



## Ohio Administrative Code Rule 1301:18-2-06 10(B) Dispensaries.

Effective: June 7, 2024

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(A) For purposes of this rule, the following definitions apply:

(1) "10(B) applicant" means any cultivator or dispensary who is eligible pursuant to division (B) of section 3780.10 of the Revised Code to apply, and submits an application for, a 10(B) license in accordance with this rule.

(2) "10(B) license" means a dispensary license issued pursuant to division (B) of section 3780.10 of the Revised Code and this rule.

(3) "Facility site location application" means an application for selection of a facility site for a 10(B) license.

(B) All 10(B) applicants authorized to apply for 10(B) licensure shall abide by all application requirements outlined under this rule.

(C) An applicant that fails to abide by all application requirements may have its application eligibility adjusted, or its application abandoned, by the division.

(D) Distribution of 10(B) application materials shall occur on the division's internet website located at [www.com.ohio.gov/divisions-and-programs/cannabis-control](http://www.com.ohio.gov/divisions-and-programs/cannabis-control).

(1) Any and all updates and ongoing public notices shall be conspicuously posted on the divisions internet website.

(2) All 10(B) applicants have a duty to regularly monitor and review all notices provided on the divisions internet website throughout the application process.

(E) Determination of authorized 10(B) applicants.



(1) Prior to publishing 10(B) application materials, the division shall determine which entities are authorized to apply for 10(B) licensure.

(a) The division shall notify all authorized entities in writing of the following:

(i) That the entity is authorized to apply for 10(B) licensure;

(ii) The total number of 10(B) licenses for which the entity may apply;

(iii) The number of licenses an entity is authorized to apply for that are eligible for the phase one site selection process; and

(iv) The number of licenses an entity is authorized to apply for which are eligible for the phase two site selection process.

(b) Each entity authorized to apply shall have one 10(B) license eligible for the phase one site selection process.

Any additional 10(B) licenses issued to the same entity shall be eligible for the phase two site selection process.

(2) Upon receipt of its authorization to apply, all eligible 10(B) applicants may submit an initial application as outlined by paragraph (F) of this rule.

(F) Submission of initial application

(1) All 10(B) initial applications shall be completed on a form prescribed by the division that demonstrates or attests the following:

(a) The applicant's designated point of contact that shall serve as the main contact for the division for the duration of the application period.



The following information for the applicant's point of contact:

- (i) Full legal name;
  - (ii) Telephone number that may be utilized during normal business hours;
  - (iii) Electronic mail address;
  - (iv) Mailing address; and
  - (v) All information provided must be in working order and readily available to receive voice messages, electronic messages, or other communication as applicable.
- (b) The identity of all of following associated with the applicant:
- (i) All current owners, officers, and board members;
  - (ii) All proposed owners, officers, and board members;
  - (iii) All institutional or private investors;
  - (iv) Any individual with a financial interest in the applicant; and
  - (v) Any individual with significant influence or control over the applicant.
- (c) Applicant does not have an ownership or investment interest in, or compensation arrangement with:
- (i) An adult use testing laboratory licensed pursuant to Chapter 3780. of the Revised Code; or
  - (ii) An applicant for a license to conduct adult use laboratory testing.
- (d) Applicant does not share any corporate officers or employees with:



- (i) An adult use testing laboratory licensed pursuant to Chapter 3780. of the Revised Code; or
  - (ii) An applicant for a license to conduct adult use laboratory testing.
- (e) All of the following individuals associated with applicant do not have a disqualifying offense as defined by rule 1301:18-1-01 of the Administrative Code which would preclude individual licensure:
- (i) Any administrator or individual responsible for the daily operation of the proposed facility;
  - (ii) All owners, officers, and board members, of the applicant seeking licensure; and
  - (iii) All employees and agents of the proposed facility.
- (f) Applicant will not operate within five hundred feet of a prohibited facility as defined by division (A)(35) of section 3780.01 of the Revised Code.
- (g) Compliance with all applicable tax laws within the state of Ohio;
- (h) Applicant is not contemporaneously employed by a regulatory agency or governmental entity within the state of Ohio that within that role may significantly influence or control entities licensed under chapter 3796. or 3780. of the Revised Code.
- (i) Selection of one of the following categories for licensure:
- (i) Dual-use cannabis dispensary license
- (a) For purposes of this rule, a dual-use license has the same meaning as defined by rule 1301:18-1-01 of the Administrative Code.
- (b) Applicants who choose to apply for a dual-use license shall:
- (i) Adhere to all dual-use licensing requirements for a period of four years.



