



During the first of two Medical Marijuana Cultivator Application Q&A periods hosted by the Department of Commerce, the Department received more than 300 questions regarding the application process, some of which were asked multiple times. Due to the overwhelming response, below are the answers to common questions. The Department is providing this guidance to assist applicants with the completion of an application for a cultivation license. This does not constitute legal advice, which should be sought from a legal professional.

- **Can applicants include letters of reference or support, video testimony, or other supplemental documents?**
 - **Answer:** Applicants should submit only the documents that are required in the application instructions or listed in the application instructions as “optional,” and only in the formats required. Additional supplemental documents and documents that exceed the page limits listed in the instructions will not be reviewed.
- **Can a management company provide services to more than one licensed cultivator?**
 - **Answer:** No. The language in O.A.C. 3796:2-1-04(D) prohibits any person or entity from serving in a capacity that would “significantly influence or control the activities of more than one cultivator.”
- **Can a consultant assist with applications for more than one applicant?**
 - **Answer:** There are no restrictions on using consultants on a one-time, fee-for-service basis when completing the application. However, any compensation arrangement with a consultant is still subject to the restrictions of O.A.C. 3796:2-1-04(D). This includes but is not limited to royalties, success fees, equity interest, and other ongoing payments. If a consultant is found to have compensation arrangements with multiple applicants that would violate O.A.C. 3796:2-1-04(D), the applications in question will be denied. Likewise, a consultant may not serve in a capacity that would “significantly influence or control the activities of more than one cultivator” once a license is issued.
- **Does a lender of funds to an applicant have a “financial interest?”**
 - **Answer:** If the repayment terms are based on the borrower’s profits, then yes. If the repayment terms are based on a standard interest rate, then no.
- **Can the cultivation area layout submitted with the application include stacked or tiered grow tables?**
 - **Answer:** The rules do not expressly prohibit stacked or tiered grow tables. However, O.A.C. 3796:2-2-07(D) prohibits a cultivator from producing or maintaining medical marijuana in excess of the quantity required based on patient population and consumption. An applicant’s score could be negatively impacted if the proposed layout would jeopardize the quality and consistency of the medical marijuana or is designed in such a manner as to promote production in violation of O.A.C. 3796:2-2-07(D).
- **How can I apply for a “plant-only processor” license?**
 - **Answer:** “Plant-only processor,” as defined in O.A.C. 3796:1-1-01(A), is not a standalone license. It is a supplemental license that can be obtained only by a licensed cultivator. The process for a licensed cultivator to apply for this supplemental license is currently under development.
- **How is the criteria marked as “optional” scored? Will applicants get bonus points? Will page limits increase?**
 - **Answer:** Optional elements of the plans count toward the listed page limit and overall score of each plan. Additional pages are not permitted, and additional points beyond the maximum possible points listed will not be awarded for the inclusion of optional elements.
- **Are there still designated territories? Is there a restriction on how close cultivators are to each other?**
 - **Answer:** The initial proposal of designated territories within the state was removed from the final version of the cultivator rules. Geographic distribution is not being considered in evaluating the applications. There are no restrictions on numbers of licenses within a jurisdiction, nor are there restrictions on cultivators’ proximity to one another.
- **My 2016 taxes are not yet filed. What do I submit?**
 - **Answer:** Applicants should submit 2013, 2014, and 2015 tax documents, with a statement that 2016 has not yet been filed or documentation of a filed 2016 extension.
- **How will the designation as an economically disadvantaged group factor into the application evaluation?**
 - **Answer:** The Department will comply with the requirements of O.R.C. 3796.09.
- **What is a disqualifying offense?**
 - **Answer:** Applicants should review O.A.C. 3796:1-1-01(A)(15) with their legal professional.



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Released May 16, 2017:

ID	Question	Response
1	How does the Department define who is included in an "applicant"?	An applicant refers to the individual, business entity, or collective group of owners and officers seeking to become a licensed cultivator in the State of Ohio.
2	We will be seeking a Level 2 cultivation license, and due to the nature and size of the license, have not needed to seek outside investors. We have, however, established a board of advisors for the business made up of professionals with relevant business experience and credentials. We do not see a form in Section 1 to include any of their information, as they are neither owners nor officers (Form 1K)	Any board members who will have a financial interest in the applicant, as defined in O.A.C. 3796:1-1-01, must be listed in the same manner as owners and officers. Also, members who participate in the management of the entity must also be listed on the roster with "0%" ownership, if appropriate.
3	Form 1I requires disclosing individuals who will directly or indirectly participate in the management of operations. If an organization is planning on using an entity for management but that entity has no ownership in the Applicant, how would the state like this detailed on form 1I?	The list on Form 1I must include every individual who has an ownership interest or financial interest, either directly or indirectly, as defined in O.A.C. 3796:1-1-01, in Applicant's business or will directly or indirectly participate in the management of the operation. Individuals who participate in the management of the operation must be listed on the roster (with "0%" ownership, if appropriate).
4	Could you clarify what you mean by tax summary page (section 1N); even a CPA has no clue what that means. Is this specific only to medical marijuana companies operating in other states or do you want a summary of just 1040's or summaries for all businesses, LLC's, partnerships, etc. regardless of industry; this could be an obscene amount of information.	Applicants must submit 1040 summary pages and the applicable schedules depending on taxpayer status (i.e. 1040 Schedule C, 1040 Schedule A, etc.), as well as summary equivalents at the state level. This applies to all businesses, not just medical marijuana businesses.
5	Will tax disclosures be available to people via freedom of information requests?	Tax records will be exempted to the extent permitted under federal law and Ohio Public Records law.
6	Also, if a physician was simply sitting on an advisory board for a company, but does not have ownership interest, could they be compensated for attending board meetings or hosting/teaching education events and still be able to certify patients?	No. A physician that sits on a board and is paid for such services would be considered to have a financial interest, as defined in O.A.C. 3796:1-1-01(A)(18), as someone who may significantly influence or control the activities of the cultivator.



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7	<p>What phase do the background checks have to be in, at time of application? Is it sufficient to have submitted fingerprints to the bureaus, or do the bureaus have to have sent the background checks to the department by the time of application?</p>	<p>An applicant must submit for the necessary background checks prior to the submission of the application. The Department will review the results as they are received and will not issue provisional licenses to a qualified applicant until this information is verified.</p>
8	<p>How is the 1% financial interest to be calculated? In an LLC, for example, there could be different priorities for return, different percentages of distributable cash vs. percentages on a liquidity event, etc. Is a reasonable good faith calculation of a 1% financial interest sufficient or does the MMCP have specific guidelines?</p>	<p>A reasonable good faith calculation is acceptable if it captures everyone that has a financial interest in the applicant, as defined in O.A.C. 3796:1-1-01(18), even if it fluctuates based on different triggers.</p>
9	<p>My client is interested in applying for a level 2 cultivator's license. Within the 3000 square feet, can they build a second level of plants?</p>	<p>The rules do not expressly prohibit stacked or tiered grow tables. However, O.A.C. 3796:2-2-07(D) prohibits a cultivator from producing or maintaining medical marijuana in excess of the quantity required based on patient population and consumption. An applicant's score could be negatively impacted if the proposed layout would jeopardize the quality and consistency of the medical marijuana or is designed in such a manner as to promote production in violation of O.A.C. 3796:2-2-07(D).</p>
10	<p>Does the term "compensation arrangement," as used in the definition of "financial interest," include all royalty payments, or just those "where supplies or services are not being provided on an ongoing basis, such that the royalty or reoccurring payment was made in lieu of an equity interest?"</p>	<p>All royalty payments are considered a financial interest.</p>
11	<p>The regulation states "a copy of the applicable business documents governing the operations and administration of the business" must be submitted. What business documents does this include? For example, does the operating agreement for the entity or the lease agreement need to be included in the application? If these documents must be included, the fifteen-page limit for the business plan section of the application would be exceeded just by the lease or operating agreement.</p>	<p>The documents mentioned in this question would fall under Section 1 of the application. Section 1 of the application does not have any page limits. Section 2 has page limits which are listed separately for each plan.</p>



