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Bill Analysis

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Primary Sponsor: Sen. Huffman

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SUMMARY

- Repeals most of the Cannabis Control Law and combines regulations concerning the cultivation, processing, dispensing, use, and home grow of adult-use and medical marijuana into one chapter, referred to in this analysis as the Marijuana Control Law.
- Condenses the operations of the Division of Cannabis Control (DCC) and the Division of Marijuana Control (DMC) into the DCC.
- Combines the adult-use and medical marijuana licenses and requires licensed cultivators, processors, dispensaries, and laboratories to work with both adult-use and medical marijuana.
- Modifies the eligibility criteria for licensure, and requires the DCC to rank applicants that meet those criteria using an impartial and evidence-based process according to eligibility, suitability, and ability to operate.
- Requires the DCC, if it uses a lottery system to issue licenses, to assign better odds to applicants that are highly rated under the ranking process.
- Retains provisions of the Cannabis Control Law that guarantee “10(B) licenses” for certain medical marijuana license holders.
- Specifies that 10(B) licenses are valid for the remainder of their term but, upon expiration, requires the license holders to apply for a new license under the Marijuana Control Law.
- Requires the DCC to establish procedures for issuing new licenses to 10(B) license holders which resemble the renewal process for licenses under the Marijuana Control Law and do not involve prioritizing or ranking applications or a lottery system.
- Eliminates level III adult-use cultivator licenses.

- Codifies the current cultivation area restrictions that apply to medical marijuana cultivators, which are smaller than those that apply to adult-use cultivators and applies the restrictions to all cultivators.
- Eliminates the ability of dual-use cultivators to receive an expanded cultivation area or to relocate part of the cultivation area to another facility.
- Modifies the activities that may be performed by marijuana processors and dispensaries.
- Specifies that dispensaries can only accept government-issued identification as proof of the identity of a registered patient or caregiver or of the age of an adult-use consumer.
- Requires marijuana dispensaries to ensure a sufficient supply of medical marijuana products and to keep those products prominently displayed in an area separate from adult-use products.
- Allows the DCC to revoke a provisional dispensary license if the license holder does not obtain a certificate of operation within 18 months.
- Caps the number of active dispensaries at 350.
- Requires the DCC to issue dispensary licenses in a way that prevents oversaturation and to refrain from issuing a license for a facility that is within one-half mile of another dispensary.
- Prohibits the DCC 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.
- Prohibits any person from owning or operating more than eight dispensaries.
- Requires the DCC to adopt all rules necessary to implement the bill's requirements within nine months after the bill's effective date.
- Eliminates DCC's authority to approve new forms of adult-use marijuana.
- Prohibits dispensing adult-use marijuana that bears the likeness or characteristics of a realistic or fictional human, animal, or fruit.
- Reduces allowable THC levels in adult-use marijuana extracts, from a maximum of 90% to a maximum of 70%.
- Abolishes the Social Equity and Jobs Program.
- Reduces the maximum number of home grow marijuana plants that may be cultivated at a single residence, from 12 to 6.
- Prohibits transfer of homegrown or adult-use marijuana by unlicensed persons, with or without remuneration.
- Prohibits cultivating homegrown marijuana at a child care home or a residential premises occupied pursuant to a rental agreement that prohibits home grow.
- Requires adult-use marijuana to be stored in its original packaging when not in use.

- Prohibits possession of marijuana other than homegrown marijuana or adult-use marijuana legally acquired from a licensed Ohio dispensary.
- Requires adult-use and homegrown marijuana and marijuana paraphernalia to be transported in the trunk or behind the back row of seats in a place not easily accessible to the driver.
- 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 a residential premises occupied pursuant to a rental agreement that prohibits such activities.
- Allows the Ohio Investigative Unit (OIU) within the Department of Public Safety to assist the DCC in enforcing the Marijuana Control Law.
- Modifies the criminal penalties imposed on persons who violate the Marijuana Control Law.
- Eliminates the requirement that individuals seeking employment with an adult-use license holder obtain a license from the DCC.
- Modifies the setback requirements concerning the location of dispensaries, cultivators, processors, and laboratories in relation to churches, schools, public libraries, public parks, and public playgrounds.
- Allows the DCC to prohibit advertisements that are obscene, contain depictions of marijuana use, or promote marijuana as an intoxicant.
- Requires the DCC's rules concerning advertisement of marijuana products to be no less stringent than the most stringent rules or laws regulating tobacco or alcohol sales.
- 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.
- Repeals the law protecting adult-use consumers from certain adverse actions by employers, courts, health care providers, and regulatory authorities.
- Expands local government authority to prohibit or limit the number of licensed marijuana cultivators, processors, dispensaries, or testing laboratories.
- Specifies that a person who is discharged from employment for using marijuana is not eligible to serve a waiting period or be paid unemployment benefits for the duration of the person's unemployment.
- Increases the excise tax on adult-use marijuana from 10% to 15%.
- Credits all revenue from the tax to the GRF, repealing various programs funded by the current tax.
- Imposes a 15% excise tax on the illegal sale of marijuana by an unlicensed seller.

- Makes land used to cultivate adult-use marijuana ineligible to be valued for property tax purposes as other agricultural land pursuant to its current agricultural use value.

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DETAILED ANALYSIS

Overview

The bill repeals most of the Cannabis Control Law, which took effect December 7, 2023, and merges regulations concerning cultivation, processing, dispensing, use, and home grow of adult-use marijuana with those concerning medical marijuana – collectively referred to in this analysis as the Marijuana Control Law. The bill also combines the operations of the Division of Marijuana Control (DMC), which oversees the cultivation, processing, and dispensing of medical marijuana, with the Division of Cannabis Control (DCC), which performs the same functions respecting adult-use marijuana. The combined Division, which remains in the Department of Commerce (COM), is called the DCC. This conforms with the current practice at COM, where the website references only the DCC, responsible for both medical and adult-use marijuana.

