

3796:3-1-08

Processor transfer of ownership or location.

(A) A provisional license granted pursuant to this rule is nontransferable.

(B) A certificate of operation shall be issued for the specific processor and location identified on the application, and is valid only for the owner, premises, and name designated on the certificate of operation and the location for which it is issued. A certificate of operation may only be transferred or assigned if the department determines that the proposed ownership or location change complies with Chapter 3796. of the Revised Code, the rules promulgated in accordance with Chapter 3796. of the Revised Code, and the following:

(1) Upon any request for a change in ownership, the processor shall:

(a) Notify the department in writing of the proposed ownership change;

(b) Facilitate the submission of both an Ohio bureau of criminal identification and investigation criminal records check and a federal bureau of criminal investigation criminal records check pursuant to division (B) of section 3796.12 of the Revised Code;

(c) Demonstrate to the department that the person acquiring the interest meets the requirements under rules 3796:3-1-02 and 3796:3-1-03 of the Administrative Code and the processor will remain in compliance with its application for a processor provisional license, Chapter 3796. of the Revised Code, and the rules promulgated in accordance with Chapter 3796. of the Revised Code, under the proposed ownership structure; and

(d) Submit a new application in accordance with rule 3796:3-1-02 of the Administrative Code if the transfer of ownership would result in a new controlling shareholder or shareholders outside of the current ownership structure approved by the department. For purposes of calculating a controlling interest, the department will consider all transfers of ownership that occur in a given calendar year and calculate such transfers in the aggregate.

(2) Upon a request for a change in location, a processor shall:

(a) Notify the department in writing of the proposed location change;

(b) Submit plans and specifications for the new facility in accordance with rule 3796:3-1-02 of the Administrative Code; and

(c) Demonstrate to the department that the new location meets the applicable requirements of rule 3796:3-1-02 of the Administrative Code and that the processor will remain in compliance with Chapter 3796. of the Revised Code and the rules promulgated in accordance with Chapter

3796. of the Revised Code at the new location.

- (C) A processor requesting a change in ownership or location shall submit the applicable fee under rule 3796:5-1-01 of the Administrative Code. A proposed change in ownership or request for a change in location shall not be effective until approved in writing by the department.
- (D) A processor receiving approval from the department for a change in location shall have ninety days from the date of approval, unless an extension is granted at the discretion of the department, to transfer inventory and begin operations at the new location, subject to the following restrictions:
- (1) The transition period shall not begin until the new location is ready to begin production and has passed an inspection by the department under rule 3796:3-3-01 of the Administrative Code.
 - (2) No product or plant material may be transferred to or processed at the new location prior to the beginning date of the approved transition period.
 - (3) Any plant material, medical marijuana extract, or medical marijuana products remaining at the original location past the ninety-day transition period shall be destroyed in accordance with rule 3796:3-2-03 of the Administrative Code.
 - (4) The processor shall notify the department in writing or by electronic transmission once the transfer of inventory is complete and production has begun at the new location.
- (E) Upon inspection and verification by the department that the new location is in compliance with Chapter 3796. of the Revised Code and the rules promulgated in accordance with Chapter 3796. of the Revised Code, the department shall issue a license modification reflecting the new location. The modified license shall have the same expiration date as the previously issued license.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119.03
Statutory Authority:	R.C. 3796.03
Rule Amplifies:	R.C. 3796.03, R.C. 3796.09