



During the Medical Marijuana Processor Application Q&A period hosted by the Department of Commerce, the Department received several questions regarding the application process. The Department is providing this guidance to assist applicants with the completion of an application for a processor license. As a reminder, the scope of this Q&A period was limited to application process matters only. General questions regarding regulations, specific products, and the operation of the program are not answered in this document.

Applicants are also encouraged to review the Q&A responses from the Cultivator application period published earlier this year. Those documents are available at <http://medicalmarijuana.ohio.gov/cultivation>. This does not constitute legal advice, which should be sought from a legal professional.

#	Question	Answer
1	Are Applicants allowed to use ethanol as an extraction solvent or they only be able to use it for post extraction refinement?	Pursuant to O.A.C. 3796:3-2-01(C)(3), "a processor may use ethanol at a minimum of ninety-nine per cent purity to produce extracts for use in the manufacture of medical marijuana products." The rule does not specify the phase of manufacturing at which ethanol can be used.
2	Are 5 years of tax returns required for the processing application vs the 3 years that were required in cultivation?	Please refer to Form 1K and Form 1Q in the document titled "MMCP-P-1001A Processor Application Section 1 Identifiers," available at https://medicalmarijuana.ohio.gov/processing
3	Is an appointment needed for dropping off the application, as it was for cultivation?	Appointments are not required for processor applications.
4	Section 1K - if the individual is a board member or consultant and not a 1%+ owner of equity, do they need to check the last checkbox authorizing the Ohio Dept of Taxation to release info to the Dept of Commerce?	No. Individuals with no financial interest or a financial interest that is less than 1% are not required to submit tax compliance information or to authorize the Department of Taxation to review tax compliance information.
5	For individuals who have no financial interest and will not directly or indirectly participate in the management of the operation, but will nevertheless be included in the application and need an identifier assigned in form 1I, must they complete a background check and form 1K?	Form 1I only pertains to: <ol style="list-style-type: none"> 1. those individuals who have an ownership interest or financial interest, as defined in O.A.C. 3796:1-1-01, in the Applicant's business and 2. individuals who will directly or indirectly participate in the management of the operation. All individuals listed on Form 1I must complete a background check and Form 1K. However, if the financial interest of an individual listed on Form 1I is less than 1%, tax compliance is not required.



6	<p>On Form IL, should the applicant list licenses issued only to the applying entity, or all licenses with which the applicant is affiliated? If all licenses with which the applicant is affiliated must be listed, what is the definition of applicant here? Does it include only those with a financial interest as defined in 3796:1-1-01? Or any person listed on Form 1I?</p>	<p>Applicants should list licenses held by (1) the applying entity, and (2) any individual listed on Form 1I.</p>
7	<p>Our company applied for an Ohio Cultivation Facility license already. On page 9 of the Processor application, we intend to check the first box, confirming our intention to house the processor in the same facility as the cultivation (if we are lucky enough to be awarded that license). If that happens, would it be acceptable for the two facilities to share resources:</p> <p>A. Physical: such as reception, lockers, gowning, security, product vault, etc? B. Administrative: such as HR, Security personnel, Accounting staff, etc?</p>	<p>There is no restriction on what resources may be shared by co-located licensed entities. However, employees that work under both licenses must be registered with the Department as an employee of both the cultivator and the processor.</p>
8	<p>Do the required cover pages for each part count against the page allotment?</p>	<p>No.</p>
9	<p>Re: 2A part 2, sub-section B.</p> <p>Must the requirements for Ohio Based Jobs and economic development plan align with the Ohio Economic Development Manual issued by the Ohio Attorney General? If so, are there any specific areas of emphasis?</p>	<p>No.</p>
10	<p>We are seeking clarification on “plant-only processor licenses” as mentioned in 3796:2-2-02:(A) “A cultivator distributing plant material to a processor shall meet the following requirements”. How and when will the plant-only processor licenses be awarded? As we have won a provisional Level II cultivation license what is the process for us to acquire a plant-only processor license?</p>	<p>The Plant-only Processor license will be available to cultivators in Ohio once they obtain a certificate of operation. The Plant-only Processor license is for the limited purpose of packaging plant material and distributing it directly to dispensaries. It will not be assigned on a competitive basis. An announcement will be made to all licensed cultivators once the protocol is complete.</p>