Division of Cannabis Control (DCC)

The bill replaces all Revised Code references to the DMC with the DCC and all references to the Superintendent of Marijuana Control with the Superintendent of Cannabis Control. The change clarifies that one agency, the DCC, oversees the entire Marijuana Control Law, covering both medical marijuana and adult-use marijuana. To avoid confusion, this analysis refers exclusively to the DCC even when describing administrative functions formerly assigned by statute to the DMC.¹

Licensing

Under current law, licenses to cultivate, process, dispense, or test adult-use cannabis (which is referred to in the bill and this analysis as “adult-use marijuana”) are distinct from licenses to cultivate, process, dispense, or test medical marijuana. The adult-use licenses have their own separate application and renewal procedures, eligibility criteria, fees, and process requirements. An operator could, in theory, choose to work with only adult-use cannabis or only medical marijuana. However, in practice, all current license holders are either “dual-use” – meaning that they cultivate, process, dispense, or test both medical marijuana and adult-use marijuana – or “medical only.”

As of January 7, 2025, the DCC has issued the following licenses:

DCC Licenses	
License Category	Permitted Activities
37 cultivators	22 level I dual-use cultivators
	14 level II dual-use cultivators
	1 level I medical only cultivator
46 processors	44 dual-use processors
	2 medical only processors
212 dispensaries	128 operational dual-use dispensaries
	13 medical only provisional dispensaries
	71 dual-use provisional dispensaries
9 testing laboratories	7 dual-use testing laboratories
	2 medical only provisional laboratories

¹ R.C. 121.04, 121.08, 3796.01, and 3796.02, with conforming changes throughout the bill.

There are approximately 448,301 registered medical marijuana patients and 41,286 registered caregivers in Ohio.²

Combine licenses

The bill combines the adult-use and medical licenses and requires license holders to work with both medical marijuana and adult-use marijuana.³

Evaluation and ranking of applicants

Current law requires the DCC to issue an adult-use or medical marijuana license to an applicant if all conditions for licensure are met. The bill eliminates that requirement and instead prohibits the DCC from issuing a license to an applicant that does not meet all eligibility requirements. The DCC must evaluate and prioritize applicant's according to eligibility, suitability, and ability to operate.⁴

Eligibility criteria

The table below describes the similarities and differences between the eligibility criteria that apply to medical and adult-use license applicants under current law, and those that apply to all license applicants under the bill.

License Eligibility Criteria		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
Criminal records check confirms that the applicant has not been convicted of or pleaded guilty to any disqualifying offenses identified by administrative rule (R.C. 3796.09(B)(1), 3796.10(B)(1), and 3796.03(B)(2)(b)).	Criminal records check confirms that the applicant has not been convicted of or pleaded guilty to any disqualifying offenses within five years of the date the application is submitted (R.C. 3780.11)(B)(1)). Defines "disqualifying offense" as: <ul style="list-style-type: none"> ▪ Any felony or first degree misdemeanor violation of the Drug Offenses Law, the Controlled Substances 	Same as the medical licenses under current law (R.C. 3796.09(C)(1), 3796.10(C)(1), and 3796.03(B)(2)(b)).

² [DCC Update: By the Numbers, January 2025](https://com.ohio.gov/divisions-and-programs/cannabis-control), which may be accessed by conducting a keyword search on DCC's website: <https://com.ohio.gov/divisions-and-programs/cannabis-control>.

³ R.C. 3796.18(A)(2), 3796.19(A)(2), 3796.20(A)(2), and 3796.21.

⁴ R.C. 3780.11, 3796.09, and 3796.10.

License Eligibility Criteria		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
	<p>Law, or the Pharmacists and Dangerous Drugs Law;</p> <ul style="list-style-type: none"> ▪ Any theft or felony offense; ▪ Any criminal violation of the Pure Food and Drug Law; ▪ A crime of moral turpitude; ▪ A violation of any substantially similar former law. <p>“Disqualifying offense” does not include a misdemeanor related to marijuana possession, trafficking, illegal cultivation, illegal use or possession of drug paraphernalia, or other marijuana-related crimes. <i>(R.C. 3780.01(A)(17).)</i></p>	
<p>Applicant does not have an ownership or investment interest in, or a compensation arrangement with, a testing laboratory <i>(R.C. 3796.09(B)(2) and 3796.10(B)(2)).</i></p>	<p>Same as the medical licenses <i>(R.C. 3780.11(B)(2)).</i></p>	<p>Similar to the medical licenses under current law, but further specifies that none of the applicant’s current or prospective owners, officers, board members, administrators, employees, agents, or affiliates who may significantly influence or control the applicant’s activities may have an ownership or investment interest in, or a compensation agreement with, a testing laboratory.</p>

License Eligibility Criteria		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
		Specifies that the requirement does not apply to applicants for a testing laboratory license. <i>(R.C. 3796.09(C)(2) and 3796.10(C)(2).)</i>
Applicant does not share corporate officers or employees with a testing laboratory <i>(R.C. 3796.09(B)(3) and 3796.10(B)(3)).</i>	Same as the medical licenses <i>(R.C. 3780.11(B)(3)).</i>	Similar to the medical licenses under current law, but further specifies that none of the applicant's current or prospective owners, officers, board members, administrators, employees, agents, or affiliates who may significantly influence or control the applicant's activities may share any corporate officers or employees with a testing laboratory. Specifies that the requirement does not apply to applicants for a testing laboratory license. <i>(R.C. 3796.09(C)(3) and 3796.10(C)(3).)</i>
Applicant's facility will not be located within 500 feet of a school, church, public library, public playground, or public park <i>(R.C. 3796.09(B)(4) and 3796.10(B)(4)).</i>	Similar to the medical licenses but includes an exception for existing medical license holders <i>(R.C. 3780.11(B)(6)).</i>	Same as the medical licenses under current law <i>(R.C. 3796.09(C)(4) and 3796.10(C)(4)).</i>
Applicant is in compliance with all applicable state tax laws <i>(R.C. 3796.09(B)(5) and 3796.10(B)(5)).</i>	Same as the medical licenses <i>(R.C. 3780.11(B)(7)).</i>	Same as the medical licenses under current law <i>(R.C. 3796.09(C)(5) and 3796.10(C)(6)).</i>

