.</p>	<p>Similar to current law, but authorizes licensed dispensaries to do the following:</p> <ul style="list-style-type: none"> <li>▪ Obtain marijuana only from processors;</li> <li>▪ Dispense medical marijuana;</li> <li>▪ Dispense adult-use marijuana (<i>R.C. 3796.20(A)(1)</i>).</li> </ul> <p>Establishes one dispensary license and requires licensees to dispense both adult-use and medical marijuana.</p> <p>Requires licensed dispensaries to ensure a sufficient supply of medical marijuana products necessary to meet demand (<i>R.C. 3796.20(A)(2) and (B)(4)</i>).</p> <p>Requires dispensaries to ensure that medical marijuana products are kept separate from adult-use products and prominently displayed in the dispensary (<i>R.C. 3796.20(B)(5)</i>).</p>

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<p>Requires dispensaries to do both of the following:</p> <ul style="list-style-type: none"> <li>▪ Only employ individuals in possession of a marijuana employment license and who have met the training requirements;</li> <li>▪ Maintain addiction services information materials available at the adult-use consumer's request (<i>R.C. 3780.15(C)</i>).</li> </ul>	<p>Requires dispensaries to employ only persons who have met the training requirements (<i>R.C. 3796.20(D)(1)</i>).</p>
<p>No provision.</p>	<p>Requires dispensaries to prominently display both of the following:</p> <ul style="list-style-type: none"> <li>▪ A statement that the use of marijuana by underage individuals is both harmful and illegal;</li> <li>▪ Information about the addictive qualities of marijuana and the potential negative health consequences associated with its use (<i>R.C. 3796.20(D)(3)</i>).</li> </ul>
<p>No provision.</p>	<p>Limits the total number of dispensary licenses that can be issued to 350 (<i>R.C. 3796.05(B)(1)</i>).</p>
<p>No provision.</p>	<p>Allows DMC to revoke a retail dispensary license for failure to secure a certificate of operation within 18 months after provisional licensure. Requires DMC to grant up to two six-month extensions if the provisionally licensed retail dispensary demonstrates a good-faith effort at becoming operational (<i>R.C. 3796.05(B)(2)</i>).</p>
<p>No provision.</p>	<p>Requires DMC to issue dispensary licenses in such a way as to prevent oversaturation in any one geographic location (<i>R.C. 3796.05(B)(3)</i>).</p>
<p>No provision.</p>	<p>Prohibits DMC from issuing a license or approving a relocation that would result in a dispensary from being located within one-half mile of another dispensary (<i>R.C. 3796.05(B)(4)</i>).</p>
	<p>Prohibits DMC from issuing a license or approving a relocation to a location or facility for which a permit to sell beer or intoxicating liquor has been issued (<i>R.C. 3796.05(B)(4)</i>).</p> <p>Specifies that dispensaries that dispense more than</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
No provision.	<p>the authorized possession amounts of adult-use marijuana to the same consumer in the same day are guilty of trafficking marijuana (<i>R.C. 3796.20(C)(2) and 3796.99(F)</i>).</p> <p>Specifies that a provisional dispensary license (i.e., a temporary license that sets forth certain conditions to be met before the dispensary may begin operations) is not transferrable (<i>R.C. 3796.10(H)</i>).</p>
<b>License holder requirements</b>	
<p>No provision.</p> <p>Requires license holders to provide informational resources to patrons related to cannabis addiction issues and services (<i>R.C. 3796.30(E)</i>).</p> <p>Requires license holders to provide training for their employees regarding cannabis addiction services resources for patrons (<i>R.C. 3796.30(F)</i>).</p>	<p>Requires cultivator, processor, and dispensary license holders to engage in their respective activities with regard to both medical and adult-use marijuana (<i>R.C. 3796.18(A)(2), 3796.19(A)(2), and 3796.20(A)(2)</i>).</p> <p>Repeals the requirement (<i>Section 3</i>).</p> <p>Repeals the requirement (<i>Section 3</i>).</p>
<b>Packaging and labeling requirements</b>	
<p>Requires dispensaries to only accept adult-use cannabis that has been prepackaged and labeled in compliance with DCC rules (<i>R.C. 3780.15(B)(2)</i>).</p> <p>Labeling requirements prescribed by DCC rules (<i>R.C. 3780.03(B)(19)</i>).</p>	<p>Requires a processor to comply with continuing law requirements concerning packaging and labeling (i.e., meeting federal child-resistant effectiveness standards, labeling with THC content, and complying with DMC rules) before delivering medical marijuana or adult-use marijuana to a licensed dispensary (<i>R.C. 3796.19(B)</i>).</p> <p>Requires licensed dispensaries to label dispensed adult-use marijuana with all of the following:</p> <ul style="list-style-type: none"> <li>▪ The name and address of the processor and dispensary;</li> <li>▪ A statement that the use of marijuana by underage persons is both harmful and illegal;</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ The quantity, strength, kind, or form of marijuana in the package (<i>R.C. 3796.20(C)</i>).</li> </ul>
<b>Employment license</b>	
<p>Authorizes DCC to issue licenses to individuals 21 and older seeking employment with an entity licensed under the Cannabis Control Law.</p> <p>Requires applications for a license to be on a form prescribed by DCC and include two sets of the applicant’s fingerprints and a photograph.</p> <p>Requires DCC to charge a fee to applicants to cover actual regulatory costs.</p> <p>Specifies that the employment license is portable and authorizes the holder to work for any entity licensed under the Cannabis Control Law, so long as the person is registered with the DCC for each location where the person works or is employed (<i>R.C. 3780.17</i>).</p>	<p>Repeals the authorization and associated requirements. Instead applies same background check requirements prescribed by continuing law for licensed marijuana operators. (<i>R.C. 3796.13, not in the bill.</i>)</p>
<b>Issuing new licenses</b>	
<p>Requires DCC to issue the following licenses to all current medical marijuana license and provisional license holders as of December 7, 2023:</p> <ul style="list-style-type: none"> <li>▪ For dispensaries – one adult-use dispensary license at the dispensary’s current location and, if the dispensary does not have any common ownership with any level I or II cultivator or processor, one adult-use dispensary license at a separate location.</li> </ul> <p>For level I cultivators – three adult-use dispensary licenses and one adult-use cultivator license;</p> <ul style="list-style-type: none"> <li>▪ For level II cultivators – one adult-use dispensary license and one adult-use level II cultivator license;</li> </ul>	<p>Repeals requirement. Instead requires existing medical marijuana license holders to engage in the same activities respecting adult-use marijuana (<i>R.C. 3796.18 to 3796.21</i>).</p>



Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<ul style="list-style-type: none"> <li>▪ For processors – one adult-use processor license;</li> <li>▪ For testing laboratories – adult-use testing laboratory license (<i>R.C. 3780.10(B)</i>).</li> </ul>	
<p>Requires DCC to issue up to 40 level III cultivator licenses, giving preference to Cannabis Social Equity and Jobs Program participants (<i>R.C. 3780.10(C)</i>).</p>	<p>Repeals the requirement and the program (<i>Section 3</i>).</p>
<p>Requires the DCC to issue up to 50 additional adult-use dispensary licenses, giving preference to Cannabis Social Equity and Jobs Program participants (<i>R.C. \ 3780.10(D)</i>).</p>	<p>Repeals the requirement and the program (<i>Section 3</i>).</p>
<ul style="list-style-type: none"> <li>▪ For level I cultivators – three adult-use dispensary licenses and one adult-use cultivator license;</li> <li>▪ For level II cultivators – one adult-use dispensary license and one adult-use level II cultivator license;</li> <li>▪ For processors – one adult-use processor license;</li> <li>▪ For testing laboratories – one adult-use testing laboratory license (<i>R.C. 3780.10(B)</i>).</li> </ul>	
<p>Requires DCC, every two years, to review the number of adult-use cannabis licenses and issue additional licenses, dependent upon demand (<i>R.C. 3780.10(E)</i>).</p>	<p>Similar to current law, but caps the total number of dispensary licenses that may be issued at 350 (<i>R.C. 3796.05(B)(1)</i>).</p>
<p>Requires DCC to issue a report based on this review (<i>R.C. 3780.10(F)</i>).</p>	<p>Repeals requirement (<i>Section 3</i>).</p>
<p>Specifies that no person may hold more licenses than the following:</p> <ul style="list-style-type: none"> <li>▪ Eight adult-use dispensary licenses;</li> <li>▪ One adult-use cultivator license;</li> <li>▪ One adult-use processor license.</li> </ul>	<p>Repeals the provision (<i>Section 3</i>).</p>
<p>Authorizes DCC to issue additional licenses if supported by an analysis (<i>R.C. 3780.10(F)(3)</i>).</p>	

