



## Ohio Revised Code

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

Effective: December 7, 2023

Legislation: ENACTEDBYINITIATIVEPETITION,NOVEMBER7,2023

---

Establishment and authority of division of cannabis control; adoption of rules.

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

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

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

(1) Prevention of practices detrimental to the public interest consistent with this chapter, and also ways to educate the public about this chapter;

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

(3) Establishing reasonable application, licensure and renewal fees amounts to ensure license applicants and license holders under this chapter pay for the actual costs for administration and licensure for the division of cannabis control;



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



cannabis samples, and advertising as prescribed in section 3780.21 of the Revised Code;

(11) Requiring that the records, including financial statements, of an adult use cannabis operator or adult use testing laboratory be maintained in the manner up to two years as prescribed by the division of cannabis control and which shall be made available for inspection upon demand by the division of cannabis control, but shall be subject to section 3780.31 of the Revised Code;

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

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

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

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

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

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

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



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

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

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

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

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

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

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