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12	I have a question regarding the application process in Ohio; can consultants/companies assist multiple applicants with the application process in Ohio?	Yes. There are no restrictions on using consultants on a one-time, fee-for-service basis when completing the application. However, any compensation arrangement with a consultant is still subject to the financial interest restrictions of O.A.C. 3796:2-1-04(D). This includes but is not limited to royalties, success fees, equity interest, and other ongoing payments. If a consultant is found to have compensation arrangements with multiple applicants that would violate O.A.C. 3796:2-1-04(D), the applications in question will be denied. . Likewise, a consultant may not serve in a capacity that would “significantly influence or control the activities of more than one cultivator” once a license is issued.
13	With regards to Section 1D in the application, the rules suggest that the escrow account or surety bond are not required of the applicant during this application period but instead must be satisfied before the award of a final Certificate of Operation (after passing all state inspections prior to opening for business), however the application itself asks for the name of the Surety Insurance Company and/or CPA Company. Are applicants now required to establish and maintain an escrow account or surety bond as part of this application process or is this merely an optional request for information if the applicant happened to go above and beyond the actual requirements and preemptively establish an escrow account/surety bond?	This is an option for applicants that have already secured a bond or escrow account OR applicants that have conducted their due diligence and are aware of which company will offer the product.
14	Is a local jurisdiction able to pass an ordinance putting a moratorium on a medical marijuana facility at any time, or does the moratorium need to be passed prior to the application being submitted or a provisional license being approved?	There is nothing preventing a local jurisdiction from passing an ordinance placing a moratorium on medical marijuana facilities at any time. For purposes of the application process, an applicant need only prove that a moratorium or other regulation that would prohibit the proposed facility is not in place at the time of application.
15	Can investors be disclosed if a FOIA request is put through?	Investors may be disclosed pursuant to Ohio Public Records Law.
16	If an applicant has retained a business entity to assist with completing an application, must the applicant list each employee of that entity who has provided assistance, or is it sufficient to simply identify the company? For example, if an applicant lists only “Medical Marijuana Consultant, Inc.,” is that sufficient?	Only the name of the business entity needs to be mentioned on Page 2 of Section 1 of the application. If the entity is a sole proprietorship, list the name of the individual.



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Released May 12, 2017:

ID	Question	Response
17	<p>Form 1K states: ...the Department may review criminal background records...</p> <p>Will all individuals on this form have to be fingerprinted to be checked by BCI and FBI? If so, how will this occur?</p>	<p>Please refer to, O.R.C. 3796.12 (1) (a) and (b) regarding individuals that would need criminal background checks. Per O.A.C. 3796:5-2-02 (D) (1) based on electronic fingerprint impressions that are submitted directly to the bureau of criminal identification and investigation from a "WebCheck" provider agency.</p>
18	<p>If individual files an extension for 2016 tax year, will that cause a deduction?</p>	<p>No. The individual/entity should provide summaries for 2013, 2014 and 2015, along with a statement indicating that a 2016 filing extension was requested.</p>
19	<p>Form 11E Property Owner, asks for "legal description." Can applicant use an exhibit that can be attached to form with legal description of property?</p>	<p>No. Applicants should complete Legal Description on Form 1E.</p>
20	<p>Form 1D- Financial Responsibility Form</p> <p>Both check boxes end with the following: ...prior to being awarded a Cultivator Certificate of Operations. So, am I certifying that I will purchase either a bond or provide escrow in the amount of \$750,000, if I am awarded a license?</p> <p>Therefore, there is no need to have either an escrow account in the amount of \$750,000 or buy a bond at time of submission of this application?</p>	<p>Correct. Please refer to O.A.C. 3796:2-1-02(B)(6)(d).</p>
21	<p>Will we be able to use all banks or will there be a bank that will control the all money from the business?</p>	<p>An applicant and/or applicants awarded a provisional license may work with any bank that is willing to work with applicants and/or provisional licensee.</p>
22	<p>Is a third-party management company that provides general management services with respect to the day-to-day operations of the applicant deemed to have control of such applicant?</p>	<p>Yes. Please refer to O.A.C. 3796:2-1-04(D). The arrangement described would categorize the management company as one that "...may significantly influence or control the activities..." of the cultivator.</p>



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23	Is a management company that provides general management services to an applicant in exchange for a percentage of the applicant’s net profit deemed to have a “financial interest” in such applicant?	Yes. Please refer to O.A.C. 3796:1-1-01(A)(18). This compensation arrangement constitutes financial interest.
24	Is a management company allowed to have an ownership interest in one applicant, but provide management services to multiple applicants in exchange for a percentage of the applicants’ net profits?	No. Please refer to O.A.C. 3796:2-1-04(D) and O.A.C. 3796:1-1-01(A)(18).
25	Can an owner or investor be disqualified or points be deducted in the scoring model if they have a felony, especially a felony for distributing marijuana?	It depends on the felony. Please refer to O.A.C. 3796:1-1-01(A)(15) and consider consulting a legal professional.
26	re the level ii cultivator's application, form 1P refers to an "entity identifier legend." can you explain more please? what exactly are you seeking?	Any entity that an applicant wishes to mention in Section 2 of the application must be assigned a generic, non-identifying alias. The purpose of this is to maintain the anonymity of the applicant in Section 2 of the application. The list of aliases and the entities to which they refer are to be listed on Form 1P. Please refer to examples listed on that form.
27	re the level ii cultivator's application, the section 1 identifiers includes a "check list" on page 3 of 22. who fills out the check list: the cultivator or the department?	The applicant should complete the checklist.
28	Has there been a surety bond form issued?	The surety bond requirements are listed in the O.A.C. 3796:2-1-05(B)(3) rules and a form is provided as part of Cultivator Application Section 1.
29	Does the Cultivator pre- package the product for patients?	A cultivator with a plant-only processor license, as defined in O.A.C. 3796:1-1-01, may package plant material to be shipped to a dispensary in compliance with all packaging and labeling rules. Otherwise, licensed processors will be responsible for packaging products for sale to patients by a dispensary.