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<b>Failure to act</b>	
<p>Requires DCC to begin accepting applications for adult-use licensure within six months after December 7, 2023 (<i>R.C. 3780.11(A)</i>).</p> <p>Specifies, if DCC fails to adopt rules related to adult-use cannabis within nine months after December 7, 2023, or fails to issue licenses within six months of December 7, 2023, that any citizen may bring a law suit to compel DCC to perform the actions mandated under the Cannabis Control Law (<i>R.C. 3780.28(A)</i>).</p> <p>Authorizes, if DCC fails to issue a license or a denial after an application has been filed, for a cultivator, processor, or dispensary license, the applicant to sue to compel DCC to carry out its duties and may also operate under a temporary license (<i>R.C. 3780.28(B)</i>).</p> <p>Specifies that these provisions are not to be construed as authorizing marijuana operations under a license that has been suspended, denied, or revoked (<i>R.C. 3780.28(C)</i>).</p>	<p>Repeals requirement (<i>Section 3</i>).</p> <p>Repeals authorization (<i>Section 3</i>).</p> <p>Repeals authorization (<i>Section 3</i>).</p> <p>Repeals provision (<i>Section 3</i>).</p>
<b>Disqualifying offenses</b>	
<p>Defines “disqualifying offense,” for purposes of licensure and employment background checks, as being:</p> <ul style="list-style-type: none"> <li>▪ Any felony or first degree misdemeanor violation of the Drug Offenses Law, the Controlled Substances Law, or the Pharmacists and Dangerous Drugs Law;</li> <li>▪ Any theft or felony offense;</li> <li>▪ Any criminal violation of the Pure Food and Drug Law;</li> <li>▪ A crime of moral turpitude;</li> <li>▪ A violation of any former law that is substantially similar to the above.</li> </ul> <p>Specifies that the term does not include a misdemeanor offense related to cannabis</p>	<p>Authorizes the definition for “disqualifying offense” to be prescribed in rule (<i>R.C. 9.79 and 3796.03(B)(2)(b)</i>).</p>

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possession, cannabis trafficking, illegal cultivation of cannabis, illegal use or possession of drug paraphernalia, or other cannabis related crimes (R.C. 3780.01(A)(17)).	
<b>Evaluation and ranking of license applicants</b>	
Requires DCC to issue a license to an applicant if all conditions for licensure are met (R.C. 3780.11(B) and (C)).	Requires DMC to evaluate and prioritize applications for licensure according to the applicant's eligibility, suitability, and ability to operate. Specifies that DMC is prohibited from issuing a license unless all eligibility conditions are met (R.C. 3796.09(B) and (C)).
No provision.	Requires applicants to demonstrate both of the following: <ul style="list-style-type: none"> <li>▪ Sufficient liquid capital to meet financial responsibilities;</li> <li>▪ That the municipality or township in which the facility is to be located has not passed a moratorium or taken any other action that would prohibit the applicant from operating there (R.C. 3796.09(C)(6) and (7) and 3796.10(C)(6) and (7)) .</li> </ul>
No provision.	Expressly requires that the license application contain no false, misleading, or deceptive information (or an omission of material information). (R.C. 3796.09(C)(8) and 3796.10(C)(8).)
No provision.	Expressly requires the license applicant to pay all fees required by DMC (R.C. 3796.09(C)(9) and 3796.10(C)(9)).
No provision.	Provides a process and criteria for DMC to follow for ranking applicants if the number of applicants for licenses exceeds the allowable number of licenses (R.C. 3796.09(D) and (E) and 3796.10(D) and (E)).

