1301:18-1-01 **Definitions.**

~~The following definitions apply:~~

(A) For purposes of these rules, the following definitions shall apply:

~~(A)~~(1) "Abandoned Application" means an application submitted pursuant to this chapter which does not meet the minimum eligibility requirements for review, or is otherwise deemed abandoned pursuant to this chapter, and is removed from the application process.

(2) "Church" means a church as defined by section 1710.01 of the Revised Code.

(3) "Control" means the ability to make or significantly influence the strategic policies or management decisions ordinarily reserved for the majority owners or board of directors of a "person" as defined under these rules. Control may be established through ownership, contract, or otherwise; provided control will not be imputed on a bank or licensed lending institution that holds a mortgage or other lien on the person acquired in the ordinary course of business.

(a) When determining whether a person is exercising control, or has the ability to exercise control, over another, the division may consider, among other factors, whether, and to what extent, the person has any power to do the following on behalf of another:

(i) Adopt or amend governance documents, including articles of incorporation, articles of organization, bylaws, operating agreements, or buy-sell agreements.

(ii) Cause or prevent a merger, dissolution, equity sale, or asset sale.

(iii) Elect or remove directors or officers; or elect or remove other positions that exercise authority similar to those of a director or an officer in an Ohio corporation.

(iv) Exercise voting power similar to a shareholder in an Ohio corporation.

(v) Exercise voting power similar to a director in an Ohio corporation.

(vi) Call meetings of the directors or owners.

(vii) Regulate the authority of the owners, directors, or officers.

(viii) Issue shares, membership interest, or similar equity.

(ix) Declare dividends or distributions.

(x) Enter into contractually binding agreements.

(xi) Authorize a mortgage, pledge, lien or deed of trust on any real property or personal property.

(xii) Hire or fire organizations that manage day-to-day operations.

(b) In addition to the listed factors, the division may consider any other factors listed under paragraph (3)(a) it deems relevant. Control may be established whether one, any or none of the factors listed are present.

~~(B)~~(4) "Disqualifying offense" means a conviction or plea of guilty, including conspiracy to commit, attempt to commit, or aiding and abetting another in committing, the following:

~~(1)~~(a) Any offense set forth in Chapter 2925., 3719., or 4729. of the Revised Code, the violation of which constitutes a felony or a misdemeanor of the first degree;

~~(2)~~(b) Any theft offense set forth under division (K) in section 2913.01 of the Revised Code, the violation of which constitutes a felony;

~~(a)~~(i) Any violation for which a penalty was imposed under section 3715.99 of the Revised Code;

~~(b)~~(ii) A crime of moral turpitude as defined in section 4776.10 of the Revised Code; or

~~(c)~~(iii) A violation of any former law of this state, any existing or former law of another state, any existing or former law applicable in a military court or Indian tribal court, or any existing or former law of any nation other than the United States that is or was substantially equivalent to any of the offenses listed in this rule.

~~(3)~~(c) Any first degree misdemeanor offense listed in this rule will not automatically disqualify an applicant from licensure if the applicant was convicted of or pleaded guilty to the offense more than five years before the date the application for licensure is filed.

~~(4)~~(d) Notwithstanding paragraph (A) or (B) of this rule, no misdemeanor offense, including misdemeanors of the first degree, related to cannabis possession, cannabis trafficking, illegal cultivation of cannabis, illegal

use or possession of drug paraphernalia or cannabis drug paraphernalia, or other cannabis related crimes shall be considered a disqualifying offense.

~~(C)~~(5) "Dual-use license" means a license issued by the division that allows:

~~(1)~~(a) A cultivator to engage in all permissible activities outlined under sections 3796.18, 3780.12, and 3780.13 of the Revised Code.

~~(2)~~(b) A processor to engage in all permissible activities outlined under sections 3796.19 and 3780.14 of the Revised Code.

~~(3)~~(c) A testing laboratory to engage in all permissible activities outlined under sections 3796.21 and 3780.16 of the Revised Code.

~~(4)~~(d) A dispensary to engage in all permissible activities outlined under sections 3796.20 and 3780.15 of the Revised Code.

(6) "Facility visitor" means any individual seeking to enter the premises of a licensed entity who does not maintain a valid employee badge pursuant to rule 1301:18-3-09 of the Administrative Code and is not a registered patient, caregiver, or adult-use consumer within a dispensary's retail area.

(7) "Financial interest" means any actual or future right to ownership, or investment, with another person, either directly or indirectly, through business, investment, spouse, parent, or child, in licensed cannabis business. Financial interest does not include ownership of investment securities in a publicly-held corporation that is traded on a national securities exchange or over-the-counter market in the United States, provided the investment securities held by the person and the person's spouse, parent, or child, in the aggregate, do not exceed ten percent ownership in the licensed cannabis entity.

(8) "Ownership" means a person’s, direct or indirect, present ownership interest in a person, including membership interest in a limited liability company, shares of stock in a corporation, or similar equity interests in any other corporate person; or a person’s beneficial interest or proprietary interest in an individual or group of individuals. The definition of ownership does not include passive equity interest of less than ten percent in a licensed cannabis business which is for investment purposes only.

(9) "Person" includes, but is not limited to, an individual or a combination of individuals; a sole proprietorship, a firm, a company, a joint venture, a partnership of any type, a joint-stock company, a corporation of any type, a corporate subsidiary of any type, a limited liability company, a business trust, or any other business entity or organization; an assignee; a receiver; a

trustee in bankruptcy; an unincorporated association, club, society, or other unincorporated entity or organization; entities that are disregarded for federal income tax purposes; and any other nongovernmental, artificial, legal entity that is capable of engaging in business.

(10) "Prohibited facility" means a school, church, public library, public playground, or public park, as defined by this rule.

(11) "Public library" means a library provided for under chapter 3375 of the Revised Code.

(12) "Public park" means a park established by the state or a political subdivision of the state including a county, township, municipal corporation, or park district.

(13) "Public playground" means a playground established by the state or a political subdivision of the state including a county, township, municipal corporation, or park district.

(14) "School" means a public or nonpublic primary school or secondary school and includes a childcare center as defined under section 5104.01 of the Revised Code, and a preschool, as defined section 2950.034 of the Revised Code.

Effective: 10/31/2024

Five Year Review (FYR) Dates: 6/9/2024

CERTIFIED ELECTRONICALLY

Certification

10/21/2024

Date

Promulgated Under: 119.03
Statutory Authority: 3780.03, 3796.03
Rule Amplifies: 3780.03, 3780.07, 3780.08, 3780.10, 3780.11, 3796.03, 3796.09, 3796.10, 3796.13, 3796.30
Prior Effective Dates: 06/07/2024