License Eligibility Criteria		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
No provision.	No provision.	Applicant demonstrates sufficient liquid capital and ability to meet financial responsibility requirements <i>(R.C. 3796.09(C)(6) and 3796.10(C)(7))</i> .
No provision.	No provision.	Applicant demonstrates that the proposed facility is not located in a municipal corporation or township that prohibits marijuana operators <i>(R.C. 3796.09(C)(7) and 3796.10(C)(8))</i> .
No provision.	No provision.	Application does not include false, misleading, or deceptive information and does not omit material information <i>(R.C. 3796.09(C)(8) and 3796.10(C)(9))</i> .
No provision.	No provision.	Applicant pays all fees required by the DCC <i>(R.C. 3796.09(C)(9) and 3796.10(C)(10))</i> .
No provision.	No provision.	Applicant for a dispensary license demonstrates that the proposed facility is not located within ½ mile of another licensed dispensary and has not been issued a permit to sell beer or intoxicating liquor <i>(R.C. 3796.10(C)(5))</i> .
No provision.	Applicant for a testing laboratory license demonstrates that it does not have an ownership or investment interest in, a compensation agreement with, or share corporate officers or employees with, another	No provision.

License Eligibility Criteria		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
	adult-use license holder (R.C. 3780.11(B)(4) and (5)).	
No provision.	Applicant is not employed by a regulatory body of a governmental unit that has significant influence or control over the ability of the applicant to conduct business in Ohio (R.C. 3780.11(B)(9)).	No provision.
Applicant demonstrates compliance with all eligibility requirements prescribed by administrative rule (R.C. 3796.09(B)(6) and 3796.10(B)(6)).	Same as the medical licenses (R.C. 3780.11(B)(8)).	Same as the medical licenses under current law (R.C. 3796.09(C)(10) and 3796.10(C)(11)).

Ranking process

Should the number of applicants exceed the number of available licenses, the bill requires the DCC to use an “impartial and evidenced based process” to rank applicants. The ranking process must take into account the applicant’s plans for business, operations, security, finances, environment, generating jobs, and economic development; the applicant’s principal place of business; the proposed location of the applicant’s facility; the applicant’s employment practices; the applicant’s plans to hire and educate Ohio residents, veterans, disabled persons, women, and minorities; the criminal records of all persons subject to the records check; the civil and administrative history of the applicant; and other criteria specified by law or administrative rule.⁵

Lottery

The bill allows the DCC to use a lottery system to issue licenses but specifies certain procedural conditions for that system. The DCC must rank applicants into the following categories: highly exceeds, exceeds, meets, and does not meet. The number of applicants in each of the first three categories must be roughly equal, to the extent possible under the impartial, evidence-based process described above.

In conducting the lottery, the DCC must give applicants in the “exceeds” category double the odds of being selected as compared to applicants in the “meets” category. Similarly,

⁵ R.C. 3796.09(D) and 3796.10(D).

applicants in the “highly exceeds” category must receive double the odds of applicants in the “exceeds” category. Applicants in the “does not meet” category are ineligible for licensure.⁶

10(B) licenses

While the bill generally repeals the Cannabis Control Law, it retains certain provisions that guarantee adult-use licenses to medical marijuana license holders. It also retains Cannabis Control Law provisions related to applications for those licenses, background checks, tax information, and confidentiality.⁷

Issuance

Under continuing law, the DCC is required to issue the following licenses:

- For medical marijuana retail dispensaries, one adult-use dispensary license for the same location and, unless the applicant has common ownership or control with an adult-use cultivator or processor, one adult-use dispensary license for a different location;
- For level I medical marijuana cultivators, three adult-use dispensary licenses at locations specified in the application and one level I adult-use cultivator license for the same location as the medical cultivation facility;
- For level II medical marijuana cultivators, one adult-use dispensary license at a location specified in the application and one adult-use cultivator license for the same location as the medical cultivation facility;
- For medical marijuana processors, one adult-use processor license for the same location as the medical processor facility;
- For medical marijuana testing laboratories, one adult-use laboratory license for the same location as the medical marijuana testing laboratory.

Provisional license holders that do not receive a full certificate of operation by December 7, 2025, do not receive these guaranteed licenses.

The bill also retains authorization for the DCC to issue up to 50 additional adult-use dispensary licenses, but removes any preference for certified Social Equity and Jobs Program participants. The Cannabis Social Equity and Jobs Program is repealed by the bill.

The bill eliminates the authority for the DCC to issue up to 40 level III adult-use cultivator licenses. Level III cultivators are authorized to develop a cultivation area of up to 5,000 square feet, or more if an expansion is approved by the DCC. No level III adult-use cultivator licenses have been issued as of January 7, 2025.⁸

⁶ R.C. 3796.09(E) and 3796.10(E).

⁷ R.C. 3780.06, 3780.08, and 3780.31.

⁸ R.C. 3780.10; R.C. 3780.07(F), repealed.

Subject to the Marijuana Control Law

The bill specifies that the 10(B) licenses remain in effect until they expire unless they are earlier suspended or revoked by the DCC. Holders of 10(B) licenses are subject to the same procedures, requirements, and penalties that apply to other marijuana license holders under the bill. Under administrative rules, unchanged by the bill, such licenses are valid for two years.⁹

New license in lieu of renewal

The bill repeals the authority to renew a 10(B) license. However, the DCC is required to establish a procedure by which a 10(B) license holder, prior to the expiration of the license, may apply for a new license under the Marijuana Control Law. The procedures, forms, and fees must “closely resemble” those that apply for renewal of the corresponding license under the Marijuana Control Law. Applications for licensure under that procedure are not subject to evaluation, ranking, prioritization, or lotteries. If the applicant meets the corresponding eligibility criteria, the DCC is required to issue the new license.