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<b>Prohibited facilities</b>	
<p>Specifies that if the relocation of an adult-use license holder would result in a licensed entity being located within 500 feet of a “prohibited facility” (i.e., a church, public library, public playground, public park, or school) then DCC is required to deny a relocation application and allow the license holder to request relocation to a different location (<i>R.C. 3780.07(A) and 3780.01(A)(35)</i>).</p> <p>Prescribes certain limited conditions under which an existing license holder may not be required to relocate if a prohibited facility moves, or is established, within 500 feet of the license holder’s cannabis facility, or that a license holder may expand its existing facility within that 500-foot area (<i>R.C. 3780.07(B), (C), and (D)</i>).</p>	<p>Specifies that if a requested relocation of a marijuana facility would result in the facility being located within 500 feet of a church, public library, public playground, public park, or school, DMC is required to revoke the license in question (<i>R.C. 3796.30</i>).</p> <p>Repeals the exceptions (<i>Section 3</i>).</p>
<b>Samples</b>	
<p>Prohibits licensed entities from dispensing adult-use cannabis without remuneration, unless authorized by DCC in rule (<i>R.C. 3780.20(B)</i>).</p> <p>Specifies that a person who violates this requirement is guilty of the illegal dispensing of drug samples (<i>R.C. 2925.36 and 3780.99(H)</i>).</p>	<p>Repeals the prohibition (<i>Section 3</i>).</p> <p>Repeals the penalty (<i>Section 3</i>).</p>
<b>Operating procedures</b>	
<p>Requires licensees to adopt operating procedures and comply with operation requirements by DCC rule (<i>R.C. 3780.20(A) and (C)</i>).</p>	<p>Repeals the requirement (<i>Section 3</i>).</p>
<b>Advertising</b>	
<p>Authorizes DCC to adopt reasonable standards for adult-use cannabis that prevent advertisements that are false, targeted towards minors, promote excessive use, or promote illegal activity (<i>R.C. 3780.21(A)</i>).</p>	<p>Similar, but also allows DMC to prohibit advertisements that are obscene, contain depictions of marijuana use, or promote marijuana as an intoxicant (<i>R.C. 3796.32(A)</i>).</p>

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
Prohibits rules that require preapproval of advertisements or that overly burden the legitimate commercial speech of license holders <i>(R.C. 3780.21(B))</i> .	Repeals the prohibition and specifies that any rules adopted regulating advertisements of marijuana must be no less stringent than the most stringent rules or laws regulating tobacco or alcohol sales <i>(R.C. 3796.32(A) and Section 3)</i> .
No provision.	Specifies that, until such time as DMC adopts rules regulating the advertisement of adult-use marijuana, the rules regulating the advertisement of medical marijuana apply <i>(Section 4(C))</i> .
No provision.	Prohibits adult-use marijuana from being marketed using any graphic, picture, or drawing that bears any resemblance to a cartoon character or popular figure whose target audience is children or youth <i>(R.C. 3796.32(E))</i> .
Enforcement	
Specifies that the requirements of the Cannabis Control Law are not to be construed as requiring DCC to enforce minor violations of the law <i>(R.C. 3780.26(E))</i> .	Repeals the specification <i>(Section 3)</i> .
Allows the Attorney General to bring an action to enforce the Cannabis Control Law upon receiving a written request from DCC <i>(R.C. 3780.27)</i> .	Repeals the authorization <i>(Section 3)</i> .
No provision.	Allows the Ohio Investigative Unit (OIU) within the Department of Public Safety to assist the DMC in enforcing Marijuana Control Law. Specifies that OIU may not investigate or inspect a person or facility for an alleged violation unless the person is licensed under the Marijuana Control Law or OIU is invited by local law enforcement <i>(R.C. 3796.01, 3796.14, 3796.15, 5502.01, 5502.13, and 5502.14)</i> .
Confidentiality	
Explicitly states that all personal information collected under the Cannabis Control Law by the DCC is confidential and not subject to public records request <i>(R.C. 3780.31)</i> .	Similar, but states only that information collected for use in the electronic tracking database and for purposes of background checks is confidential and not a public record.

Current Law (R.C. Chapter 3780)	H.B. 86 (As Passed by the Senate)
<p>Requires DCC to release the following information upon request:</p> <ul style="list-style-type: none"> <li>▪ The amount of tax paid by a license holder;</li> <li>▪ Reasons for the denial of a license.</li> </ul> <p>Authorizes DCC to release personal information to law enforcement entities after providing reasonable notice to the person in question (<i>R.C. 3780.31</i>).</p>	<p>Repeals the requirement (<i>Section 3</i>).</p> <p>Repeals the authorization (<i>Section 3</i>).</p>
<b>Adverse actions taken against adult-use cannabis users</b>	
<p>Specifies that the following adverse actions cannot be taken against a person solely on the basis of engaging in activities authorized under the Cannabis Control Law or consumption of adult-use cannabis:</p> <ul style="list-style-type: none"> <li>▪ Taking a disciplinary action against professional license holder;</li> <li>▪ Making a determination that a child is an abused, neglected, or dependent child;</li> <li>▪ Making an allocation of parental rights;</li> <li>▪ Making a parenting time order;</li> <li>▪ Disqualifying a person from medical care;</li> <li>▪ Taking action under any criminal or civil statute;</li> <li>▪ Subjecting a person to a field sobriety test;</li> <li>▪ Rejecting a person as a tenant, unless required by federal law;</li> <li>▪ Disqualifying an individual from a public benefit program (<i>R.C. 3780.33(A) to (G)</i>).</li> </ul> <p>Specifies that contracts related to adult-use license holders are enforceable (<i>R.C. 3780.33(I)</i>).</p>	<p>Prohibits similar actions, but only against medical marijuana patients (<i>R.C. 3796.24</i>).</p> <p>No provision.</p>
<b>Electronic database</b>	
<p>Requires DCC to establish and maintain an electronic database to monitor all adult-use cannabis from its seed or clone source through its</p>	<p>Requires DMC to establish an electronic database only for the purpose of monitoring medical marijuana (<i>R.C. 3796.07</i>).</p>

