#### As Introduced

# 135th General Assembly Regular Session 2023-2024

H. B. No. 341

### **Representative Click**

## A BILL

То	amend sections 3780.23, 3780.25, and 3780.30 of	1
	the Revised Code to revise the law regarding	2
	adult use marijuana.	3

## BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3780.23, 3780.25, and 3780.30 of	4
the Revised Code be amended to read as follows:	5
Sec. 3780.23. Funds created.	6
(A) For the purpose of receiving and distributing, and	7
accounting for, revenue received from the adult use tax levied	8
by section 3780.22 of the Revised Code, the following funds are	9
created in the state treasury:	10
(1) The adult use tax fund;	11
(2) The cannabis social equity and jobs fund;	12
(3) The host community cannabis fund;	13
(4) The substance abuse <u>research</u> and <u>education fund;</u>	14
(5) The substance abuse addiction and recovery fund; and	15
(5)—(6) The law enforcement cannabis training fund;	16

(7) The division of cannabis control and tax commissioner fund.	17
(B) All monies collected from the tax levied under this chapter	18
shall be deposited into the adult use tax fund.	19
(C) Unless otherwise authorized under this chapter or rule, the	20
director of budget and management shall transfer amounts to each	21
fund as follows:	22
(1) Thirty-six Nineteen and two-fifths per cent to the cannabis	23
social equity and jobs fund to be used to implement the	24
requirements of <u>section</u> 3780.19 of the Revised Code;	25
(2) Thirty six Nineteen and two-fifths per cent to the host	26
community cannabis fund for the benefit of municipal	27
corporations or townships that have adult use dispensaries, and	28
the municipal corporations or townships may use such funds for	29
any approved purpose. Distributions to municipal corporations or	30
townships shall be based on the percentage of adult use tax	31
attributable to each municipal corporation or township+.	32
(3) Twenty-five Nineteen and two-fifths per cent to the	33
substance abuse <u>research</u> and <del>addiction</del> <u>education</u> fund to support	34
the efforts of the department of mental health and addiction	35
services to alleviate substance and opiate abuse and related	36
research <u>and education</u> in the state under section 3780.30 of the	37
Revised Code; and	38
(4) Nineteen and two-fifths per cent to the substance abuse	39
addiction and recovery fund to support the efforts of the	40
department of mental health and addiction services to provide	41
and fund addiction recovery services, including the operation of	42
the toll-free number authorized under section 3780.30 of the	43
Revised Code;	44
(5) Nineteen and two-fifths per cent to the law enforcement	45

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cannabis training fund. The attorney general shall use money in	46
the fund to award grants to political subdivisions, as defined	47
in section 2744.01 of the Revised Code, for the purpose of	48
supporting law enforcement training efforts, including for the	49
support of continuing professional training for peace officers	50
required under section 109.803 of the Revised Code, or to pay	51
for administrative expenses related to marijuana offenses.	52
(6) Three per cent to the division of cannabis control and tax	53
commissioner fund to support the operations of the division of	54
cannabis control and to defray the cost of the department of	55
taxation for administering the tax levied under section 3780.22	56
of the Revised Code.	57
Payments under <del>of</del> this section shall be made by the end of the	58
month following the end of each quarterly period. The tax	59
commissioner shall make the data available to the director of	60
the office of budget and management for this purpose and the	61
director of budget and management shall transfer amounts to the	62
funds in this section as required. The tax commission may serve	63
as agent of the municipal corporations or townships only for the	64
purposes of division (C)(2) of this section as promulgated by	65
rule.	66
Sec. 3780.25. Local authority regarding adult use cannabis	67
operators.	68
(A) The legislative authority of a municipal corporation may	69
adopt an ordinance, or a board of township trustees may adopt a	70
resolution, by majority vote to prohibit, or limit the number	71
of, adult use cannabis operators permitted under this chapter	72
within the municipal corporation or within the unincorporated	73
territory of the township, respectively.	74