The DCC is not permitted to deny an application for licensure based on the location of the license holder’s existing facility in proximity to a school, church, public library, public playground, public park, or other license holder. In other words, the applicant is not required to move their existing facility merely because the application is technically for a new license, as opposed to a renewal.¹⁰

Cultivators

Cultivation area

Under current law, there are three types of adult-use cultivator licenses:

- Level I – may cultivate up to 100,000 square feet;
- Level II – may cultivate up to 15,000 square feet;
- Level III – may cultivate up to 5,000 square feet.

All adult-use cultivators may request an increase in cultivation areas from DCC.¹¹

Current law does not prescribe license “types” or cultivation area limitations for medical marijuana cultivators. However, in practice, the DMC issues the following:

- Level I – may cultivate up to 25,000 square feet, may request an expanded cultivation area of up to 75,000 square feet;
- Level II – may cultivate up to 3,000 square feet, may request an expanded cultivation area of up to 9,000 square feet.

⁹ R.C. 3780.10(A) and 3796.33.

¹⁰ R.C. 3780.11(C) and 3796.33.

¹¹ R.C. 3780.01(A)(19) to (23); R.C. 3780.07(F), repealed.

The bill codifies that current practice with respect to all license cultivators, including 10(B) license holders.¹² The bill also repeals the authorization for dual-use cultivators to (1) receive an expanded cultivation area, and (2) relocate all or part of the cultivation area to another facility.¹³

Packaging and labeling

The bill 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.¹⁴

Provisional licenses

The bill 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.¹⁵

Processors

Permitted activities

The bill modifies the activities that may be performed by a licensed processor as follows:

Processor Activities		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
Obtain medical marijuana from one or more licensed cultivators <i>(R.C. 3796.19(A)(1))</i> .	Obtain adult-use cannabis from any licensed cultivator, processor, or dispensary <i>(R.C. 3780.14(A)(1))</i> .	Same as the medical licenses under current law, but adds adult-use marijuana <i>(R.C. 3780.19(A)(1)(a))</i> .
Process medical marijuana obtained from one or more licensed cultivators into an allowable form <i>(R.C. 3796.19(A)(2))</i> .	Process adult-use cannabis into an allowable form <i>(R.C. 3780.14(A)(2))</i> .	Same as the medical licenses under current law, but adds adult-use marijuana <i>(R.C. 3780.19(A)(1)(b))</i> .
Deliver or sell medical marijuana to one or more licensed dispensaries <i>(R.C. 3796.19(A)(3))</i> .	Distribute, transfer, or sell adult-use cannabis to any licensed cultivator, processor, or dispensary <i>(R.C. 3780.14(A)(3))</i> .	Same as the medical licenses under current law, but adds adult-use marijuana <i>(R.C. 3780.19(A)(1)(c))</i> .

¹² R.C. 3796.18(D).

¹³ R.C. 3780.07(C) and (E), repealed.

¹⁴ R.C. 3796.18(C).

¹⁵ R.C. 3796.09(H) and 3796.01(A)(18).

Processor Activities		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	Marijuana Licenses (Under the Bill)
Comply with certain packaging and labeling requirements (<i>R.C. 3796.19(B)</i>).	No provision.	Similar to the medical licenses under current law, but adds additional packaging and labeling requirements (discussed below) and specifies that the processor must comply before delivering or selling the marijuana product to a dispensary (<i>R.C. 3796.19(B)</i>).

Provisional licenses

The bill specifies that a provisional processor license is not transferrable.¹⁶

Dispensaries

Permitted activities

The bill modifies the activities that may be performed by a licensed dispensary as follows:

Dispensary Activities		
Medical Licenses (Current Law)	Adult-Use Licenses (Current Law)	All Licenses (Under the Bill)
Obtain medical marijuana from one or more processors (<i>R.C. 3796.20(A)(1)</i>).	Obtain adult-use cannabis from any licensed cultivator, processor, or dispensary (<i>R.C. 3780.15(A)(1)</i>).	Same as the medical licenses under current law, but adds adult-use marijuana (<i>R.C. 3780.19(A)(1)(a)</i>).
Dispense or sell medical marijuana to registered patients and caregivers (<i>R.C. 3796.20(A)(2)</i>).	Distribute, transfer, or sell, adult-use cannabis to adult-use consumers or any licensed cultivator, processor, or dispensary (<i>R.C. 3780.15(A)(2) and (4)</i>).	Same as the medical licenses under current law, but adds dispensing adult-use marijuana to adult-use consumers (<i>R.C. 3780.19(A)(1)(a)</i>).
No provision.	Provide delivery of adult-use cannabis to adult-use consumers (<i>R.C. 3780.15(A)(3)</i>).	No provision.

¹⁶ R.C. 3796.09(H).

Identification requirement

Current law requires both medical and adult-use dispensaries to check the consumer's identification before dispensing marijuana products. The bill specifies that the identification presented must be government-issued.¹⁷

Medical marijuana supply

The bill also requires all dispensaries, including 10(B) license holders, to meet the following requirements with regard to medical marijuana:

- Ensure a sufficient supply of medical marijuana products necessary to meet demand.
- Ensure that medical marijuana products are kept separate from adult-use products and prominently displayed in the dispensary.¹⁸

Warning requirements

Current law requires adult-use dispensaries to maintain addiction services information materials available at the adult-use consumer's request.¹⁹ No similar requirement applies to medical dispensaries. The bill eliminates that requirement and instead mandates all dispensaries to prominently display both of the following:

- A statement that the use of adult-use or homegrown marijuana by underage individuals is both harmful and illegal;
- Information about the addictive qualities of marijuana and the potential negative health consequences associated with its use.²⁰

Provisional licenses

Under the bill, the DCC is permitted to revoke a dispensary license for failure to secure a certificate of operation within 18 months after provisional licensure. However, the DCC is required to grant up to two six-month extensions if the provisionally licensed dispensary demonstrates a good-faith effort at becoming operational.²¹

The bill specifies that a provisional dispensary license is not transferable.²²

¹⁷ R.C. 3796.20(B)(1) and (C)(1); R.C. 3780.15(B)(1), repealed.