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<p>cultivation, processing, testing, and dispensing.</p> <p>Authorizes DCC to contract another entity for the purpose of establishing or maintaining the database (<i>R.C.3780.05</i>).</p>	
<b>Cannabis Social Equity and Jobs Program</b>	
<p>Establishes the Cannabis Social Equity and Jobs Program within the Department of Development to 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 (<i>R.C. 3780.18 and 3780.19</i>).</p>	<p>Repeals the program (<i>Section 3</i>).</p>
<b>Venue for legal challenges</b>	
<p>Requires actions challenging the constitutionality of R.C. Chapter 3780, rules adopted by the DCC, or actions of the DCC to be brought in the Franklin County Court of Common Pleas within 90 days after December 7, 2023, the effective date of the rule, or the date of the action, as applicable. Specifies that the requirement does not apply to any claim within the original jurisdiction of the Ohio Supreme Court or a court of appeals. (<i>R.C. 3780.32(A), (B), and (C)</i>.)</p> <p>Requires the Franklin County Court of Common Pleas to prioritize actions described above over any other civil claim before the Court (<i>R.C. 3780.32(D)</i>).</p>	<p>Repeals requirement (<i>Section 3</i>).</p> <p>Repeals requirement (<i>Section 3</i>).</p>
<b>Regulation of hemp</b>	
<p>No provision.</p>	<p>Redefines “hemp” and “hemp product” and adds additional definitions to the Hemp Law that close several loopholes in the law that unintentionally allow for the sale of hemp products with additional THC compounds that have an intoxicating effect (<i>R.C. 928.01</i>).</p>

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<b>Hashish</b>	
<p>Defines “hashish” as it is used in Chapter 2925 (Drug Offenses) as a resin or a preparation of a resin to which both of the following apply: (1) it is contained in or derived from any part of the plant of the genus cannabis, whether in solid form or in a liquid concentrate, liquid extract, or liquid distillate form and (2) it has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent (R.C. 2925.01(Z)).</p>	<p>Expands the definition to also include a resin or preparation of a resin that is <i>not</i> “contained in or derived from any part of the plant of the genus cannabis,” in solid form or in a liquid concentrate, liquid extract, or liquid distillate form and that has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent (R.C. 2925.01(Z)).</p>
<b>Controlled substance analogs</b>	
<p>Defines “controlled substance analog” as used in Chapter 3719 (Pharmacy Law) and Chapter 2925 (Drug Offenses) as a substance that is substantially similar to a schedule I or schedule II controlled substance and that either (1) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in schedule I or II or (2) with respect to a particular person, is represented or intended to have such an effect (R.C. 3719.01(Z)(1)).</p> <p>Excludes from the above definition of “controlled substance analog” a controlled substance, any substance for which there is an approved new drug application, certain substances approved for investigational use pursuant to federal law, and substances not intended for human consumption prior to approval of a new drug application (R.C. 3719.01(Z)(2)).</p>	<p>Adds to the “controlled substance analog” definition “any substance with a similar chemical structure to delta-1-cis or trans tetrahydrocannabinol, and their optical isomers, salts and salts of isomers.” This includes, but is not limited to 9-hexahydrocannabinol, and delta-9-tetrahydrocannabinol acetate and compounds of these structures, regardless of numerical designation of atomic positions, which are included since nomenclature of those substances is not internationally standardized (R.C. 3719.01(Z)(3)).</p> <p>Also excludes all of the following from the definition of “controlled substance analog:” (R.C. 3719.01(Z)(4)):</p> <ul style="list-style-type: none"> <li>▪ Tetrahydrocannabinol produced in accordance with Chapter 3796 (Medical Marijuana Law) by a cultivator, processor, or testing laboratory licensed under that law;</li> <li>▪ Delta-1-cis or trans tetrahydrocannabinol;</li> <li>▪ Cannabichromene (CBC);</li> <li>▪ Cannabicyclol (CBL);</li> <li>▪ Cannabidiol (CBD);</li> <li>▪ Cannabidivarol;</li> <li>▪ Cannabielsoin (CBE);</li> </ul>