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30	Are the cultivation licenses only for residents of the state of Ohio?	No, licenses are not restricted to residents of Ohio. However, the facility is required to be located in Ohio.
31	For Form 1L, if an owner of the applicant has medical marijuana licenses in another jurisdiction but the applying entity does not, should the individual owner fill out this form? Also for Form 1L, if an officer of an applicant has medical marijuana licenses in another jurisdiction, should the employee fill out this form?	Yes, additional 1L Forms have been made available on the MMCP website for owners and officers. With respect to employees, this information is not required.
32	For Form 1N, does the Department want tax summary pages from an owner’s business they have operated, even if the business is entirely separate from the applying entity? Also for Form 1N, does the Department want tax summary pages from an employee of the applicant?	The tax documents must be provided by every person who has a financial interest of 1% or greater in the applicant.
33	Would the Department rather have a CPA or an applicant sign Form 1D and Form 1B?	CPA is desired.
34	If a company is assisting with preparing an application for two separate applicants, would this disqualify one of the applicants?	If a company is hired to assist in the preparation of the application, this does not automatically disqualify an applicant. A one-time, fee-for-service arrangement with more than one applicant is not prohibited, unless the result is a financial interest in the applicants that violates the restrictions in O.A.C. 3796:2-1-04(D).
35	For Form 1E, if the applicant has an executed contract for an option to buy the proposed location contingent on being awarded a license, should the form be filled out by the current property owner or by the applicant who has an option to buy the property?	The applicant should fill out the first portion and the property owner should fill out the second portion of Form 1E. The property owner can indicate in the Length of Lease field that the property will be sold to the applicant if awarded a provisional license.
36	Would a property owned by a school district that is used solely for storage purposes and not located on or near school grounds be considered a prohibited facility for purposes of Rule 3796.30?	Please refer to O.R.C. 3796.30(C) for a list of prohibited facilities and their definitions.



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37	Do Applicants that are owned by entirely Ohio residents get extra points?	No. It will be considered as part of the overall scoring process.
38	Should prospective employees and advisory board members be included in Form 1I and 1L on the application?	All individuals with financial interest must be listed on Form 1I. All individuals with financial interest and licenses in other jurisdictions must fill out Form 1L.
39	It appears that support letters from elected officials cannot be included in the application packet, as they wouldn't be relevant in Section 1 and would contain identifying information and thus should not be presented in Section 2. Is this correct? If letters of support can be presented, what Section should they be included in?	It is correct that such letters would be considered to contain identifying information. Applicants should submit only the documents that are required in the application instructions or listed in the application instructions as optional, and only in the formats required. Additional supplemental documents and documents that exceed the page limits listed in the instructions will not be reviewed.
40	We have drafted all of the plans in place that are required in Section 2, but they are substantially longer than the page limit allowed. Our standard operating procedures alone are 130 pages. Should we only present a summary of my SOP's, or revise them down to a few pages and thus eliminate what we consider to be important procedural controls from our application? We are concerned that we may incorrectly revise our current plans in a way that will result in our application scoring artificially low due to the fact that we could not submit all of our materials that we would use to run this business. May we submit appendices that exceed the page limits stated on the application forms? If so, is there a page limit on the appendices?	Applicants should submit only the documents that are required in the application instructions or listed in the application instructions as optional, and only in the formats required. Additional supplemental documents and documents that exceed the page limits listed in the instructions will not be reviewed.
41	If someone who applied for a cultivation application and is denied, are they still eligible to be accepted for a dispensary license?	Yes. Denial of a cultivator license does not exclude an applicant from applying or being issued any other type of license.
42	If someone who applied for a cultivation application and is accepted, are they still eligible to be accepted for a dispensary license?	Yes. Issuance of a cultivator license does not exclude an applicant from applying or being issued a dispensary license.



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43	At one point there were talks of dividing the State by districts, has that been accomplished? will all applicants be compared to each other? and the 12 highest scores win licenses? Or, will I compete with others who want to locate in the same geographical area?	The initial proposal of designated territories within the state was removed from the final version of the cultivator rules. Geographic location/distribution will not be considered when evaluating the applications. Up to twelve Level I and twelve Level II licenses will be issued statewide.
44	Is there a preference on where they can be located; can they be located in a residential area, rural area or business district?	No, as long as the facilities are in compliance with O.R.C. 3796.29, O.R.C. 3796.30, and local zoning requirements.
45	Does applicant have to own or lease the proposed site at time of submitting application?	No. Please refer to O.A.C. 3796:2-1-03(B)(1)(d).
46	Does it matter in the scoring system if the applicant owns or rents?	No, as long as the applicant meets the requirements in O.A.C. 3796:2-1-02, O.A.C. 3796:2-1-03, and the application instructions.
47	*Is single line spacing, any font acceptable as long as its 12pt type?	The Department prefers Times New Roman.
48	If the license requires a 1,600 sq ft. growing space, does it matter if the warehouse is 2,220 sq ft? Or would that be acceptable meaning you can only grow within the 1,600 sq ft space?	Restrictions apply only to the "Marijuana cultivation area," which is defined in O.A.C. 3796:1-1-01 and includes only the boundaries of areas used in vegetative and flowering phases of growth. The overall size of the facility is not important with respect to square footage limitations.
49	Will the "Optional" material be included in the number of pages we are allowed for each section?	The inclusion of optional criteria is still subject to the maximum page limit for each part of the application. Applicants are not permitted to submit pages beyond the limits for any reason. Pages submitted beyond the page limits identified in the instructions will not be reviewed.
50	May applicants attach supporting documents to a section of the application separate from the written answer? If so, would these supporting documents count towards the page limit?	Applicants should submit only the documents that are required in the application instructions or listed in the application instructions as optional, and only in the formats required. Additional supplemental documents and documents that exceed the page limits listed in the instructions will not be reviewed.



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51	<p>On Form 1C, does the Department prefer that applicants obtain the required insurance prior to submitting the application?</p> <p>For Form 1C, does the Department of Commerce need to approve the insurance coverage or insurance company?</p>	<p>The language in O.A.C. requires this insurance coverage, if available, before a certificate of operation will be issued. Obtaining insurance coverage prior to applying would support an applicant's ability to meet the financial responsibility requirements, but is not required.</p>
52	<p>How do we secure a banking institution? Where do we put our escrow funds to prove/certify that we have the liquid assets for a Level 1 License?</p>	<p>It is up to the applicant to secure a banking institution. With respect to escrow funds, please refer to O.A.C. 3796:2-1-05(B)(2).</p>
53	<p>Can you mention plans for vertical integration in the Cultivation application?</p>	<p>Yes, the applicant may discuss proposed plans for vertical integration.</p>
54	<p>Can you mention trade associations and accreditations by name?</p>	<p>Accreditation and trade association names will not be permitted if these represent small groups that might identify the business or include identifiable information such as state names, region names, etc. Applicant may risk redaction if the Department considers the mention of such information as likely to compromise the anonymity of the applicant during Section 2 evaluation.</p>
55	<p>If an individual is providing an applicant with a line of credit, but will not hold an equity interest in the applicant, would the line of credit be considered a 'financial interest' for purposes of Rule 3797:2-1-04?</p>	<p>If the repayment terms of the loans include a share of the cultivator's profits in lieu of a fixed interest rate, yes. If not, no.</p>
56	<p>If an applicant does not respond to the 'optional' sections, such as the research plan, can the applicant receive the full amount of points for that section?</p>	<p>Yes. Optional sections will be considered as part of the overall score, but are not required. It is still possible to achieve a maximum score without the inclusion of optional criteria.</p>
57	<p>Are there extra points given to applicants who respond to the 'optional' sections, such as the research plan, beyond the maximum number of points allocated for that section?</p>	<p>No. The optional sections will be considered as part of the overall score. The maximum number of points possible for each plan remains the same.</p>



