



COMMUNITY DEVELOPMENT • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1790

MEMORANDUM

To: City Council
From: Emily Fernandez, Community Project Planner
CC: Greg Hannan, Community Development Director; Thom Sheridan, City Manager
Date: February 26, 2025
Subject: Regulation of Marijuana Dispensaries

Background

At the 2/25/25 Council Workshop, City Council discussed extending the current moratorium on recreational marijuana dispensaries or enacting a permanent ban. Council requested verification of relevant law allowing municipalities to enact permanent bans and staff documented general legal context below; the solicitor may provide additional information. Staff also prepared summary information of marijuana dispensary security requirements.

Legal Context

The passage of Ohio Ballot Issue 2 in 2023 created Ohio Revised Code (ORC) Chapter 3780, which states:

- (A) The legislative authority of a municipal corporation may adopt an ordinance, or a board of township trustees may adopt a resolution, by majority vote to prohibit, or limit the number of adult use cannabis operators permitted under this chapter within the municipal corporation or within the unincorporated territory of the township, respectively.

ORC Chapter 3780 also created the Division of Cannabis Control within the Ohio Department of Commerce. The Division established dispensary regulations that are documented within the Ohio Administrative Code.

Dispensary Security Requirements

The Ohio Administrative Code documents requirements for security protocols and technologies at marijuana dispensaries. The following list is not exhaustive of all security requirements but attempts to capture some of the more stringent requirements:

- Maintain records of access to restricted areas and conduct regular inspections
- Prohibit unauthorized access to security measures
- Ensure visibility outside the dispensary by managing foliage

- Develop emergency policies for securing products and currency
- Employ dedicated security personnel during operational hours
- Install a security system that operates at all times using commercial-grade equipment
- Include perimeter alarms, motion detectors, and video cameras in all areas.
- Record video footage, including point-of-sale transactions
- Install duress, panic, holdup alarms, and automatic voice dialers
- Implement failure notification systems and capture high-quality images
- Ensure the security system remains operational during power outages
- Install monitors, video printers, and failure notification systems for electronic monitoring
- Require all employees to wear photo identification affixed above the waist at all times
- Have at least two employees present at the location during all open hours
- Maintain a list of all third party vendors

Additional procedures when dispensary is closed:

- Must be securely locked and equipped with an approved alarm system and have a functioning surveillance system
- The alarm system must be separate from any other alarms at the dispensary and capable of immediately detecting any entrance to the closed dispensary
- The surveillance system should either collect and store video surveillance on a 24-hour basis or live stream with motion detection capability and intrusion detection
- Medical marijuana in a dispensary must be stored in an approved safe or vault located within a restricted access area
- The designated representative of a dispensary must immediately notify the state board of pharmacy if any unauthorized access is discovered

Resources

- **Ohio Revised Code** – establishes municipality authority to prohibit dispensaries; creates the Division of Cannabis Control within the Ohio Department of Commerce
<https://codes.ohio.gov/ohio-revised-code/chapter-3780>
- **Ohio Administrative Code** – establishes the dispensary operational regulations set forth by the Division of Cannabis Control
<https://codes.ohio.gov/ohio-administrative-code/chapter-3796:6-3>
- **Flowhub** – a private company marketed as a dispensary compliance software; offers plain language interpretation of Ohio Administrative Code and may be of interest for further research to understand dispensary security measures
<https://flowhub.com/ohio-cannabis-laws>