(ii) Ensure that its facility equally serves and accommodates medical patients and caregivers and non-medical consumers alike.

(iii) Ensure ongoing inventory sufficient to maintain an adequate supply of medical marijuana to meet the current demand and projected patient and caregiver population.

(iv) Provide accommodations to medical cannabis patients and caregivers that may include, but is not limited to, the following:

(A) Dedicated hours of operation limited to medical-only patients and caregivers during which adult-use consumers are prohibited from the facility.

(B) Expanded options for medical cannabis delivery and online ordering.

(C) Efficient point-of-sale accommodations that similarly and expeditiously serve medical patients, caregivers, and adult-use consumers.

(ii) Adult-use only dispensary license.

An adult-use only dispensary license may engage in all permissible activities outlined under section 3780.15 of the Revised Code.

(j) Payment of the non-refundable application fee in the amount of five-thousand dollars, to be submitted via a method approved by the division.

(2) Deficiencies in applications:

(a) Upon determination by the division that a 10(B) applicant failed to meet all requirements of paragraph (F) of this rule, the division shall notify the applicant in writing of all deficiencies contained within the application.

(b) Within ten business days of receipt of written notification from the division, the applicant shall



alleviate all deficiencies outlined and submit any further documentation requested by the division.

(c) Should an applicant fail to cure all application deficiencies, the application shall be deemed abandoned.

(3) The division shall establish a date and time by which all 10(B) initial applications must be submitted. Any application submitted to the division after the deadline shall be ineligible for licensure and returned to the applicant at the mailing address outlined in the application.

(G) The 10(B) application drawing.

(1) The division shall contract with a third-party operator to randomly rank all 10(B) applications.

(2) 10(B) applicants that choose to apply for a dual-use license shall have two times the number of opportunities of selection in the drawing.

(3) Drawing process.

(a) The third-party operator shall randomly rank all 10(B) applicants, beginning with one and continuing sequentially.

(b) All 10(B) applicants shall be ranked numerically in the order in which the application was drawn by the third-party operator.

(c) The third-party operator shall not have access to any information, including the initial applications, that would allow the operator to correlate a 10(B) applicant with its randomly assigned rank.

(H) Facility site selection process.

(1) After the drawing as outlined in paragraph (G) of this rule, the division shall proceed with the facility site selection process.



(2) The site selection process shall occur in two phases.

(I) Phase one facility site selection.

(1) Applicants who are eligible for phase one facility site selection process shall submit their materials on a form prescribed by the division.

(2) The division shall establish a date and time by which all phase one facility site selection applications must be submitted. Should an eligible 10(B) applicant fail to comply with all requirements of this paragraph, or fail to submit an initial facility site application that meets all required criteria by the deadline, the division may modify the applicant's rank or move the applicant into the phase two site selection process.

(3) Throughout the facility site selection process, the division shall establish one or more days to publish to all applicants all phase one facility site business addresses received and approved by the division up to the date of publication.

(4) A 10(B) applicant that is eligible for phase one facility site selection may submit up to three facility sites per phase one application that shall demonstrate the following for each facility site:

(a) The business address for the proposed facility;

(b) The proposed facility site will not be located within one mile of

(i) An existing licensed dispensary; or

(ii) The proposed facility site of another phase one applicant as published under paragraph (I)(3) of this rule.

(c) The proposed facility site is not located within five hundred feet of the end boundaries of a parcel of real estate having situated on it a prohibited facility as defined by division (A)(35) of section 3780.01 of the Revised Code;



(d) The proposed facility site is not subject to any local ordinances or prohibitions from operation as outlined under section 3780.25 of the Revised Code;

(e) The proposed facility site meets all zoning or other local requirements for operation of a dispensary at the proposed facility site;

(f) If more than one facility site was submitted, the preferred order of selection; and

(g) Any other information required by the division.

(5) In the event that more than one 10(B) applicant submits the same facility site, the applicant issued the lower rank pursuant to paragraph (G) of this rule, will be required to select a different facility site and will be authorized to submit a substitute location site application.