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58	Under item 1F....”500 foot Compliance Rule”....will ‘prohibited facilities’ include ALL schools and places of learning? Are public/private universities/colleges included? Are single family/multi-family homes included also?	Please refer to Ohio Revised Code 3796.30(C) for a list of prohibited facilities and their definitions.
59	Will they state grant licenses to cultivate to two different entities with grow facilities located close to each other? In other words, will only one grow facility be permitted within a ten-square mile area for example.	There are no restrictions on cultivators' proximity to one another.
60	<p>I'm looking for a little clarification on what actual crimes disqualify an individual from applying for a license or being on a board of an LLC that is applying for a cultivating license.</p> <p>(b) Subject to division (B)(2)(c) of this section, the criminal offenses for which an applicant will be disqualified from licensure:</p> <p>(c) Which of the criminal offenses specified pursuant to division (B)(2)(b) of this section will not 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.</p>	Please refer to O.A.C. 3796:1-1-01(A)(15).
61	Will an approved fertilizer list be forthcoming?	This list is in development.
62	When will the licenses be awarded? Certain contractual agreements need a termination date.	That information is not available at this time.
63	Getting insurance for a facility that is not yet built is difficult, can we attach the quote to show proof that we intended to purchase insurance?	The language in O.A.C. requires this insurance coverage, if available, before a certificate of operation will be issued. A quote with intent to purchase will suffice.
64	Will not having proof of purchased insurance on the application affect passing section 1?	No. Please refer to O.A.C. 3796:2-1-06(B)(1).



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65	If the forms 1D Financial Responsibility Form – Escrow / Surety and 1B Liquid Assets Form for a level 2 cultivation license are applicant certified will they be accepted equally as if the documents were CPA certified?	Yes. Please refer to O.A.C. 3796:2-1-02(B)(6)(c)(i).
66	If multiple applications are submitted with the exact same equity players then can the \$500,000 of liquid assets and \$750,000 of surety bond be used simultaneously for each application or do you need to meet those requirements separately for each application?	Since only one license would be issued, an applicant that submits multiple applications with identical ownership and financial interest allocations need only prove they can meet the different financial responsibility requirements required of one applicant.
67	What types of compensation are not considered Financial Interest in an operator?	Please refer to Cultivator Application Instructions, page 6.
68	If a church says no problem can cultivation be within 500 feet like liquor board allows	No. All cultivation facilities must comply with O.R.C. 3796.30.
69	Are applicants allowed to submit any appendixes, attachments, or supplemental materials? Are video submission allowed to supplement the application? What about additional SOPs? Letters of support from municipalities, legislators, neighbors, etc.?	No. Applicants should submit only the documents that are required in the application instructions or listed in the application instructions as optional, and only in the formats required. Additional supplemental documents and documents that exceed the page limits listed in the instructions will not be reviewed.
70	The app references a CD-R or DVD-R submission - does this mean that USBs/flash drives/removable drives are not allowable?	Yes. CD-R or DVD-R are the only formats in which the required digital copies of the application will be accepted. Other digital formats will not be accepted.
71	How will the optional section for minorities or women be scored/accounted for in the application process?	The Department will ensure that licenses are issued in compliance with the requirements of O.R.C. 3796.09.
72	Why is business experience listed in the unidentifiable section? That limitation will make it difficult to give a detailed business history of the primaries of the company without providing identifiable details.	Legends have been provided in Section 1 of the application documents so that applicants may assign aliases to individuals and companies for use in Section 2 of the application.



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73	<p>There are two instances that reference the 500ft rule. In one instance, the reference states that the facility should not be 500 ft from a government owned property. In another, it elaborates on those properties: school, church, library, playground, park. There are many other types of government owned buildings: water treatment plants, libraries, etc. Should we default to the elaborated types in the specific reference, or is the reference inclusive of ALL types of government owned buildings?</p>	<p>Please refer to O.R.C. 3796.30(C) for a list of prohibited facilities and their definitions.</p>
74	<p>When opting to provide information for the optional sections, must those optional sections be included within the page count, or are applicants able to submit additional pages with that optional information included?</p>	<p>The inclusion of optional criteria is still subject to the maximum page limit for each part of the application. Applicants are not permitted to submit pages beyond the limits for any reason. Pages submitted beyond the page limits identified in the instructions will not be reviewed.</p>
75	<p>Will Ohio Residency be prioritized in the selection process?</p>	<p>No.</p>
76	<p>Question, will the State of Ohio require each MME employee to apply for a State registration card? If so, what is the process, and where does the MME employee/agent apply?</p>	<p>Yes. Please refer to O.A.C. 3796:5-2-01. The process is currently in development.</p>
77	<p>Cultivator Application Form 1M, Copies of Licenses from Businesses in Other Jurisdictions – Does this refer only to medical marijuana businesses or to any licensed businesses?</p>	<p>Yes. Information regarding businesses in any industry is required under O.A.C. 3796:2-1-02, but the only businesses for which copies of licenses are required are businesses that are licensed to engage in the medical marijuana industry.</p>
78	<p>Cultivator Application Section 2C – Quality Assurance Plan, asks the applicant to “establish a plan for packaging and labeling that will comply with Division 3796 of the Administrative Code.” Section 3796 does not appear to have any sections on packaging and labeling that apply to cultivators, only sections that apply to packaging and labeling by processors and dispensaries. Please clarify what you are looking for in this respect from cultivator applicants.</p>	<p>Please refer to O.A.C. 3796:2-2-02 for information on cultivator and plant-only processor packaging and labeling requirements.</p>



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79	It appears from 3796.18 that cultivators can only sell medical marijuana to processors. Given that plant material may be sold for vaporization, we would like to confirm that cultivators cannot sell individually packaged and labeled plant material (for vaporization) directly to dispensaries. Is there a reason for this restriction?	Please refer to O.A.C. 3796:1-1-01(A)(38).
80	For Cultivator Application Section 1I, Owners and Rosters Form, a. Must this section include not only owners and officers, but also all employees who will directly or indirectly play a role in the management of the company, such as the VP of Cultivation, VP of Operations, etc.?	This will be covered under Form 1J. Form 1I must include anyone with a financial interest in the applicant, including employees, if applicable.
81	With regard to attachments to an applicant’s application, can an applicant submit attachments to the required forms or are applicants limited to only submitting the required content in the forms provided by the Department of Commerce?	Applicants should submit only the forms and attachments listed in the application instructions, in the required format. Supplemental materials and pages that exceed the limits set in the instructions will not be reviewed.
82	With regard to identifying information in Section 2 (Non-Identifiable Information Section), can applicants disclose the location (i.e. town, county) or address in their application as part of their description of the business or would this be considered “identifiable information”?	Applicants are not permitted to disclose the location of the proposed facility, whether by address, town, city, or county. Please refer to the Cultivator Application Instructions for more information.
83	May an applicant submit a tax summary page for an owner/officer after the application deadline if the governmental authority (i.e. IRS or state taxation department) has not issued such summary to the owner/officer in time to submit along with the application?	No documents will be accepted by the Department after the application deadline. Applicants may include the 2013-2015 statements and indicate that the 2016 statement is not yet available.