(B) Notwithstanding division (A) above of this section:	75
(1) Existing cultivators, processors, or dispensaries who have a	76
certificate of operation may not be prohibited or limited by a	77
municipal corporation or township from operating under Chapter	78
3796. of the Revised Code and Chapter 3796. of the	79
Administrative Code by a municipal corporation or township	80
unless there is a revocation of the certificate of operation;	81
(2) Adult use cultivators, adult use processors, and adult use	82
dispensaries that are co-located on the same parcel or	83
contiguous parcels with an adult use cultivator and an adult use	84
processor, who are applicants or license holders under this	85
chapter, and whose owners also have a certificate of operation	86
at the same location as the effective date of this section	87
December 7, 2023, may not be prohibited or limited by any	88
municipal corporation or township from operating as an adult use	89
cultivator, adult use processor, or an adult use dispensary co-	90
located with an adult use cultivator and an adult use processor	91
under this chapter because of the significant capital investment	92
in the facilities; and	93
(3) Dispensaries, or the owners of dispensaries, who have a	94
certificate of operation, and who are not co-located on the same	95
parcel or contiguous parcels with a cultivator or processor that	96
has a certificate of operation, as of the effective date of this	97
section December 7, 2023, shall also be authorized to operate as	98
an adult use dispensary without any municipal or township	99
prohibitions upon receiving a license from the division of	100
cannabis control, unless a majority of the members of the	101
legislative authority of a municipal corporation affirmatively	102
pass an ordinance, or a majority of township trustees in a	103
township affirmatively pass a resolution, after the license is	104

issued and within one hundred <del>and</del> -twenty days from license	105
issuance, prohibiting the operation of the adult use dispensary	106
within the municipal corporation or within the unincorporated	107
territory of the township, respectively.	108
(C) If a majority of the members of the legislative authority of	109
a municipal corporation pass an ordinance, or a majority of	110
township trustees in a township pass a resolution, prohibiting	111
the adult use dispensary pursuant to division (B)(3) of this	112
section, then the adult use dispensary license holder shall	113
cease operations within sixty days, unless the adult use	114
dispensary license holder files with the board of elections	115
within the <del>sixty day timeframe</del> sixty-day time frame a petition	116
prescribed by the secretary of state, and signed by the lessor	117
of one hundred qualified electors or five per cent of the	118
qualified electors of the municipal corporation or township,	119
requesting that the issue, of whether the adult use dispensary	120
shall remain open as long as the adult use dispensary is	121
licensed pursuant to <del>chapter <u>Chapter</u> 3780<u>.</u> of the Revised Code</del>	122
by the division of cannabis control and the municipal	123
corporation or township is eligible to receive host community	124
cannabis funding, be placed on the next general election ballot,	125
which election shall not occur less than ninety days from	126
petition filing. If the required signatures and form of petition	127
is verified by the board of election, the issue shall be placed	128
on the <u>ballot for the</u> next general election which is ninety days	129
or greater away from the petition filing, and notwithstanding	130
any provision of this chapter, the adult use dispensary license	131
holder may continue to operate until the issue is decided at the	132
next authorized general election. A board of elections may	133
discontinue verifying signatures when the number of verified	134
signatures on a petition equals the minimum number of qualified	135

signatures. The secretary of state shall adopt rules in	136
accordance with <u>Chapter 119.</u> of the Revised Code for the proper	137
administration and implementation of divisions (C) and (D) of	138
this section.	139
(D) The form of the ballot to be used at the election provided	140
for in division (C) of this section shall be as follows:	141
"Shall the following adult use dispensary, (here	142
insert name of adult use dispensary), whose owners also have had	143
a licensed medical marijuana dispensary at (here	144
insert address) since (here insert the date of opening),	145
remain open as long as the adult use dispensary is licensed	146
pursuant to Chapter 3780. of the Revised Code by the Division of	147
Cannabis Control under the Department of Commerce, and	148
the (here insert name of municipal corporation or	149
township) is eligible to receive host community cannabis	150
funding?	151
Yes for the Issue	152
No for the Issue	153
п	154
(E) If a majority of the voters at the general election vote yes	155
for the issue, then the adult use dispensary may operate within	156
the municipal corporation or township and the municipal	157
corporation or township shall receive related host community	158
cannabis funding as authorized under section 3780.23 of the	159
Revised Code.	160
(F) If a majority of the voters at the general election vote no	161
for the issue, then:	162
(1) The dispensary with a certificate of operation at that	163

