



Ohio Revised Code

Section 3796.09 License to cultivate, process or test medical marijuana.

Effective: March 20, 2026

Legislation: Senate Bill 56

(A) An entity that seeks to cultivate, process, or conduct laboratory testing of medical marijuana and adult-use marijuana shall file an application for licensure with the division of cannabis control. The entity shall file an application for each location from which it seeks to operate. Each application shall be submitted in accordance with rules adopted under section 3796.03 of the Revised Code.

(B) The division shall evaluate and prioritize applications for licensure under this section according to the applicant's eligibility, suitability, and ability to operate.

(C) The division shall not issue a license to an applicant unless all of the following eligibility requirements are met:

(1) The report of the criminal records check conducted pursuant to section 3796.12 of the Revised Code with respect to the application demonstrates that the person subject to the criminal records check requirement has not been convicted of or pleaded guilty to a disqualifying offense, as specified in rules adopted under division (B)(2)(b) of section 3796.03 of the Revised Code.

(2) If the application is for a cultivator or processor license, the applicant demonstrates that none of its current or prospective owners, officers, board members, administrators, employees, agents, or affiliates who may significantly influence or control the applicant's activities have an ownership or investment interest in or compensation arrangement with either of the following:

(a) A licensed laboratory;

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

(3) If the application is for a cultivator or processor license, the applicant demonstrates that none of its current or prospective owners, officers, board members, administrators, employees, agents, or affiliates who may significantly influence or control the applicant's activities share any corporate



officers or employees with either of the following:

- (a) A licensed laboratory;
 - (b) An applicant for a license to conduct laboratory testing.
- (4) The applicant demonstrates that it will not be located within five hundred feet of a school, church, public library, public playground, or public park.
 - (5) The information provided to the division pursuant to section 3796.11 of the Revised Code demonstrates that the applicant is in compliance with the applicable tax laws of this state.
 - (6) The applicant demonstrates sufficient liquid capital and ability to meet financial responsibility requirements;
 - (7) The applicant demonstrates that the municipal corporation or township in which it will be located has not passed a moratorium or taken any other action that would prohibit the applicant from operating there;
 - (8) The application does not contain false, misleading, or deceptive information and does not omit material information;
 - (9) The applicant pays any fee required by the division;
 - (10) The applicant meets all other licensure eligibility conditions established in rules adopted under section 3796.03 of the Revised Code.
- (D) If the number of eligible applicants exceed the number of available licenses, the division shall use an impartial and evidence-based process to rank the eligible applicants. The ranking process shall take into account all of the following:
- (1) The applicant's business plan;



- (2) The applicant's operations plan;
 - (3) The applicant's security plan;
 - (4) The applicant's financial plan;
 - (5) The applicant's principal place of business;
 - (6) The proposed location of the cultivation, processing, or laboratory facility;
 - (7) The applicant's plan for generating job and economic development in this state;
 - (8) The applicant's environmental plan;
 - (9) Employment practices, including any plans to inform, hire, or educate residents of the state, veterans, disabled persons, women, or minorities;
 - (10) The criminal records of all persons subject to the criminal records check requirement;
 - (11) The civil and administrative history of the applicant and persons associated with the applicant;
 - (12) Any other eligibility, suitability, or operations-based determination specified in this chapter or rules adopted by the division thereunder.
- (E)(1) If the division uses a lottery system to issue licenses under this section, the applicants shall be grouped into the following distinct categories:
- (a) Highly exceeds;
 - (b) Exceeds;
 - (c) Meets;



(d) Does not meet.

(2) The division shall group the applicants such that the number of applicants in each of the highly exceeds, exceeds, and meets categories is roughly equal, unless doing so is not possible while conforming to an impartial and evidence-based process. Applicants that do not meet the eligibility requirements prescribed by division (C) of this section shall be placed in the does not meet category.

(3) In conducting the lottery, the division shall give applicants in the exceeds category double odds of being selected as compared to applicants in the meets category. The division shall give applicants in the highly exceeds category double the odds of being selected as compared to applicants in the exceeds category. An applicant grouped in the does not meet category is ineligible for licensure.

(F) The division shall issue not less than fifteen per cent of cultivator, processor, or laboratory licenses to entities that are owned and controlled by United States citizens who are residents of this state and are members of one of the following economically disadvantaged groups: Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians. If no applications or an insufficient number of applications are submitted by such entities that meet the conditions set forth in division (C) of this section, the licenses shall be issued according to usual procedures.

As used in this division, "owned and controlled" means that at least fifty-one per cent of the business, including corporate stock if a corporation, is owned by persons who belong to one or more of the groups set forth in this division, and that those owners have control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to their percentage of ownership.

(G) A license expires according to the renewal schedule established in rules adopted under section 3796.03 of the Revised Code and may be renewed in accordance with the procedures established in those rules. Applications for renewal are not subject to the evaluation, prioritization, ranking, and lottery provisions in divisions (B), (D), and (E) of this section. The division shall not deny an application for renewal based solely on the location of the applicant's existing facility in proximity to other license holders.

(H) A provisional license issued under this section is not transferable.



(I) No person shall knowingly engage in any of the activities described in section 3796.18, 3796.19, or 3796.21 of the Revised Code without the proper license issued under this section or Chapter 3780. of the Revised Code, as that chapter existed immediately prior to the effective date of this amendment.