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84	<p>1I in the Application describes owners and officers as: "...every individual who has an ownership interest or financial interest, either directly or indirectly through an entity, as defined in O.A.C. 3796:1-1-01, in the Applicant's business or will directly or indirectly participate in the management of the operation. If the financial interest is in an entity, provide the individuals with an equity or profit interest in the entity." These owners and officers are also required to complete background information (1K). Does the same requirement pertain to entities or individuals engaged in a lending relationship with the applicant</p>	<p>If the borrowed funds are to be repaid with a standard interest rate, no. If borrowed funds are to be repaid based on the borrower's profits, yes.</p>
85	<p>While zoning is not required and the application states that there won't be scoring implications for not having zoning, are applicants encouraged to obtain zoning approval if possible within the application period?</p>	<p>Yes. Please see Cultivator Application Instructions regarding 1G Notice of Proper Zoning Form.</p>
86	<p>What is the department's position on location changes after receipt of a license? And similarly, would you ask a winning applicant to change locations for the sake of geographic distribution after award or prior to an award being granted?</p>	<p>Please refer to O.A.C. 3796:2-1-08. No.</p>
87	<p>1. In the application instructions for section 2D Security Plan, Part I: Surveillance Technology and Physical Security, letter (c) it states " Camera should support pan, tilt, and zoom functionality and controls." Is this saying that all cameras need to be pan, tilt, and zoom cameras or can they be fixed cameras with digital pan, tilt, and zoom functionality?</p>	<p>Any camera capable of performing the required functions is acceptable, regardless of whether the function is performed physically or digitally.</p>
88	<p>Do cover pages and plot plans count towards page counts of each section?</p>	<p>Cover pages provided in the application packet do not count toward page limits. Cover pages supplied by the applicant and plot plans count toward the page limits.</p>



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89	<p>If an applicant individual was convicted of a fourth-degree felony drug offense who subsequently completed her sentence of probation, and the record of the offense has been sealed by the Court having jurisdiction, is the offense for which the record is sealed considered a disqualifying offense as described in Chapter 3796 of the Ohio Administrative Code?</p>	<p>Please refer to O.A.C. 3796:1-1-01(A)(15).</p>
90	<p>Are the state issued Employee IDs expected to be used for access credentials? If so, what is the format of authentication HID reader, magnetic strip, or PROX?</p>	<p>No. ID badges are for identification purposes only. Access control device formats are at the discretion of the cultivator.</p>
91	<p>in 3796:2-2-05(A)1 : the perimeter of what, the building, the property? Is this a burglar alarm or surveillance. With regard to the primary and secondary security systems: are you asking for a camera and access system provided by one company and separate burglar alarm from another company OR a burglar alarm, camera and access system provided by one company and another burglar alarm provided by a different company?</p>	<p>Security services may be provided by a single provider or multiple providers at the discretion of the cultivator, given that any system or systems comply with the security requirements of O.A.C. 3796.</p>
92	<p>Could you please tell me how I should name each electronic file(pdf) as well as the labeling requirements for the physical CD-R itself? I do not want to get disqualified because I named or label them wrong.</p>	<p>The Department has not created a required naming convention for these files. To assist in answering your question, we will suggest "Cultivator Application Section 1" and "Cultivator Application Section 2."</p>
93	<p>Is the square feet regulation of 3,000 and 25,000 square feet refer to total amount of square feet allowed for the facility itself? Or does it refer to the amount of square feet used to cultivate within the facility?</p>	<p>The square footage limits refer to the marijuana cultivation area as defined in O.A.C. 3796:1-1-01(28).</p>
94	<p>Is the form in 10 Disadvantaged Group Applicant Form the only documentation required to certify an applicant entity is woman owned?</p>	<p>Yes, this is the only documentation required at this time.</p>
95	<p>Are non-identifying diagrams or 3d renderings of facilities allowed in Section 2</p>	<p>Yes.</p>



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96	Will Ohio permit the outdoor cultivation of medical marijuana, or is medical marijuana production limited to indoor and greenhouse grows?	Please refer to O.A.C. 3796:1-1-01(A)(28)
97	How much Financial stability must an organization show to be considered, for a cultivator's license?	At a minimum, an applicant must meet the liquid capital requirement and demonstrate they will be able to meet the financial responsibility requirements under O.A.C. 3796.
98	May the Department consider whether an applicant has obtained a surety bond?	Yes. The surety bond or escrow requirements must be met by all provisional licensees prior to the issuance of a certificate of operation.
99	And what type of surety bond does the Department prefer?	The type of surety bond that will satisfy any payments that would need to be made to the Department pursuant to O.A.C. 3796:2-1-05 should be determined by your insurance professional.
100	in the event the Company doesn't receive a preliminary license or certificate of occupancy, it is relieved of the surety bond/escrow requirement and the money can be returned to the Company?	Yes.
101	Must an applicant provide tax payment records for persons whose financial interest is through spousal or familial relationship?	No, but tax information must be provided for the person with the direct financial interest. However, financial interest, as defined in O.A.C. 3796:1-1-01(A)(18), addresses this indirect approach to establishing a financial interest and could result in an ownership violation under O.A.C. 3796:2-1-04(D).
102	Form 1Q does not include space to detail trade secret or infrastructure designations. Where and in what format does the Department want applicants to submit this information?	It is up to the applicant to clearly mark each page that contains trade secret and/or infrastructure records as detailed in the Application Instructions. For the purposes of 1Q, applicants can provide an addendum detailing the rationale for each claim of a trade secret and/or infrastructure record.
103	Whose signature does the Department want in the Application Assistance Information block on page 2 of Section 1 of the application? A responsible party of the applying entity or the company providing assistance?	The applicant's signature should be on page 1. The assisting firm's signature should be on page 2.



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104	How is “associated” defined for purposes of fulfilling requirements of A.13.1(j): “For any instance in which an applicant or any person associated with the applicant is currently or was previously licensed or authorized in another state or jurisdiction to cultivate, produce, test, dispense, or otherwise deal in the distribution of marijuana in any form”? For example, would an outside consultant who has contributed to the application be considered “associated”?	"Associated" in that context would include an outside consultant who has contributed to the application to be considered.
105	How will applicant team diversity be accounted for within the scoring?	This process is being developed.
106	Are Level I cultivators allowed to sell cannabis plant material directly to dispensaries?	Licensed cultivators that obtain a plant-only processor license are able to sell plant material directly to a dispensary. Please refer to O.A.C. 3796:1-1-01(A)(38).
107	How does one apply for a plant-only processor license, as opposed to a Level I or II cultivator license?	Only licensed Level I and Level II cultivators may apply to obtain a "plant-only processor" license, as defined in O.A.C. 3796:1-1-01(A)(38). “Plant-only processor” is not a standalone license.
108	Does using the name of a proposed material or software vendor/supplier in Section II of the application count as prohibited identifiable information?	As long as the information supplied could not reasonably be used to identify the applicant among those who might use the product then the discussion of specific software vendor or proposed material would not be prohibited. If, for example, an exclusive (or relatively exclusive) relationship exists between an applicant and a software vendor, or alternatively, a proposed material is patented by a single existing operator in another state, then the inclusion of these types of information would be prohibited.
109	what is the position of the state with regard to physicians being involved in medical marijuana organizations operating in Ohio? Typically, if they have ownership, they are not permitted to certify patients, would that be the case in Ohio?	Physicians who are certified to recommend medical marijuana or who have applied for certification to recommend medical marijuana under O.R.C. 4731.03 are not permitted to have a financial interest in a cultivator, processor, dispensary, or laboratory licensed under O.R.C. 3796.