location may continue to operate at its current address, or the	164
dispensary may request to relocate the dispensary within ninety	165
days of election certification consistent with the requirements	166
of Chapter 3796. of the Revised Code, and related rules, which	167
relocation request shall be approved regardless of the	168
dispensary districts established by the board of pharmacy as	169
long as the relocation request meets all other applicable	170
requirements of Chapter 3796. of the Revised Code and related	171
rules; and	172
(2) The adult use dispensary must close within ninety days of	173
election certification unless the adult use dispensary applies	174
to the division of cannabis control for a request to relocate	175
within ninety days of the election certification, and then the	176
adult use dispensary may continue to operate until the request	177
to relocate is approved by the division of cannabis control. The	178
division of cannabis control shall review and approve a request	179
to relocate timely once the request to relocate application is	180
in compliance with this chapter and related rules.	181
(G) A legislative authority of a municipal corporation or a	182
board of township trustees is prohibited from:	183
(1) Adopting an ordinance or resolution limiting research	184
related to marijuana conducted at a state university, academic	185
medical center, or private research and development organization	186
as part of a research protocol approved by an institutional	187
review board or equivalent entity;	188
(2) Levying any tax, fee, or charge on adult use cannabis	189
operators, their owners or their property which is not generally	190
charged on other businesses in the municipal corporation or	191
township;	192

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(3) Prohibiting or limiting home grow otherwise authorized under	193
this chapter; and	194
(4) Prohibiting or restricting an activity that is authorized by	195
	196
this chapter.	190
Sec. 3780.30. Cannabis addiction services; toll-free telephone	197
numbers.	198
(A) The division of cannabis control shall enter into an	199
agreement with the department of mental health and addiction	200
services under which the department shall provide a program for	201
cannabis addiction services to be implemented on behalf of the	202
division of cannabis control, which includes best practices for	203
education and treatment for individuals with addiction issues	204
related to cannabis or other controlled $\operatorname{substances}_{\boldsymbol{L}}$ including	205
opioids.	206
(B) The department of mental health and addiction services shall	207
establish, operate, and publicize an in-state, toll-free	208
telephone number Ohio residents may call to obtain basic	209
information about addiction services available to—consumer—	210
<pre>consumers, and options for an addicted consumer to obtain help.</pre>	211
The telephone number shall be staffed twenty-four hours per day,	212
seven days a week in order to respond to inquiries and provide	213
that information. The costs of establishing, operating, and	214
publicizing the telephone number shall be paid for with money in	215
the substance abuse and addiction and recovery fund.	216
(C) The director of mental health and addiction services shall	217
administer the substance abuse <u>research and education fund</u> and	218
the substance abuse addiction and recovery fund. The director	219
shall use the money in the research and education fund to	220
support prevention, research, and education that relates to	221

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controlled substance addiction and substance abuse. The director	222
shall use the money in the <u>addiction and recovery</u> fund to	223
support addiction services or other services that relate to	224
<pre>controlled substance addiction and substance abuse, and research</pre>	225
that relates to addiction and substance abuse. Treatment and	226
prevention services supported by money in the fund these funds	227
under this section shall be services that are certified by the	228
department of mental health and addiction services.	229
(D) The director of mental health and addiction services shall	230
prepare an annual report describing the use of the <pre>funds_</pre>	231
for these purposes. The director shall submit the report to the	232
director of the department of commerce, the speaker and minority	233
leader of the house of representatives, the president and	234
minority leader of the senate, and the governor.	235
(E) License holders shall provide informational resources for	236
patrons related to cannabis addiction issues and services.	237
(F) License holders shall provide training for their employees	238
regarding the cannabis addiction services resources for patrons	239
related to this section.	240
Section 2. That existing sections 3780.23, 3780.25, and	241
3780.30 of the Revised Code are hereby repealed.	242