



# 2023 Ohio Cannabis Legalization Law Summary

On November 7, 2023, voters approved Issue 2, making Ohio the 24th state to legalize, regulate, and tax cannabis for adults 21 and older. The legislature is allowed to revise, or even repeal, the voter-enacted initiative.

Below is a summary of the law, as approved by voters. You can [read the full text of the law here](#).

## Personal possession limits

- The law allows adults 21 and older to:
  - Possess, purchase, and share with other adults up to 2.5 ounces of cannabis and up to 15 grams of concentrate; and
  - Cultivate up to six plants (with no more than 12 plants per residence).

## Protections from discrimination

- Provides that adults' responsible use of cannabis is not grounds for:
  - adjudicating their child abused or neglected,
  - making a negative determination about a parent's rights or parenting time,
  - denying a person medical care, including organ transplants,
  - suspending one's driver's license,
  - rejecting an applicant as a tenant (unless mandated by federal law), or
  - disqualifying a person from public benefits.

## Limitations

- Using cannabis in public areas, or as the passenger of a vehicle, is a minor misdemeanor punishable by a fine of up to \$150.
- Home cultivation must occur on the grounds of one's primary residence, "within a secured closet, room, greenhouse, or other enclosed area" that prevents access by those under 21. It cannot be "visible by normal unaided vision from a public space."
- Landlords may prohibit home cultivation and the combustion of cannabis on leased property if the prohibition is in the lease.
- Does not allow anyone to operate a vehicle, bike, boat, or aircraft while using or under the influence of cannabis.
- Employers do not have to revise their employment practices, including zero-tolerance policies.

## Adult-use cannabis market regulations

- Establishes the Division of Cannabis Control (DCC) within the Department of Commerce to regulate adult-use cannabis businesses.
- Directs the DCC to establish detailed rules to promote public health and safety, including regulations related to packaging, labeling, product testing, and home delivery.
- Allows the DCC to adopt rules to prevent licensee advertisements that are false, misleading,

targeted to minors, promote excessive use, or promote illegal activity.

- Creates a 500-foot buffer between cannabis businesses and sensitive locations.
- Requires limits on potency of no lower than 35% in plant material and 90% in extracts.
- Allows the following forms of cannabis: plant material, seeds, live plants, clones, extracts, drops, lozenges, oils, tinctures, edibles, patches, smoking or combustible products, vaporization of products, beverages, pills, capsules, suppositories, oral pouches, oral strips, oral and topical sprays, salves, lotions or similar cosmetic products, and inhalers. Allows petitions for additional modes.

## **Cannabis Business Licensing**

- Licenses adult-use cannabis stores, laboratory testing facilities, and processor facilities. Creates a tiered system for licensing cannabis cultivators.
- Allows existing medical cannabis businesses to apply to also be licensed for adult-use and to expand their operations:
  - allows existing medical dispensaries, processors, and labs to apply for an adult-use license at their location,
  - allows medical dispensaries to open a second retail location if they do not have common ownership or control with a licensed cultivator or processor,
  - allows existing level I medical cultivators to open three retail dispensaries at locations they designate and to expand cultivation to 100,000 square feet,
  - allows existing level II medical cultivators to open one retail dispensary and to expand cultivation to 15,000 square feet, and
  - provides the permitted cultivation area may be expanded further.
- Requires the division to issue up to 40 level III adult-use cultivator licenses, which allow up to 5,000 feet of cultivation, with a preference for applications who participated in the social equity and jobs program.
  - Prohibits common ownership or control with processors or other cultivators.
- Limits licensees to no more than eight retail licenses, one cultivation license, and one processor unless regulators change those limits following a report.
- Requires the division to issue up to 50 additional adult-use dispensary licenses with a preference for applications who participated in the social equity and jobs program.
- Allows additional testing labs to be licensed at any time.
- After 24 months, and biennially, allows the DCC to accept applications for additional licenses based on factors including projected supply and demand and geographic distribution of retail stores.

## **Local control**

- Prohibits municipalities from banning home grow or other state-legal activities.
- Allows municipalities to prohibit cannabis businesses within their jurisdiction or to limit their number.
- Allows existing medical cannabis businesses to petition for a voter referendum on prohibiting them from opening adult-use businesses.
- Prohibits municipalities from levying fees, charges, or taxes that are not applicable to other businesses.

## **Social Equity and Jobs Program**

- Establishes a program to:
  - Research issues related to social equity and fund direct investment in disproportionately impacted communities;
  - Provide for certification of applicants that show a social and economic disadvantage;
  - Provide financial and technical assistance to individuals certified under the program;
  - Waive at least 50% of licensing and application fees for certified social equity and jobs program participants;
  - Encourage employment practices for adult-use cannabis operators to hire and educate people from historically disadvantaged groups; and
  - Establish an advisory board to provide recommendations to the Ohio Department of Development.

### **Expungement and other criminal justice reforms**

- The social equity and jobs program will “study and fund criminal justice reform including bail, parole, sentencing reform, expungement and sealing of records, legal aid, and community policing related to marijuana.”
- Legislative action is needed to implement the reforms.

### **Taxation and revenue allocation**

- Imposes a 10% sales tax on cannabis, in addition to regular state sales taxes (5.75%), and local sales taxes (up to 2.25%).
- Allocates:
  - 36% for the social equity and jobs programs;
  - 36% to communities hosting adult-use cannabis dispensaries;
  - 25% to substance use disorder education and treatment; and
  - 3% for cannabis regulatory and administrative costs

### **Miscellaneous**

- Directs the Department of Mental Health and Addiction Services to create a program for addiction related to cannabis and other controlled substances.
- Creates and funds a 24-hour toll-free number with information about addiction services, including options to obtain help.
  - Provides that cannabis business contracts are enforceable.
  - Directs the DCC to provide financial institutions that serve cannabis businesses information needed to have safe harbor under federal policy.

### **Timeline**

- The measure takes effect 30 days after passage.
- Requires cannabis business applications to be available within six months of then.
- Licenses existing medical businesses within nine months of the law taking effect.