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110	Can credentials be used as an alias for a person, E.G., Psy.D or CEM?	Please assign aliases in the identifier legend according to the examples provided. Credentials may be listed in the roster with the name of the individual.
111	Is there one spot with all of the cultivator rules in one document accessible on the web?	Effective rules are available at http://codes.ohio.gov/oac/ under chapter 3796.
112	The webinar implied that cultivation that stay within the square foot limit, but have excessive cubic footprints, would be frowned upon. Can you elaborate?	O.A.C. 3796:2-2-07(D) prohibits a cultivator from producing or maintaining medical marijuana in excess of the quantity required based on patient population and consumption. An applicant's score could be negatively impacted if the proposed layout would jeopardize the quality and consistency of the medical marijuana or is designed in such a manner as to promote production in violation of O.A.C. 3796:2-2-07(D).
113	Applicants must show liquid cash during the application that is equivalent to the amount they must have in escrow. Is that the same money? So can the \$75,000 in liquid that must be identified for a level 2 license be the same \$75,000 that is placed in escrow? And, does an applicant have to have \$ in escrow for the application or only after being awarded the license?	The liquid capital requirement is separate from the financial responsibility requirements, so it cannot be the same funds.
114	Will state allow armed security guards on the premises, or in the transport vehicles?	This is at the discretion of the cultivator.
115	Is the mother room considered a part of canopy?	Please refer to O.A.C. 3796:1-1-01(A)(28)
116	How is grow space measured? Is it considered the square footage of the tables on which cannabis will be grown? Or does it include the entire grow room, including walkways which do not contain cannabis, but do eat in to the square footage of the grow room?	Please refer to O.A.C. 3796:1-1-01(A)(28)
117	Clarify Ohio packaging, do we specify the material that packaging will be made of and that it will be custom branded (non-identifiable) in the Quality Assurance Plan?	Yes, but specifying the packaging material in the application is at the discretion of the applicant.



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118	What is a disqualifying offense? Section 3796.03.B.2.c says you cannot be convicted or have pleaded guilty to "the offense more than five years before the date the application for licensure is filed." What are the disqualifying offenses? Is the standard the same for employees?	Please refer to O.A.C. 3796:1-1-01(A)(15).
119	Can we specify product names in the unidentified section? For instance, not the camera system name and quality/features of cameras?	Any information that could reveal the identity of the applicant must not be included in Section 2 of the application.
120	Would it count for a research plan if we set product aside for a facility which is already conducting research?	No.
121	What are the vendors who are approved by the department to sell video surveillance recording systems, vaults, safes, 'other approved equipment'?	That information is not available at this time.
122	Are cloud based video recording systems and access controls (cloud) allowed for recording storage?	Storage devices are at the discretion of the cultivator, given that any system used complies with the security requirements of O.A.C. 3796.
123	Will the surveillance system access credentials be issued at the department level or approved individual within the department?	Approved individuals within the department will be granted the necessary access.
124	The application says not to alter the cover sheets in any way. Are we allowed to remove or change the page number from the forms so they fall in with the page numbers of the entire submitted application?	Changing page numbers is not necessary. Application documents are not to be altered in any way.
125	How far developed must facility plans be? Do you want electrical and plumbing plans, or are building renderings sufficient?	The further the developed the better. Please refer to O.A.C. 3796:2-1-02(B)(5)(d)



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126	<p>For purposes of calculating the 1% financial interest, how are creditors to be assessed within an entity that has an equity interest in the applicant? In other words, if a creditor has a potential path to equity by operation of the loan docs, will the holders of the debt be subject to the tax disclosure requirements if the conversion potentially might result in a 1% or greater financial interest in the applicant? Example: suppose an LLC owns a 10% financial interest in the applicant, so that someone owning 10% or more of the LLC would indirectly have a 1% financial interest in the applicant. An individual has loaned the LLC money and is not currently an equity owner of the LLC, but has rights to convert that debt to equity at a future date. Depending on the capital structure of the LLC at the time of conversion, the creditor could potentially own 10% or more of the LLC sometime in the future if the creditor converts its debt to equity, but the creditor does not currently own 10% or more of the LLC. Will that creditor be subject to the tax disclosure requirements?</p>	<p>No, but if triggered, O.A.C. 3796:2-1-08 would apply. Please see O.A.C. 3796:2-1-08.</p>
127	<p>Can you provide clarification on what is considered "identifiable"? For example, suppose an applicant is working with a partner that is licensed in the MMJ business in another state or a cultivation consultant who has experience in another state, can the applicant identify the state, e.g., we are working with a partner or cultivation consultant that already operates or works in cultivation facilities in the State of ____? Or does the applicant simply have to say it is working with a partner or cultivation consultant that is licensed in another state, unspecified? Can the applicant describe educational background and experience of key team members? For example, does the prohibition on use of university names mean the applicant cannot use university names in describing qualifications of key team members (e.g., would an applicant be prohibited from saying that one of its team members has a medical degree from Johns Hopkins or a Harvard MBA)?</p>	<p>Any information that could reveal the identity of the applicant must not be included in Section 2 of the application. This includes references to operations in other states and mention of universities. References must be made in general terms such as "another state" or "an accredited university."</p>
128	<p>Are there limitations on hours of operation?</p>	<p>There are currently no limits on hours of operation for cultivators.</p>



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129	Is an FBI and BCI background check required to be completed during the application stage, or only after receiving a provisional license? Where should we have the results sent by WebCheck?	To the Ohio Department of Commerce, Medical Marijuana Control Program.
130	Regarding the tax summary page requirement, is this only asking for the first 2 pages of each investor's or owner's 1040, or do we need to request a Return Transcript from the IRS?	Yes, applicants must submit 1040 summary pages and the applicable schedules depending on taxpayer status (i.e. 1040 Schedule C, 1040 Schedule A, etc.)
131	If an application writer is being paid for the service of application assistance, without future compensation or success fees, is there any conflict in having the same application writer assisting more than one applicant in the State of Ohio?	No. Services rendered on a one-time basis that do not involve continued compensation or financial interest are not prohibited. However, please refer to O.A.C. 3796:2-1-04(D), which restricts ownership, financial interest, and control of more than one cultivator when making these types of agreements.
132	What is meant by "tax summary"? Is there a specified form or specified minimum content that must be included? Would it be sufficient to have a law firm or CPA firm collect tax information and provide certification to MMCP that taxes have been filed and paid?	A certification that taxes have been paid in and of itself will not meet the requirement. Applicants must provide 1040 summary pages and the applicable 1040 schedules.
133	Referencing Application Item #1C Financial Responsibility - Insurance. What type of insurance products are referenced in the item, i.e. workers' compensation, operational liability insurance?	Please refer to O.A.C. 3796:2-1-05(B)(1).
134	It appears that the Financial Plan (Sec. 2F) is only asking applicants to address capital expenditures and costs-of-operations, and does not request any analysis of cash flow or revenue. May applicants include revenue and cash flow projections?	Any information that the applicant feels is relevant to the evaluation of their application may be included in the narrative. However, the narrative must not exceed the page limit set in the instructions, and must address the required elements.