¹⁸ R.C. 3796.20(B)(4) and (5).

¹⁹ R.C. 3780.15(C), repealed.

²⁰ R.C. 3796.20(D)(3).

²¹ R.C. 3796.05(B).

²² R.C. 3796.10(H).

License caps

Current law requires the DCC, every two years, to review the number of adult-use cannabis licenses and issue additional licenses, dependent upon demand.²³ DCC is required to issue a report based on this review.²⁴ The bill removes the review requirement and report requirement and simply caps the total number of dispensaries (adult-use and medical marijuana) that may be operational at any given time at 350.²⁵

The bill prohibits any person from owning or operating more than eight dispensaries.²⁶

Location of facilities

The bill requires the DCC to issue dispensary licenses in such a way as to prevent oversaturation in any one geographic location. The DCC is prohibited from issuing a license or approving a relocation that would result in a dispensary from being located within one-half mile of another dispensary or 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.²⁷

Limit on amount dispensed

The bill prohibits a licensed dispensary from dispensing or selling more than the amount of adult-use marijuana that may be legally possessed to the same adult-use consumer in the same day. A dispensary that violates that prohibition is guilty of trafficking marijuana.²⁸

Packaging and labeling

The bill requires a licensed dispensary to label the package containing adult-use marijuana with the following:

- The name and address of the processor and dispensary;
- A statement that the use of adult-use marijuana by individuals under 21 years of age is both harmful and illegal;
- The quantity, strength, kind, or form of adult-use marijuana contained in the package.²⁹

²³ R.C. 3780.10(E).

²⁴ R.C. 3780.10(F).

²⁵ R.C. 3796.05(B)(1).

²⁶ R.C. 3780.20(E), repealed.

²⁷ R.C. 3796.05(B).

²⁸ R.C. 3796.20(C)(2) and 3796.99(F).

²⁹ R.C. 3796.20(C)(3).

Rules

The bill requires the DCC to adopt all rules necessary to implement its provisions within nine months after its effective date. DCC rules adopted in the year following the bill's effective date are exempt from Ohio laws concerning the reduction of regulatory restrictions.³⁰

The topics addressed by DCC rule under the bill are mostly similar to those required under the current Medical Marijuana Law. However, the bill eliminates the authority to determine the number of dispensaries that may operate at a given time. Instead, the bill caps the number of active dispensaries at 350.³¹ Furthermore, the bill eliminates the requirement for rules addressing what happens when a school, church, public library, public playground, or public park is established or relocates within 500 feet of an existing license holder. The bill specifies that, in that scenario, the license holder is not required to relocate its operations.³²

The bill repeals the rulemaking requirements under the Cannabis Control Law. Some of those rule requirements closely resemble rules required under the bill. However, other Cannabis Control Law rules do not have a clear equivalent. For example, the bill repeals requirements that the DCC adopt rules doing the following:

- Preventing practices detrimental to the public interest;
- Educating the public about adult-use cannabis;
- Allowing delivery and online or mobile ordering of adult-use cannabis products;
- Exempting institutional or private investors who do not have significant control or influence over a license applicant or license holder from licensing requirements;
- Establishing license and renewal fees based on the amount of funding needed to pay the actual cost of administering the Cannabis Control Law;
- Establishing temporary provisional licenses for persons who do not qualify for licensure due to exigent circumstances;
- Establishing a process for approving a change in ownership or a transfer of control of a license holder;
- Establishing a process for expanding a license holder's cultivation area;
- Establishing standards and procedures for laboratory testing;
- Establishing insurance or surety bond requirements for adult-use license holders;
- Prescribing technical standards for security and surveillance equipment and security service providers;

³⁰ Section 4 of the bill.

³¹ R.C. 3796.03(B)(3) and 3796.05(B)(1).

³² R.C. 3796.03(B)(9) and 3796.30(D).

- Prescribing standards for recordkeeping and financial accounts.³³

The Cannabis Control Law 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. The bill repeals the right to a cause of action.³⁴

Authorized forms of marijuana

The bill retains all forms of adult-use marijuana allowed by current law: seeds, live plants, clones, oils, tinctures, plant material, edibles, patches, extracts, drops, lozenges, smoking or combustible products, vaporization products, beverages, pills, capsules, suppositories, oral pouches, oral strips, oral and topical sprays, salves, lotions or similar cosmetic products, and inhalers. However, the bill eliminates the authority of the DCC to approve additional forms of adult-use marijuana.

The bill also retains the forms of medical marijuana allowed by current law: oils, tinctures, plant material, edibles, and patches. Furthermore, the bill retains the authority of the DCC to approve additional forms of medical marijuana.³⁵

Relatedly, the bill 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.³⁶

THC limits

The bill alters the amount of THC allowed in adult-use marijuana. The current Cannabis Control Law requires DCC to adopt rules that set THC limits for adult-use cannabis at no less than 35% for plant material and 90% for extracts. The bill specifies that the THC limits for adult-use marijuana are the same as the limits that apply to medical marijuana: 35% for plant material and 70% for extracts. The bill 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.³⁷

The bill repeals the authority of the DCC to increase or eliminate THC limits on adult-use marijuana.³⁸ However, the bill allows the DCC, if supported by scientific evidence and industry standards, to do either or both of the following:

- Allow adult-use extracts intended for consumption by vaporization to have a THC content of more than 70%;

³³ R.C. 3780.03, repealed.

³⁴ R.C. 3780.28, repealed.

³⁵ R.C. 3796.06; R.C. 3780.04, repealed.

³⁶ R.C. 3796.06(D)(2).

³⁷ R.C. 3796.06(E)(2) and (3).

³⁸ R.C. 3780.03(C)(21), repealed.