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	<ul style="list-style-type: none"> <li>▪ Cannabigerol (CBG);</li> <li>▪ Cannabigerovarin (CBGV);</li> <li>▪ Cannabinol (CBN);</li> <li>▪ Cannabivarin (CBV).</li> </ul>
<b>Local Government Authority</b>	
<p>Allows a municipal corporation or township to prohibit, or limit the number of, adult-use cannabis operators permitted within the boundaries of the subdivision, subject to certain limitations (<i>R.C. 3780.25(A)</i>).</p> <p>Prohibits a municipal corporation or township from research of marijuana conducted at a state university, academic medical center, or private research facility as part of a research protocol approved by the Institutional Review Board or an equivalent entity (<i>R.C. 3780.25(G)(1)</i>).</p> <p>Prohibits a municipal corporation or township from prohibiting or limiting home grow of adult-use cannabis (<i>R.C. 3780.25(G)(3)</i>).</p> <p>Prohibits a municipal corporation or township from prohibiting or limiting “activity that is authorized by” R.C. Chapter 3780 (<i>R.C. 3780.25(G)(4)</i>).</p> <p>Prohibits a municipal corporation or township from levying a tax, fee, or charge specific to cannabis operators, their owners, or other property (<i>R.C. 3780.25(G)(2)</i>).</p> <p>Prohibits a municipal corporation or township from prohibiting or limiting existing medical marijuana cultivators, processors, or dispensaries from operating under the Medical Marijuana Control Program unless there is a revocation of the cultivator’s, processor’s, or dispensary’s certificate of operation (<i>R.C. 3780.25(B)(1)</i>).</p> <p>Prohibits a municipal corporation or township from prohibiting or limiting adult-use cultivators, processors, or dispensaries that are co-located on</p>	<p>Similar to current law, but specifies that a township or municipality cannot prohibit or limit the marijuana activities of a person who holds a medical marijuana license on the effective date of the bill (<i>R.C. 3796.29</i>).</p> <p>Same as current law (<i>R.C. 3796.29</i>).</p> <p>Repeals prohibition (<i>Section 3</i>).</p> <p>Repeals prohibition (<i>Section 3</i>).</p> <p>Same as current law (<i>R.C. 3796.31, not in the bill</i>).</p> <p>Repeals prohibition (<i>Section 3</i>).</p> <p>Repeals prohibition (<i>Section 3</i>).</p>

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<p>the same parcel or contiguous parcels as a licensed medical marijuana cultivator or processor that has its certificate of operation on December 7, 2023 (<i>R.C. 3780.25(B)(2)</i>).</p>	
<p>Prohibits a municipal corporation or township from prohibiting or limiting a licensed medical marijuana dispensary that has its certificate of operation on December 7, 2023, from also operating an adult-use cannabis dispensary, unless the municipal corporation or township adopts a prohibiting or limiting ordinance or resolution within 120 days after the adult-use dispensary license is issued (<i>R.C. 3780.25(B)(3)</i>).</p>	<p>Repeals prohibition (<i>Section 3</i>).</p>
<p>Requires a dispensary to cease operations within 60 days after a municipal corporation or township passes an ordinance or resolution as described above unless the dispensary files a petition with the Board of Elections. The petition must be signed by the lessor of 100 qualified electors of the municipal corporation or township or 5% of the total amount of qualified electors of the municipal corporation or township. Following submission of such a petition, the issue of whether the adult-use dispensary may remain open must be placed on the next general election ballot. The dispensary may continue to operate until the issue is decided (<i>R.C. 3780.25(C)</i>).</p>	<p>Repeals prohibition (<i>Section 3</i>).</p>
<p>Specifies that if the majority of qualified voters of the municipal corporation or township approve the dispensary's continued operations, the dispensary may continue to operate the municipal corporation or township may continue receiving host community cannabis funding (<i>R.C. 3780.25(E)</i>).</p>	<p>Repeals prohibition (<i>Section 3</i>).</p>
<p>Specifies that if the majority of qualified voters of the municipal corporation or township vote to disapprove the dispensary's continued operations, the dispensary may request (and DCC must approve) relocation of its operations outside the municipal corporation or township. The dispensary must close its operations in the municipal corporation or township within 90 days after</p>	<p>Repeals prohibition (<i>Section 3</i>).</p>