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135	The regulations note a "plant-only processor license," but include no mechanism to apply for a "plant-only processor" license. Can the Department advise as to whether a provisional licensee will be eligible to apply for a plant-only processor license, or if that application will only be available to cultivators after a Certificate of Operation is issued?	"Plant-only processor," as defined in O.A.C. 3796:1-1-01(A), is not a standalone license. It is a supplemental license that can be obtained only by a licensed cultivator. The process for a licensed cultivator to apply for this supplemental license is currently under development.
136	Regarding redactions – what level of detail are we going to have to redact? I understand the list of Identifiers for redaction. But was looking for clarification if a company was referencing itself without using its name to show its credibility, referred to itself as “a company that was awarded three licenses in another state...” would that technically count as identifiable information and thus be a disqualifier? Or members of the advisory board, or who had ownership interest were referenced as “former staffers in the general assembly...” would that count as identifiable information?	Any information that could reveal the identity of the applicant or any individual associated with the applicant must not be included in Section 2. Identifier legend forms have been made available in the application in order to assign aliases to individuals and companies. Names of states or other specific location information must not be included.
137	Regarding 2B, Part V, items (B) and (C) of the application: These items appear to have overlapping content. If the applicant proposes a greenhouse facility, should they only respond to item (C)? Is item (B) specific to non-greenhouse facilities?	Items (B) and (C) may be addressed separately. Item (B) is not specific to non-greenhouse facilities.
138	Regarding 2B, Part V, item (A): What is meant by “The implementation of standards and guidelines”? Rather than including the actual standards and guidelines, do you mean we should describe how those standards and guidelines will be applied (e.g., through training and oversight)?	Both the standards and their implementation should be addressed in the narrative.
139	Are licensors of intellectual property financial interests if they receive a standard royalty payment?	Yes.
140	If a company is assisting in preparing applications for an applicant and will be paid a success fee if the applicant is successful in obtaining a permit, would the success fee be considered a ‘financial interest’ for purposes of Rule 3796:2-1-04?	If the success fee is a one-time payment, it is not considered a financial interest for purposes of O.A.C. 3796:2-1-04.



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141	<p>Assuming none of the information in the bullet point list is provided, what level of description can be included in the application that may provide specific information about the experience of an individual or specific agreements with the host municipality? Experience of individuals associated with the application is important, but detailed information about a person could result in revealing the person even without providing their name, address, personal identification number or contact information.</p>	<p>General terms to describe the individual's experience may be used. For example, "Person A served on the town council for a rural jurisdiction with a population of approximately 10,000." The proposed area for the cultivation facility must not be referenced specifically.</p>
142	<p>Question: Would it be an acceptable waste disposal option to recycle the medical marijuana waste that has been rendered unusable by sending it to a neighboring anaerobic digestion renewable energy facility for processing? The energy generated could be sold back to the processing plant.</p>	<p>Arrangements for the disposal of medical marijuana waste are at the discretion of the cultivator. However, any disposal must be carried out in compliance with O.A.C. 3796:2-2-03.</p>
143	<p>Will third-party transportation companies be allowed to transport marijuana when in compliance with stated regulations?</p>	<p>No.</p>
144	<p>Is the Ohio Secretary of State LLC registration number in 1A. Business Entity and Contact Information Form the same as the Ohio Secretary of State business identification number?</p>	<p>Yes.</p>
145	<p>Regarding part 1M of the application (copies of business licenses from businesses in other jurisdictions): If we form a new entity under which we submit an application, then we as the applicant won't have licenses in other jurisdictions. However, the operating entity will. Are we required to submit the operating entity's business licenses? Alternatively, may we just list them?</p>	<p>Licenses in other jurisdictions held by any member or member entity of the applicant should be included.</p>
146	<p>Is there a required font for the application, or may we use any font?</p>	<p>Font must be 12pt. Standard fonts such as Times New Roman or Helvetica are recommended.</p>



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147	Is it recommended to include biographical information (bios/resumes) and letters of support for the owners and persons designated for key leadership positions in the cultivation business in Section 1/Identifiable?"	No. Only documents that are specifically required in the application instructions are to be included with the submission materials.
148	Is there a maximum limit on the number of Level I facilities the state will license in any single county?	No, subject to O.A.C. 3796:2-1-01.
149	Will the state apply or award any scoring preference or additional points for a Level I applicant in any specific city, county or location type?	No.
150	Is a daycare or preschool inside of an office building (for employees children) to be considered a "school" for purposes of the 500 ft prohibited activities list?	Please refer to Ohio Revised Code 3796.30(C) for a list of prohibited facilities and their definitions.
151	Section 1N – Are the tax summary pages for each individual and business with a financial interest in an applicant expected to be in a form issued by the IRS or state taxation department, or can an applicant simply submit proof of tax payments for period required? More clarity on what the Department is looking for would be appreciated.	The tax summary pages are expected in the form provided by the IRS and state taxation department(s).
152	When talking about architectural drawings, what types of drawings are required? Is the Department looking for fully stamped architectural / MEP drawings and plan sets?	Please see O.A.C. 3796:2-1-02(B)(5)(d)(i) and (ii).
153	With regards to O.A.C. § 3796:2-1-02(B)(2)(c), should applicants include copies of their Certificate of Good Standing and other applicable business documents, such as their articles of incorporation, along with form 1A?	Yes.
154	With regards to O.A.C. § 3796.2.1.02(B)(2)(f), what is the process for each member of the entity seeking a license to submit state and federal criminal records to the department?	Please see O.A.C. 3796:5-2-02 and work with a WebCheck vendor.



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155	<p>Form 1M requests “information regarding all other medical marijuana licenses, permits or registrations ever held, current or expired, by the Applicant;” Should applicants list medical marijuana licenses issued only to the applying entity, or for all persons associated with the applying entity?</p>	<p>Any licenses held by any individual or entity associated with the applicant should be included.</p>
156	<p>What are the insurance requirements (coverage and terms) for a Level I Cultivator? Section 3796:2-1-05(B) of the Ohio Administrative Code provides that insurance coverage and terms must be approved by the department, but does not identify acceptable policy limits or other material terms.</p>	<p>That information is not available at this time.</p>
157	<p>If at least 15% of licenses are issued to at least one of the economically disadvantaged groups set forth in 3796, and there are 12 Level 1 licenses available and 12 Level 2 licenses available, will 2 Level 1 and 2 Level 2 licenses be awarded to at least one of the economically disadvantaged groups set forth in 3796, given no application or an insufficient number of applications are submitted by such entities that meet the conditions set forth in 3796?</p>	<p>The Department will ensure that licenses are issued in compliance with the requirements of O.R.C. 3796.09.</p>
158	<p>Question regarding Form 1L; Do applicants need to provide information based off each owner/ officer and their previous business in other jurisdictions, based off 1 individual, or based off the entity?</p>	<p>Information must be provided for each individual or entity that has a financial interest in the applicant, as well as the applicant.</p>
159	<p>Is there a process, or required steps to be taken, if and when additional owners, investors or individuals with financial interests are added after the application is submitted, after a provisional license is awarded, and after an operations license is awarded?</p>	<p>Pursuant to O.A.C. 3796:2-1-08, a provisional license is non-transferrable. Only after a cultivator has received a certificate of operation may they consider changing ownership structure, subject to compliance with O.A.C. 3796:2-1-08 (1).</p>
160	<p>Will a plan to grow only organic plants be considered for additional scoring in the optional environmental plan in the Standard Operating Procedures section?</p>	<p>No.</p>



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161	What are the parameters of a cultivator's labeling and packaging plan when the processor is responsible for all packaging and labeling?	Please refer to O.A.C. 3796:2-2-02.
162	Are additional points awarded for an applicant who discloses its plans to operate a vertically integrated business and includes cultivation, processing and dispensing in its facility drawings?	No.
163	Can plant material go directly from a cultivator to a dispensary or does it have to go through a processor to get packaged and labeled?	Please refer to O.A.C. 3796:1-1-01(A)(38).
164	Does the state have an idea of the escrow terms it will approve for the financial responsibility portion of the application?	That information is not available at this time.
165	Third paragraph, Paper Size: Must all documents in the application be on white 8-1/2"x11" paper or can graphics, such as site and building plans, be larger if folded and inserted in the 8-1/2"x11".	Building plans may be included on pages that are able to be folded into standard 8.5x11" size.
166	Font Size: Must all documents use 12-point font, or is 12-point the minimum size font allowed? This may be difficult to achieve with graphics required to be inserted into an 8-1/2"x11" paper size with 3/4" border all around.	All documents must use 12pt font. The Department prefers Times New Roman font.
167	1F 500 Foot Compliance Cover Page: Is survey map information required to confirm the 500 Foot Compliance?	Different types of maps or satellite images may be included, so long as the documents are legible, and clearly demonstrate compliance with the rule.
168	Will successful applicants be permitted to change locations if the local municipality passes a moratorium either after the application has been submitted or the provisional license has been granted?	The Department will address this issue if it arises.