- Establish, subject to the requirements above, THC limits as a percentage of weight, content per unit, or content per package.³⁹

Home grow

Under current law, adults who are 21 or older (“adult-use consumers”) may cultivate, grow, and possess up to six cannabis plants, with not more than 12 plants being grown per household. The bill retains home grow authority but limits the number of plants to six per household.⁴⁰

Home growers are currently permitted to transfer up to six plants to another adult-use consumer so long as the transfer is made without advertisement or remuneration. The bill prohibits any transfer of homegrown marijuana, with or without remuneration, explicitly prohibiting the transfer of adult-use or homegrown marijuana by persons other than licensed marijuana operators. The bill also specifies that any unlicensed person who engages in activities requiring a license, such as transferring marijuana to another adult-use consumer, is guilty of trafficking in marijuana or the illegal cultivation of marijuana.⁴¹

Current law 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.⁴² The bill applies the same requirement, but does not define primary residence. The bill also prohibits home grow at a primary residence that is a child care home or that is occupied pursuant to a rental agreement that prohibits home grow. Cultivation, growth, or possession of homegrown marijuana on behalf of another person is explicitly prohibited by the bill.⁴³

Current law 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.⁴⁴ The bill specifies that a person who grows more than the allowable number of plants is guilty of possession of marijuana.⁴⁵

Possession

Current law allows adult-use consumers to possess up to 2.5 ounces (70.87 grams) of marijuana in any form other than extract and up to 15 grams of adult-use extract. The bill is similar, but applies the possession limits to plant material (up to 2.5 ounces) and extracts (15 grams). Furthermore, the bill specifies that the possession limit for plant material does not

³⁹ R.C. 3796.06(F).

⁴⁰ R.C. 3796.04; R.C. 3780.29, repealed.

⁴¹ R.C. 3796.04 and 3796.99(E); R.C. 3780.29, repealed.

⁴² R.C. 3780.01(A)(33) and 3780.29, repealed.

⁴³ R.C. 3796.04.

⁴⁴ R.C. 3780.29(F) and 3780.99(F), repealed.

⁴⁵ R.C. 3796.04(A)(1) and 3796.99(D).

apply to seeds, live plants, or clones being cultivated, grown, or processed in accordance with home grow law. The bill requires that all adult-use marijuana be stored in its original packaging unless it is actively being used.

The possession limits under current law apply to “cannabis,” which could include any marijuana, regardless of how it is acquired. The bill allows possession of only “homegrown marijuana” and “adult-use marijuana.” That limits possession to marijuana acquired from a licensed dispensary or grown legally under the home grow law. Marijuana acquired elsewhere, like an out-of-state dispensary, cannot be legally possessed under the bill.⁴⁶

Transfer and transportation

Under current law, transfer or transportation of adult-use marijuana in amounts greater than the possession limits is considered the illegal trafficking of drugs.⁴⁷ Under the bill, any unlicensed person who transfers adult-use marijuana is guilty of illegal trafficking in marijuana.⁴⁸

The bill 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:

- The marijuana, other than homegrown marijuana, or paraphernalia is in its original, unopened, packaging;
- The marijuana or paraphernalia is stored in the trunk of the vehicle or, if there is no trunk, 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.

Violation of the bill’s marijuana transportation provisions is a minor misdemeanor.⁴⁹

Smoking, combustion, and vaporization

Generally

Under continuing law, smoking or combustion of adult-use marijuana is subject to the same limitations that apply to smoking cigarettes, i.e., it is prohibited in public places and places of employment.⁵⁰ The bill also specifies that the smoking, combustion, and vaporization of adult-use and homegrown marijuana is permitted only in a private residence. Furthermore, smoking, combustion, and vaporization of adult-use or homegrown marijuana is prohibited in a private residence if that residence is a child care home or a place where smoking, combustion, or

⁴⁶ R.C. 3796.04(D) and 3796.221; R.C. 3780.36(B), repealed.

⁴⁷ R.C. 3780.99(G), repealed.

⁴⁸ R.C. 3796.99(E).

⁴⁹ R.C. 3796.062 and 3796.99(I) and (J); R.C. 2925.141, not in the bill.

⁵⁰ R.C. Chapter 3794., not in the bill.

vaporization is prohibited according to a lease agreement. Violation of the bill's smoking, combustion, and vaporization provisions is a minor misdemeanor.⁵¹

In vehicles

Current law explicitly prohibits an individual from operating a vehicle, motor vehicle, streetcar, trackless trolley, bike, watercraft, or aircraft while using adult-use marijuana or while under its influence. The bill enacts a similar, but broader prohibition, by authorizing the use of adult-use cannabis only in certain locations, such that a vehicle, streetcar, trackless trolley, watercraft, or aircraft is not included.⁵² The bill subjects the operator of a vehicle, streetcar, trackless trolley, watercraft, or aircraft to the relevant OVI laws as applicable.⁵³

Under the bill, a passenger using adult use cannabis in a vehicle, streetcar, trackless trolley, watercraft, or aircraft is subject to the following penalties:

- 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).
- 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 driver's license suspension (3 months to 2 years).
- 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).
- 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).
- 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).⁵⁴

Underage use and false identification

False identification

Current law prohibits using a false identification to acquire or use adult-use marijuana. Violators of the prohibition are subject to the following penalties:

- First offense – fined between \$250 and \$1,000 and jailed for up to six months.

⁵¹ R.C. 3796.06(C)(2) and 3796.99(B).

⁵² R.C. 3796.06(C)(2).

⁵³ R.C. 3796.99(A)(1).

⁵⁴ R.C. 3796.99(A)(2).

- 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.
- 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.⁵⁵

The bill maintains the same penalties but specifies that the financial sanctions are in lieu of any other financial sanctions or penalties that may apply to the violation. Continuing law, unchanged by the bill, specifies default financial sanctions for misdemeanors. Without the clarification, an offender might be subject to two sets of financial sanctions.⁵⁶

Distribution to underage persons

Under the bill, 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.⁵⁷ Current law 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.⁵⁸ The bill adds that any subsequent violation is a felony of the fifth degree.⁵⁹

Under current law, the DCC is permitted to suspend or revoke a marijuana operator license for violations, including dispensing cannabis to an underage person.⁶⁰ The bill instead requires the DCC to immediately revoke the license of any marijuana license holder who distributes marijuana to an underage person.⁶¹

Parents or guardians

Current law prohibits parents or guardians from knowingly permitting their residence or private property to be used by underage persons to use marijuana. A first violation of this prohibition is a third-degree misdemeanor. Second and subsequent violations are a first degree misdemeanor. If the violation results in death or great bodily harm, the violation is a fourth degree felony. The bill repeals this prohibition and the corresponding penalties.⁶²

⁵⁵ R.C. 3780.99(C), repealed.

