

Issue 2 Passes And Recreational Marijuana Is On The Horizon For Ohio. What Is Next For The Buckeye State?

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On November 7, 2023, Ohio Voters approved a ballot initiative legalizing recreational marijuana throughout the state, marking Ohio as the 24th state to allow adult cannabis use for non-medical purposes.

The new law allows adults 21 and over to purchase and possess up to 2.5 ounces of cannabis while also allowing home grow of cannabis plants (6 plants per adult, with a maximum of 12 plants per household). A 10% tax on cannabis purchases would go towards administrative costs to run the adult use program, addiction treatment, municipalities with dispensaries, and social equity and jobs programs

Within the Department of Commerce, a new Division of Cannabis Control will be created to administer the adult-use program. Additional aspects of the Issue 2 new licensing process are summarized below:

- Allows all current medical licenses in good standing (cultivation, processing, and dispensary licenses) to participate in the sale of recreational cannabis.
- Creates a new Level 3 cultivation License for 5,000 sq. ft. of grow space for recreational cannabis. 40 of these licenses will be initially available for award by the Division with more that may be added after 24 months.
- Current medical dispensaries will be issued one adult use dispensary license for their current location and one adult use dispensary license for a different location if the owners do not have any common ownership or control with any currently licensed cultivators or processors.
- Current Level 1 cultivators will be issued 3 adult use dispensary licenses at different locations designated by an application and current Level 2 cultivators will be issued 1 adult use dispensary license at a location designated by an application.
- An additional 50 adult use dispensary licenses with preferences for social equity applicants will be issued by the Division and awarded through a licensing process that has yet to be determined. More licenses may be added by the Division after 24 months.

Issue 2 is set to take effect 30 days after Election Day, but, as an initiated statute and not a constitutional amendment, the law is subject to change. Members of the legislature and the Governor have expressed support for changes that we may see in the coming weeks related to taxes and other issues.

Ohio will likely make changes to the law and the manner in which recreational marijuana is to be implemented in the state. The Department of Commerce has 9 months to implement the new program.

Clearly the majority of Ohioans support some form of recreational use of marijuana.

With this new industry comes significant business opportunities and Benesch's Cannabis Industry Group is well-positioned to assist with licensing, corporate governance, and all legal aspects of entry into Ohio's recreational marketplace. We are actively engaged in representing a number of clients in the space across the country. For additional information, please reach out to a member of the team:

Kristopher Chandler at kchandler@beneschlaw.com or 614.223.9377

Thomas Kern at tkern@beneschlaw.com or 614-223-9334

Rachel Winder at rwinder@beneschlaw.com or 614.223.9316