11	In Section 2 of the application, if an applicant states that they have won a cultivation license as part of their plan would this be considered Identifying information?	Yes. Processor applications will be scored impartially on the merits of the application alone, without regard to an applicant’s award of a cultivator license (or lack thereof). Applicants should not mention in Section 2 that they have been awarded a cultivator license. This information should be included under Section 1, where appropriate.
12	Form 1K states that it is to be completed by every individual listed on Form 1I; however, Form 1Q requires certification that the applicant has submitted Form 1K only for individuals listed on Form 1I with a financial interest of one percent or greater. Can you please clarify who is required to complete and submit Form 1K?	Form 1K must be completed for all individuals listed on Form 1I. Form 1Q must only be submitted for the individuals listed on Form 1I that have a financial interest in the applicant. Tax information will not be examined for the individuals listed on Form 1I that fill out Form 1K, but do not have a financial interest.
13	Are tax returns required from any applicants or individuals in connection with the Processor Application?	No.
14	With regards to the required hard copy of the application, will the Department require originals of all forms or will scanned and printed copies suffice?	Originals or copies may be submitted.
15	Please confirm that Form 1Q does not require past tax filings to be included with the form, nor does any other portion of the application.	That is correct.
16	Can an applicant build a processing building on land owned by a non-affiliated cannabis cultivation? This land would be zoned correctly and would be outside of the 500 feet to any prohibited buildings.	There are currently no rules in the O.A.C. that prohibit unaffiliated medical marijuana businesses from occupying the same parcel of otherwise qualified land.
17	Does the minimum cannabinoid requirements for a batch apply to the actual value of the patch results or does it apply to the marketed value of the product?	Labeling rules in O.A.C. 3796 do not allow for a “marketed” value to be placed on a label. Each product must have a label that states the concentrations of the required cannabinoids derived from laboratory analysis of the exact batch or lot from which that product was manufactured.
18	If an applicant wins a Cultivation license as well as a processing application and will have the cultivation and processing facility in the same building; will the State allow 6	Each license may have up to 3 Key Employees associated with their operation. There is no restriction on how many licenses may share a facility. In the proposed scenario, the cultivator would be



	<p>total Key badges to be present in the building?</p> <p>3 key badges for cultivation 3 key badges for processing</p>	<p>permitted to have 3 Key Employees and the processor would be permitted to have 3 Key Employees.</p>
19	<p>Will anyone who submitted a background check during the cultivation application period have to submit a different check for the processing application period? Could they use the same background check for the processing application period?</p>	<p>Please refer to Form 1K of the processor application, which states: "Check this box if the individual named below (1) has submitted a BCI&I and FBI criminal records check to the Department as part of another application for a cultivator or processor license, and (2) HAS NOT been arrested for or convicted of a crime, other than a minor misdemeanor, since the date the original criminal records check was submitted. (If checked, complete this form, but do not submit another criminal records check)"</p>
20	<p>Is identifying specific extraction machines or extraction equipment manufacturers in Section 2 of the processing application considered "identifying information" by the State?</p>	<p>Any information that could reveal the identity of the applying entity or any individual associated with the applying entity may not be included in Section 2 of the application. If there is doubt as to the inclusion of the name of the equipment manufacturer revealing the applicant's identity, the equipment manufacturer may be listed in the Entity Identifier Legend and assigned an alias.</p>
21	<p>Can Processors take two separate batches of plant material and combine them into one batch (pre-extraction) to create a new combined oil batch? Can oil batches be combined post-extraction?</p>	<p>There is currently nothing in O.A.C. 3796 that explicitly prevents combining batches of plant material or extracts. However, all batches must be tracked in the seed-to-sale inventory tracking system for traceability purposes. The exception is that, pursuant to O.A.C. 3796:3-2-01(B)(3), expired plant material obtained from a dispensary may not be combined with other batches of plant material at any phase of the manufacturing process.</p>
22	<p>Is the 70% threshold meant for the raw cannabis concentrate, the eventual infused product, or both?</p>	<p>The 70% limit on THC is intended to apply to finished manufactured products. Cannabis concentrate that is used as an ingredient in a manufactured product may exceed 70% THC at an intermediate phase of the manufacturing process, but the final product that will be sold to a dispensary may not exceed 70% THC.</p>
23	<p>We applied for a cultivator license and now we are preparing an application for a processor's license. We have also noticed a similarity between the cultivator application and a processor license. Therefore, we are wondering if the state will provide us a detailed copy of our scored cultivators application?</p>	<p>Scored Cultivator applications are public records and can be obtained through a public records request.</p>