ACTION: To Be Refiled

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Common Sense Initiative

Mike DeWine, *Governor* Jim Tressel, *Lt. Governor*

MEMORANDUM

TO: Katie Cornelius, Ohio Department of Commerce

FROM: Caleb White, Business Advocate

DATE: July 17, 2026

RE: **CSI Review – Rule Package 7 – Testing Requirements for Cannabis (OAC 1301:18-1-01, 1301:18-2-09, 1301:18-3-17, 1301:18-4-11, 1301:18-4-13, 1301:18-4-14, 1301:18-4-22, 1301:18-6-06, 1301:18-6-07, 1301:18-6-08, 1301:18-7-02, 1301:18-7-03, 1301:18-7-07, 1301:18-7-08, 1301:18-7-09, 1301:18-7-10, 1301:18-7-11, 1301:18-8-13, 1301:18-9-02, 1301:18-9-03, 3796:2-2-02, 3796:3-2-02, 3796:4-2-02, 3796:4-2-03, 3796:4-2-04, 3796:4-2-05, 3796:4-2-06, 3796:4-2-08, 3796:4-2-09, 3796:4-2-10, 3796:4-3-01, 3796:5-4-01, 3796:5-6-04, 3796:5-8-01, 3796:6-2-03, 3796:6-2-04, 3796:6-2-08, 3796:6-2-09, 3796:6-2-10, , 3796:6-2-13, 3796:6-2-14, 3796:6-3-01, 3796:6-3-04, 3796:6-3-07, 3796:6-3-08, 3796:6-3-09, 3796:6-3-10, 3796:6-3-11, 3796:6-3-12, 3796:6-3-13, 3796:6-3-15, 3796:6-3-17, 3796:6-3-20, 3796:6-3-23, 3796:7-1-01, 3796:7-2-02, 3796:7-2-06, 3796:7-2-09, 3796:7-2-12, 3796:8-1-01, 3796:8-2-01, 3796:8-2-02, 3796:8-2-04, 3796:8-2-05, 3796:8-2-06, and 3796:8-3-01)**

Pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Department as provided for in ORC 107.54.

Analysis

This rule package consists of eighteen new rules, forty-seven rescinded rules, and two amended rules proposed by the Ohio Department of Commerce, Division of Cannabis Control (Department). This rule package was submitted to the CSI Office on February 12, 2026, and the public comment period was held open through March 12, 2026. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on February 12, 2026.

This package contains two amended rules, eighteen new rules, and forty-seven rescinded rules. Many of the rescinded rules are being replaced with new rules that contain largely similar content to the rescinded rules. The new rules have different Ohio Administrative Code numbers and are updated to reflect statute and apply to both medical and non-medical cannabis rather than only medical cannabis as the rescinded rules do in addition to relocating, reformatting, and generally updating language. These new rules address business to business transfers of cannabis, voluntary in-process testing, remediation, and re-testing, minimum testing requirements, limitations on the types of cannabis products approved for manufacturing, non-marijuana ingredient requirements, direct to customer sale packaging requirements, testing laboratory operating procedures and quality assurance, testing laboratory employee training, testing analysis requirements, test sample requirements, prohibited activities, and general requirements for licensees. The two amended rules establish the fee schedule for licensees and advertising requirements. These rules are being amended to reflect recent updates outlined in Ohio Senate Bill 56 of the 136th General Assembly. These changes include relocating the advertising submission fee and increasing the dispensary licensing and renewal fees.

During early stakeholder outreach, the Department posted the rules on its website and sent an email to cannabis license holders alerting them that it would be accepting feedback from September 20, 2024, and ending on October 9, 2024. The Department then made updates to the rules and sought additional feedback from stakeholders from May 9, 2025, to May 30, 2025. In addition to this outreach, the Department has received feedback during many roundtables and meetings with both individual licensees and associations representing those license holders. In response to the feedback received during this period, the Department updated the testing framework, updated the batch and lot sample size requirements, updated the sample size procedure and increments for testing, updated definitions, updated business-to-business transfer requirements, removed an unnecessary testing requirement, updated testing analytes and failure thresholds, as well as updated action limits.

During the CSI public comment period, the Department received approximately forty-one comments. These comments addressed a wide variety of topics such as definitions, testing requirements and timeframes, the universal tetrahydrocannabinol symbol, non-marijuana ingredients sales incentives and gift prohibitions, bulk cannabis extract, advertising review fees. The Department provided clarification in response to many of these comments but did make changes in response to the comments received. These changes included among other things updating definitions, updating packaging requirements for plant material packaged for direct customer sale, updating what constitutes a thing of value related to gifts, reverting dispensary license fees to their current cost, updating testing requirements and restrictions, updating remediation requirements, and updating sampling requirements.

The business community impacted by the rules includes licensed cannabis cultivators, processors,

testing laboratories, and dispensaries. The adverse impacts created by the rules include compliance testing requirements, batch size limits for compliance testing, sample size requirements, advertising pre-approval requirements, and licensure requirements. The Department states that the price for testing flower that is destined for sale at dispensaries ranges from $365 to $480, estimates that updates to equipment and processes for laboratories to comply with the requirements in these rules to be approximately $50,000 to $100,000, states that the fee for an advertising pre-approval application is $100, and states that the cost to initially obtain a dispensary Certificate of Operation and to renew it is $100,000 every two years. The Department notes that several changes such as increasing the limit for total yeast and mold for all plant material, removing certain analytes from the required testing framework that were deemed duplicative, and increasing certain batch sizes will help reduce the adverse impacts to business. The Department states that the adverse impacts to business are justified to ensure customer product transparency, and prevent the diversion, theft, or loss of cannabis.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.