If an applicant is required to select a different facility site and submitted more than one phase one facility site, the division will immediately review that applicant's additional facility sites in the order the applicant selected pursuant to paragraph (I)(4)(a) of this rule.

(6) In the event a 10(B) applicant submits a facility site that is within one mile of another phase one facility site as published by the division pursuant to paragraph (I)(3) of this rule, the 10(B) applicant issued the lower rank pursuant paragraph (G) of this rule, will be required to select a different facility site and will be authorized to submit a substitute location site application.

If an applicant is required to select a different facility site and submitted more than one phase one facility site, the division will immediately review that applicant's additional facility sites in the order the applicant selected pursuant to paragraph (I)(5)(a) of this rule.

(J) Phase two site selection.

(1) After the phase one site selection process, the division will establish and publish regional districts for the phase two site selection process.

(2) Applicants who are eligible for the phase two site selection process will submit their preferred





regional districts on a form prescribed by the division.

The division shall establish a date and time by which all regional preference forms must be submitted. Any phase two applicant who fails to submit a regional preference form pursuant to this paragraph will have their preferences determined by the division.

(3) After receipt and review of the regional preference forms, the division shall notify each phase two applicant of its assigned regional district for its 10(B) license. The assigned regional district shall be based upon the applicant's:

(a) Regional preference form pursuant to paragraph (J)(2) of this rule; and

(b) Assigned pursuant to the drawing outlined under paragraph (G) of this rule.

(4) Upon receipt of its regional district pursuant to paragraph (J)(3) of this rule, phase two applicants may submit a phase two facility site location application on a form prescribed by the division.

(5) The facility site location application for phase two site selection shall demonstrate the following:

(a) The business address for the proposed facility;

(b) The proposed facility site will not be located within one mile of:

(i) An existing licensed dispensary; or

(ii) The proposed facility site of another phase two applicant as published under paragraph (J)(6) of this rule.

(c) The proposed facility site is not located within five hundred feet of the end boundaries of a parcel of real estate having situated on it a prohibited facility as defined by division (A)(35) of section 3780.01 of the Revised Code;

(d) The proposed facility site is located within the regional district assigned to the 10(B) applicant



pursuant to paragraph (J)(3) of this rule.

(e) The proposed facility site is not subject to any local ordinances or prohibitions from operation as outlined under section 3780.25 of the Revised Code;

(f) The proposed facility site meets all zoning or other local requirements for operation of a dispensary at the proposed facility site; and

(g) Any other information required by the division.

(6) Throughout the phase two facility site selection process, the division shall establish one or more days to publish to all applicants all phase one facility site business addresses received and approved by the division up to the date of publication.

(7) In the event that more than one 10(B) applicant submits the same phase two facility site, the 10(B) applicant issued the lower rank pursuant to paragraph (G) of this rule, will be required to select a different facility site and will be authorized to submit a substitute facility site location application.

(8) In the event a 10(B) applicant submits a facility site that is within one mile of another phase two facility site as published by the division pursuant to paragraph (J)(6) of this rule, the 10(B) applicant issued the lower rank pursuant paragraph (G) of this rule, will be required to select a different facility site and will be authorized to submit a substitute facility site location application.

(K) Provisional licenses. After receiving a facility site location application from a 10(B) applicant and determining that the applicant has met all requirements for provisional licensure established in Chapter 3780. of the Revised Code and division 1301:18 of the Administrative Code, the division shall issue a provisional 10(B) license to the applicant for the facility site identified in the facility site location application.

(L) Change of location. The division may consider a request to change the location of a provisional 10(B) license due to circumstances outside the control of the applicant.



(1) Circumstances outside the control of the applicant include, but are not limited to:

(a) Enactment of a local moratorium as outlined under section 3780.25 of the Revised Code subsequent to the facility site selection process;

(b) Unilateral revocation by a property owner for use of the licensed premises of the facility site selected;

(c) Establishment of a prohibited facility as defined by division (A)(35) of section 3780.01 of the Revised Code within five hundred feet of the proposed facility site subsequent to the facility site selection process.

(2) If the division approves a relocation, the applicant must submit a new facility site for approval that meets the criteria established in paragraph (I) or (J) of this rule, as applicable.

(M) Certificate of operation. All 10(B) licenses must obtain a certificate of operation within twelve months of receipt of its provisional license.