⁵⁶ R.C. 3796.99(G).

⁵⁷ R.C. 3796.99(C).

⁵⁸ R.C. 3780.99(E), repealed.

⁵⁹ R.C. 3796.99(C)(1)(b).

⁶⁰ R.C. 3780.26, repealed.

⁶¹ R.C. 3796.06(G) and 3796.99(C)(2).

⁶² R.C. 3780.36(G) and 3780.99(I), repealed.

Employment license

Current law requires persons seeking employment with an adult-use cannabis license holder to obtain a license from the DCC. Individuals seeking such a license must apply on a form prescribed by the DCC and include two sets of the applicant's fingerprints and a photograph. The DCC is required to charge an application fee to cover actual regulatory costs. 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.⁶³

The bill repeals the license and associated procedures and instead applies the same background check requirements prescribed by continuing law for persons seeking employment with licensed marijuana operators.⁶⁴

Civil actions against the DCC

The bill repeals all of the following provisions related to a possible failure on the part of the DCC to implement the requirements of the current Cannabis Control Law:

- Requirement that the DCC begin accepting applications for adult-use licensure no later than June 7, 2024.⁶⁵
- Specification that, if the DCC fails to adopt rules related to adult-use cannabis by September 7, 2024, or fails to issue licenses by June 7, 2024, any citizen may bring a lawsuit to compel the DCC to perform the actions mandated under the Cannabis Control Law.⁶⁶
- Authorization, if the DCC fails to issue a license or a denial after an application has been filed, for the applicant to sue to compel the DCC to carry out its duties, and also operate under a temporary license.⁶⁷
- Specification that these provisions are not to be construed as authorizing marijuana operations under a license that has been suspended, denied, or revoked.⁶⁸

Setback requirements

Current law specifies that if the relocation of an adult-use license holder would result in a licensed entity being located within 500 feet of a church, public library, public playground, public park, or school, then DCC is required to deny a relocation application and allow the license

⁶³ R.C. 3780.17, repealed.

⁶⁴ R.C. 3796.13, not in the bill; Section 3.

⁶⁵ R.C. 3780.11(A), repealed.

⁶⁶ R.C. 3780.28(A), repealed.

⁶⁷ R.C. 3780.28(B), repealed.

⁶⁸ R.C. 3780.28(C), repealed.

holder to request relocation to a different location.⁶⁹ The situations exempted from this requirement are:

- Current facilities and properties of adult-use operators, if the license holder also has a certificate of operation and is doing business at that same location;
- Research related to adult-use cannabis at a state university, academic medical center, or private or public research and development organization.⁷⁰
- An expansion of a cultivation area in accordance with the cultivation area specifications of the Cannabis Control Law.⁷¹

The bill repeals these exceptions. 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, the DCC is required to revoke the license. However, the bill specifies that DCC is not required to revoke the license of an existing marijuana operator if a church, public library, public playground, public park, or school is established on, or relocates to, a parcel within 500 feet of an operational marijuana facility.⁷²

Samples

Current law prohibits adult-use license holders from dispensing adult-use marijuana without remuneration, unless authorized by a DCC rule.⁷³ A person who violates that prohibition is guilty of the illegal dispensing of drug samples.⁷⁴ The bill repeals the prohibition and related penalty.

Advertising

Current law authorizes the DCC to adopt reasonable standards that prevent advertisements for adult-use marijuana that are false, targeted towards minors, promote excessive use, or promote illegal activity.⁷⁵ The bill expands upon this requirement by also allowing the DCC to prohibit advertisements that are obscene, contain depictions of marijuana use, or promote marijuana as an intoxicant.⁷⁶

Current law prohibits rules that require preapproval of advertisements or that overly burden the legitimate commercial speech of license holders.⁷⁷ The bill repeals the prohibition

⁶⁹ R.C. 3780.07(A) and 3780.01(A)(35), repealed.

⁷⁰ R.C. 3780.07(B), repealed.

⁷¹ R.C. 3780.07(C) and (D), repealed.

⁷² R.C. 3796.30.

⁷³ R.C. 3780.20(B), repealed.

⁷⁴ R.C. 2925.36, not in the bill; R.C. 3780.99(H), repealed.

⁷⁵ R.C. 3780.21(A), repealed.

⁷⁶ R.C. 3796.32(A).

⁷⁷ R.C. 3780.21(B), repealed.

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.⁷⁸ The bill additionally 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.⁷⁹

If the DCC determines that a person has violated the advertising laws or corresponding rules, the DCC may require the person to stop using the advertisement and proceed with any enforcement action the DCC deems “necessary and proper.”⁸⁰

Enforcement

The Cannabis Control Law specifies that the DCC is not required to enforce minor violations.⁸¹ It also allows the Attorney General to bring an action to enforce the Cannabis Control Law upon receiving a written request from the DCC.⁸² The bill repeals both of these provisions.

The bill allows the Ohio Investigative Unit (OIU) within the Department of Public Safety to assist the DCC in enforcing the Marijuana Control Law. It also 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 (including 10(B) license holders) or OIU is invited by local law enforcement.⁸³

Confidentiality

The bill maintains portions of the Cannabis Control Law related to confidentiality of applicant information. The law explicitly states that all personal information collected under the Cannabis Control Law by the DCC is confidential and not subject to public records request. However, the DCC is required to release certain information in response to a written request from a license holder or applicant. Specifically, the DCC must disclose the amount of tax paid by a license holder or the reasons for the DCC’s denial of a license application. Finally, continuing law, authorizes the DCC to release personal information to law enforcement entities after providing reasonable notice to the person in question.⁸⁴

Adverse actions against marijuana users

Current law prohibits the following adverse actions against an adult-use consumer based solely on the consumer’s use of adult-use marijuana or activities within the Cannabis Control Law:

⁷⁸ R.C. 3796.32(A).