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169	Will the Department of Commerce use a third-party vendor to score the applicants?	That information is not available at this time.
170	When renting a space, will portions of an existing building be permitted? For example, will it be allowed to section off 10,000 SF of a 200,000 SF warehouse?	Yes.
171	Does the grow area have to be one continuous section of space? For example, can the grow area for a Level 1 Cultivation be separated into 12,000 SF and 13,000 SF non-contiguous spaces as long as the spaces are on the same parcel and/or building?	The marijuana cultivation area is not required to be contiguous, but must be housed on the same parcel of land.
172	It appears you can either pledge liquid assets or a surety bond as part of the financial plan - is there a scoring difference between the two options?	No. The requirements for liquid assets are separate from the requirements that a cultivator establish an escrow account of surety bond.
173	Would listing the applicants' architects, engineers, and general contractors be considered as identifiers - in other words, does this need to be redacted?	Yes. These entities may be assigned a generic alias for use in Section 2 on the Entity Identifier Legend, Form 1P.
174	In the Non-identifying information sections can specific PRODUCT names be used in the application if we are describing our nutrient management or pesticide management plans, construction materials, environmental control units, or other products, name brands, etc. so long as it doesn't disclose who the client or location is?	Any information that does not reveal the identity of the applicant or any individual associated with the applicant may be included. If any piece of information an applicant is considering including could compromise the anonymity of the applicant, it must not be included.
175	We understand a person may not receive an equity stake in two different cultivation operations. Would anything in the rules prevent a person from holding an equity stake in one cultivation operation, but providing grant-writing services to a different application on a strictly fee-for-service basis?	No.
176	Please explain the purpose, audience and format of a "scheduled appointment" and can this be used as an opportunity to receive feedback on a draft application?	Please refer to the Cultivator Application Instructions. No feedback will be given by the Department on any applications.



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177	The "IO Disadvantaged Group Applicant Form" notes that "additional criteria, as described in 3796:2-1-03, may be submitted in Section 2 of the Ohio Cultivator Application Filing Packet" please indicate if additional points would be awarded in Section 2 for the company being HQ'd in Ohio and/or the company being 51% owned by Ohio residents – and if so, please indicate how these items would be valued.	This information will be considered as part of the overall score of the section. The maximum number of points for the section remains the same.
178	Pursuant to 3976:2-1-02(B)(6)(e), many individuals and businesses do not file their state and/or federal tax returns until October after properly filing an extension; therefore, may an applicant submit a properly filed 2016 state and/or federal tax extension form to comply with the request for the 2016 tax year?	Yes. But the applicant will need to submit tax summaries for years 2013, 2014 and 2015 with the 2016 extension form.
179	Pursuant to 3976:2-1-02(B)(6)(e), must an individual who has ownership interest in multiple businesses, across multiple jurisdictions both in the United States and abroad, submit tax summary pages for said businesses?	Yes.
180	After a provisional license has been awarded a medical marijuana entity, may additional investor/members be provided a "financial interest", as long as they are properly disclosed and approved by the department in accordance with § 3796:2-1-08 prior to the issue of a certificate of operation under § 3796:2-1-06.	Pursuant to 3796:2-1-08(A), "a provisional license issued pursuant to this chapter is nontransferable." A transfer in ownership would only be permitted, if approved by the Department, after a certificate of operation is awarded.
181	Will there be any negative points for a company headquartered out of state, but registered in Ohio to do business?	No.
182	Will an applicant need to show proof of funds to capitalize the entire project as presented in the business plan, or just the \$500,000 in liquid assets?	Both. An applicant must prove they can meet the liquid capital requirement as a mandatory requirement. Applicants will be scored on their financial plan, which includes a funding analysis.
183	Will the corporate entity have to have all the capital necessary in a bank account at the time the application is submitted?	An applicant must meet the liquid capital requirement at the time of application.



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184	If the Applicant is working with a vendor or consultant that is not an owner or investor (i.e. does not meet the definition of having a financial interest in the Applicant entity), is the name of the vendor or consultant considered “identifiable information” which must be removed from Section 2 of the Application?	Yes.
185	Please explain whether the requirement that the Business Plan/ organizational chart include information on “any individual associated with the cultivation business” is limited to those individuals with an ownership or financial interest in the cultivator applicant, as defined in O.A.C. 3796:1-1-01(18).	The organizational chart is not limited to owners or individuals with financial interest.
186	May a father have a financial interest in one cultivation facility, and a son in another?	No, as this would violate definition of financial interest per O.A.C. 3796:1-1-01(18).
187	Does the control program consider a 401k account a liquid asset?	No.
188	Can there be an unrelated business in the building renting on a separate floor that is fire proof?	The only entities prohibited, by the Department, from sharing a facility with a cultivator are medical marijuana testing laboratories. However, the Department recommends that applicants consider applicable building codes, fire codes and other regulations.
189	What will the state tax rate be for a cultivation and will the state provide a payment processing system that removes cash from the industry.	That information is not available at this time.
190	if an LLC has 4 members, 3 of which are Ohio residents and 1 is a non-Ohio resident, assuming each person is 25% owner/member, will that entity/group be considered a Ohio entity? in above question 1, will points be deducted for having a "foreign member" with minority interest in the LLC?	No. There is not a mandatory residency requirement.



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191	Can you describe the qualifications and level of relevant expertise of the personnel who will be scoring the application?	That information is not available at this time.
192	Page 2 of the identifiable section of the application asks for the name of the company and/or individuals providing “application assistance.” How does the Department define “application assistance?” Will this definition include only substantive assistance on the respective plans (such as development of the business plan, operations plan, etc.), or does this term also encompass other types of assistance, such as legal advice?	Any assistance in completing the application by any individual or entity outside the ownership structure of the applicant must be reported on Page 2 of Section 1 of the application.
193	It is possible that a consultant will work with multiple applicants in the preparation of applications.	Yes. Services rendered on a one-time basis that do not involve continued compensation or financial interest are not prohibited. However, please refer to O.A.C. 3796:2-1-04(D), which restricts ownership, financial interest, and control of more than one cultivator when making these types of agreements.
194	Will any adverse inference be drawn by the Department against applicants who might be using the same consultant, even if the consultant does not have a financial interest in either applicant?	No. However, please refer to O.A.C. 3796:2-1-04(D), which restricts ownership, financial interest, and control of more than one cultivator.