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certification of the election results, or until its request to relocate is approved by DMC, whichever is later. <i>(R.C. 3780.25(F).)</i>	
<b>Financial Institutions</b>	
Exempts financial institutions (banks, trust companies, savings and loan associations, savings banks, credit unions, and money transmitters and their affiliates, agents, and employees) from any state criminal law that prohibits doing business with adult-use cannabis licensees <i>(R.C. 3780.34).</i>	Same as current law <i>(R.C. 3796.27, not in the bill).</i>
<b>Employment</b>	
Requires that a person be considered to have been discharged from employment for just cause under the Unemployment Compensation Law if the person is discharged for using cannabis in violation of the employer’s drug-free workplace policy, zero-tolerance policy, or other formal program or policy regulating cannabis use (a person who is discharged for just cause is disqualified from serving a waiting week or receiving benefits under the Unemployment Compensation Law for the duration of the person’s unemployment unless an exception applies) <i>(R.C. 3780.35(B) and see R.C. 4141.29).</i>	Also specifies that such a person is ineligible to serve a waiting period or be paid unemployment benefits for the duration of the person’s unemployment <i>(R.C. 3796.28(B)).</i>
No provision.	Specifies that it is not a violation of the Ohio Civil Rights Law if an employer discriminates against a person for cannabis use if that use violates the employer’s drug-free workplace policy, zero-tolerance policy, or other formal program or policy regulating cannabis use <i>(R.C. 3796.28(C)).</i>
<b>Adult-use cannabis excise tax</b>	
<b>Rate:</b> Imposes a 10% excise tax on the sale to consumers of adult-use marijuana <i>(R.C. 3780.22).</i>	<b>Rate:</b> Increases the rate to 15% <i>(R.C. 5739.27).</i>
<b>Revenue:</b> Distributes revenue from the excise tax as follows: <ul style="list-style-type: none"> <li>▪ 36% to the Department of Development’s Cannabis Social Equity and Jobs Program;</li> </ul>	<b>Revenue:</b> Distributes revenue from the excise tax as follows: <ul style="list-style-type: none"> <li>▪ 28%, up to \$80 million per fiscal year, reduced by any prior year-end balance, to</li> </ul>

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<ul style="list-style-type: none"> <li>▪ 36% for the benefit of municipal corporations or townships that have adult-use dispensaries, based on the percentage of tax attributable to each municipal corporation or township;</li> <li>▪ 25% to support the efforts of the Department of Mental Health and Addiction Services to alleviate substance abuse and related research;</li> <li>▪ 3% to support the operations of the Division of Cannabis Control and to defray the cost of the Department of Taxation in administering the tax (R.C. 3780.23).</li> </ul>	<p>grants administered by DRC to fund the construction and renovation of county jails (see below);</p> <ul style="list-style-type: none"> <li>▪ 16%, up to \$45 million per fiscal year until five years after the provision's effective date, then 19%, up to \$55 million per fiscal year, reduced by any prior year-end balance in both cases, for DPS to fund peace officer training;</li> <li>▪ Beginning in FY 2026, 14%, up to \$40 million per fiscal year, reduced by any prior year-end balance, for the Attorney General to fund law enforcement continuing education training costs;</li> <li>▪ 9%, up to \$25 million per fiscal year until five years after the provision's effective date, then 11%, up to \$30 million per fiscal year, reduced by any prior year-end balance in both cases, for OMHAS to fund substance abuse treatment, prevention, and education programs;</li> <li>▪ 9%, up to \$25 million per fiscal year, reduced by any prior year-end balance, for OMHAS to fund and administer the 9-8-8 suicide prevention hotline (see below);</li> <li>▪ 5%, up to \$15 million per fiscal year, reduced by any prior year-end balance, for a five-year program under which the Attorney General reimburses certain costs associated with expungement for marijuana possession offenses decriminalized by the bill (see below);</li> <li>▪ 5%, up to \$15 million per fiscal year, reduced by any prior year-end balance, for the Division of Criminal Justice Services to fund local drug task forces;</li> <li>▪ 5%, up to \$15 million per fiscal year, reduced by any prior year-end balance, to fund safe driving programs administered by DPS;</li> <li>▪ 4%, up to \$13 million per fiscal year, reduced by any prior year-end balance, for</li> </ul>