⁷⁹ R.C. 3796.32(D).

⁸⁰ R.C. 3796.32(E).

⁸¹ R.C. 3780.26(E), repealed.

⁸² R.C. 3780.27, repealed.

⁸³ R.C. 3796.01, 3796.14, 3796.15, 5502.01, 5502.13, and 5502.14.

⁸⁴ R.C. 3780.31.

- Taking a disciplinary action against professional license holder;
- Making a determination that a child is an abused, neglected, or dependent child;
- Making an allocation of parental rights;
- Making a parenting time order;
- Disqualifying a person from medical care;
- Taking action under any criminal or civil statute;
- Subjecting a person to a field sobriety test;
- Rejecting a person as a tenant, unless required by federal law;
- Disqualifying an individual from a public benefit program.⁸⁵

The bill repeals those protections for adult-use consumers. Similar protections apply under continuing law with respect to medical marijuana patients. The bill retains those protections but does not extend them to adult-use consumers.⁸⁶

The bill also repeals a provision that specifies contracts related to adult-use license holders are enforceable.⁸⁷

Electronic database

Current law requires the DCC to establish and maintain an electronic database to monitor all adult-use marijuana from its seed or clone source through its cultivation, processing, testing, and dispensing. Furthermore, the DCC is authorized to contract with another entity for the purpose of establishing or maintaining the database. The bill requires DCC to establish an electronic database only for the purpose of monitoring medical marijuana.⁸⁸

Cannabis Social Equity and Jobs Program

The bill repeals the Cannabis Social Equity and Jobs Program. The program, which has not yet been created by the Department of Development, would 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 marijuana business entities.⁸⁹

⁸⁵ R.C. 3780.33(A) to (G), repealed.

⁸⁶ R.C. 3796.24.

⁸⁷ R.C. 3780.33(I), repealed.

⁸⁸ R.C. 3796.07; R.C. 3780.05, repealed.

⁸⁹ R.C. 3780.18 and 3780.19, repealed.

Venue for legal challenges

Current law requires actions challenging the constitutionality of the current Cannabis Control Law, 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. It further specifies that the requirement does not apply to any claim within the original jurisdiction of the Ohio Supreme Court or a court of appeals. It also requires the Franklin County Court of Common Pleas to prioritize actions described above over any other civil claim before the Court. The bill repeals these requirements.⁹⁰

Local government authority

Current law allows a municipal corporation or township to prohibit, or limit the number of, adult-use operators within the boundaries of the subdivision, subject to certain limitations. The bill retains similar authority, but specifies that a township or municipality cannot prohibit or limit the marijuana activities of a person who holds a medical marijuana license or adult-use license on the effective date of the bill.⁹¹

The bill repeals numerous limitations on municipal and township authority to regulate marijuana, current law provisions that:

- Prohibit a municipal corporation or township from prohibiting or limiting home grow or other activities authorized by the Cannabis Control Law.
- Prohibit a municipal corporation or township from prohibiting or limiting adult-use cultivators, processors, or dispensaries that are co-located on the same parcel or contiguous parcels as an existing medical marijuana cultivator or processor.
- Prohibit 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 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.
- 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.

⁹⁰ R.C. 3780.32, repealed.

⁹¹ R.C. 3796.29; R.C. 3780.25(A), repealed.

- 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.
- 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 certification of the election results, or until its request to relocate is approved by DCC, whichever is later.⁹²

Employment

Current law 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 marijuana in violation of the employer's drug-free workplace policy, zero-tolerance policy, or other formal program or policy regulating marijuana 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).⁹³ The bill 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.⁹⁴ The bill expands upon this by further specifying that it is not a violation of the Ohio Civil Rights Law if an employer discriminates against a person for marijuana use if that use violates the employer's drug-free workplace policy, zero-tolerance policy, or other formal program or policy regulating marijuana use.⁹⁵

Adult-use marijuana excise tax

Current law imposes a 10% excise tax on the sale to consumers of adult-use marijuana.⁹⁶ Revenue from the existing excise tax is currently distributed as follows:

- 36% to the Department of Development's Cannabis Social Equity and Jobs Program;
- 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;
- 25% to support the efforts of the Department of Mental Health and Addiction Services to alleviate substance abuse and related research;

⁹² R.C. 3780.25, repealed.

⁹³ R.C. 3780.35(B); R.C. 4141.29, not in the bill.

⁹⁴ R.C. 3796.28(B).

⁹⁵ R.C. 3796.28(C).

⁹⁶ R.C. 3780.22, repealed.

- 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.⁹⁷

The bill increases the rate of the excise tax to 15% and directs all of the revenue to the GRF, repealing the above funds and programs. The bill also imposes a 15% excise tax on the illegal sale of marijuana by an unlicensed seller to a consumer.⁹⁸

CAUV eligibility of land used for marijuana cultivation

Pursuant to authority granted in the Ohio Constitution, farmland may be valued at its current agricultural use value (“CAUV”) – its value considering only its use for agriculture – rather than its fair market value.⁹⁹ This usually results in a lower tax bill for farm owners because the land is often valued below its actual market value, particularly in areas where farmland is in demand for development purposes. The bill makes land used to cultivate adult-use marijuana ineligible to be valued for property tax purposes as other agricultural land pursuant to its CAUV. A similar exclusion already applies to lands used to cultivate medical marijuana under continuing law.¹⁰⁰

HISTORY

Action	Date
Introduced	01-28-25

ANSB0056IN-136/sb

⁹⁷ R.C. 3780.23, repealed.

⁹⁸ R.C. 5739.21 and 5739.27.

⁹⁹ Article II, Section 36, Ohio Constitution.

¹⁰⁰ R.C. 5713.30.