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<p><b>Tax on illegal sales:</b> No provision.</p> <p><b>Local arts tax:</b> No provision.</p>	<p>DPS to pay the expenses of administering the Ohio Investigative Unit;</p> <ul style="list-style-type: none"> <li>▪ 3%, up to \$8 million per fiscal year, reduced by any prior year-end balance, to fund the administrative expenses of the Division of Marijuana Control;</li> <li>▪ 2%, up to \$5 million per fiscal year, reduced by any prior year-end balance, for DOH to fund poison control centers;</li> <li>▪ To the GRF, any revenue that exceeds any designated fund’s annual dollar limit or continues past the county jail funding program’s sunset dates (<i>R.C. 5739.21 and 5739.271</i>).</li> </ul> <p><b>Tax on illegal sales:</b> Imposes a 15% excise tax on the sale of any marijuana by an unlicensed seller to a consumer (<i>R.C. 5739.27(D)</i>).</p> <p><b>Local arts tax:</b> Allows counties, with voter approval, to levy up to a 3% excise tax on the retail sale of adult-use marijuana to support artistic, cultural, and entertainment opportunities (<i>R.C. 5739.272</i>).</p>
<b>Current agricultural use value (CAUV)</b>	
No provision.	Makes land used to cultivate adult-use marijuana ineligible to be valued for property tax purposes as other agricultural land pursuant to its CAUV ( <i>R.C. 5713.30</i> ). (A similar exclusion already applies to lands used to cultivate medical marijuana.)
<b>Local jail funding program administration</b>	
No provision.	Requires DRC to provide grants for local jail construction and renovation using adult-use marijuana gross receipts tax revenue pursuant to a funding formula that ranks counties higher the lower their property and sales tax revenues are relative to other counties. Applications are requested from a number of the highest ranking counties, with a needs assessment then

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	conducted for the applicants, and selected projects are awarded a grant for at least 25% of the total project cost. The grant program sunsets after ten years. <i>(R.C. 5120.81.)</i> (This program is similar to one temporarily enacted in H.B. 33 of the 135 <sup>th</sup> General Assembly that is scheduled to sunset at the end of FY 2024.)
<b>Director of Mental Health and Addiction Services powers and duties</b>	
Requires the Director of Mental Health and Addiction Services to exercise the powers and perform the duties relating to addiction and mental health facilities, addiction services, mental health services, and recovery supports that are assigned to the Director. <i>(R.C. 5119.10(B)(5)).</i>	Adds exercising the powers and performing the duties relating to 9-8-8 suicide and crisis response to the existing law powers and duties of the Director of Mental Health and Addiction Services <i>(R.C. 5119.10(B)(5) and 5119.81(A)).</i>
<b>9-8-8 Administrator</b>	
No provision.	Establishes the 9-8-8 Administrator within the Department of Mental Health and Addiction Services to oversee the administration of the 9-8-8 Suicide Prevention and Mental Health Crisis Hotline (“9-8-8 Hotline”) system statewide. <i>(R.C. 5119.81(B) and 5119.82).</i>
<b>9-8-8 Hotline annual report</b>	
No provision.	Requires the 9-8-8 Administrator to compile an annual report regarding the operation of the 9-8-8 Hotline in Ohio that must include certain information, and to submit the report to the General Assembly and the Governor. <i>(R.C. 5119.83).</i>
<b>Expungement of criminal records</b>	
No provision.	Permits a person who, prior to the bill’s effective date, was convicted of or pled guilty to a marijuana possession offense involving an amount of marijuana that is now legal to possess under the bill to have the record of their conviction or guilty plea expunged <i>(R.C. 2953.321).</i>

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	Creates a five-year program administered by the Attorney General to reimburse from the marijuana expungement fund costs (1) for legal aid societies in assisting individuals seeking expungement for marijuana possession offenses decriminalized by the bill, and (2) for individuals to cover their expungement application fees ( <i>R.C. 109.44 and 5739.271</i> ).

## HISTORY

Action	Date
Introduced	02-28-23
Reported, H. Commerce & Labor	05-24-23
Passed House (86-6)	06-21-23
Reported, S. General Government	--
Passed, Senate	--