

**ORDINANCE NO. ???-2024**  
**(Sponsors: Councilmember Roberts & Roub)**

**ENACTING CHAPTER 858 OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY (SALE OF CANNABIS)**

WHEREAS, on November 7, 2023 electors in the State of Ohio in the general election approved an issue known as Issue 2, an initiative petition to create a new Chapter 3780 of the Ohio Revised Code regarding adult use cannabis control to authorize and regulate the cultivation, processing, sale, purchase, possession, home grow, and adult use cannabis by adults at least twenty-one years of age, effective thirty days from the date of said election; and

WHEREAS, R.C. 3780 authorizes and regulates recreational adult use cannabis operators permitted under Chapter 3780 in the State of Ohio; and

WHEREAS, pursuant to R.C. 3780.01(A)(2), “adult use cannabis operator” means a Level I adult use cultivator, a Level II adult use cultivator, a Level III adult use cultivator, and adult use processor and an adult use dispensary; and

WHEREAS, new Chapter 3780.25 of the Ohio Revised Code entitled, “Local authority regarding adult use cannabis” of Title 37 of the Ohio Revised Code entitled, “Health, Safety, Morals,” reads in pertinent part as follows:

- (A) The legislative authority of a municipal corporation may adopt an ordinance, or 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; and

WHEREAS, in addition to Chapter 3780.25, Article XVIII, §3 of the Ohio Constitution, (“Home Rule Amendment”), provides that “[m]unicipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with general laws.”; and

WHEREAS, Shelby City Council previously passed Ordinance No 31-2018 (Prohibition of Medical Marijuana Processing, Cultivation, and Retail Distribution within the City of Shelby); and

WHEREAS, the City Council of the City of Shelby further determines that the sale of adult use cannabis within the City of Shelby does not promote and provide for the public peace, health, safety, convenience, comfort, prosperity and general welfare of its residents and pursuant to the authority granted by R.C. Chapter 3780.25, and Article XVIII, §3 of the Ohio Constitution, the City Council does wish to prohibit “adult use cannabis operators” within the City of Shelby; and

WHEREAS, this Council finds it necessary to adopt a new Chapter 858 entitled “Sale of Cannabis” of the Business Regulations” of the Codified Ordinances of the City of Shelby to maintain the public peace, health and safety; and

WHEREAS, this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public health, safety, morals comfort, public peace, prosperity and general welfare of the City of Shelby because the Chapter 3780 went into effect on December 7, 2023.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SHELBY, OHIO, A TWO-THIRDS (2/3) MAJORITY ELECTED THERETO CONCURRING:**

Section 1: That new Chapter 858 entitled “Sale of Cannabis” of “Part Eight: Title Two – Business Regulation” of the Codified Ordinances of the City of Shelby, Ohio is hereby enacted and shall read as set forth in the attached Exhibit A which is fully incorporated by reference herein.

Section 2: That all other sections of “Part Eight: Title Two – Business Regulation” shall remain in full force and effect.

Section 3: That all meetings and hearings concerning the adoption of this Ordinance have been in compliance with Codified Ordinance 220.01, Ohio Revised Code Section 121.22, and the Charter of the City of Shelby, Ohio.

Section 4: That this Ordinance is hereby deemed to be an emergency and therefore, shall be in full force and effect from and after its passage, approval by the Mayor, and the earliest period allowed by law.

PASSED:

Steven McLaughlin  
Vice President of Council

ATTEST: Brian Crum  
Clerk of Council

APPROVED:  
Steven L. Schag  
Mayor

Prepared by:  
Gordon M. Eyster  
Director of Law

**CHAPTER 858**  
**Sale of Cannabis**

- 858.01 Definitions**
- 858.02 Prohibited Activity**
- 858.03 Savings Clause**
- 858.04 Penalty**

**858.01 DEFINITIONS.**

(A) As may be used in this Chapter, the following definitions set forth in Section 3780.01 of Chapter 3780 of the Revised Code are applicable and restated herein:

- (1) "Adult use cannabis " or "cannabis " or "marijuana" means marihuana as defined in section 3719.01 of the Revised Code.
- (2) "Adult use cannabis operator" means a level I adult use cultivator, a level II adult use cultivator, a level III adult use cultivator, an adult use processor, and an adult use dispensary.
- (3) "Adult use consumer" means any individual who is at least twenty-one years of age.
- (4) "Adult use cultivator" means a level I adult use cultivator or a level II adult use cultivator.
- (5) "Adult use dispensary" means a person licensed pursuant section 3780.15 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to sell adult use cannabis as authorized.
- (6) "Adult use extract" or "extract" means a substance obtained by separating or concentrating cannabinoids and other compounds from any part of the adult use cannabis plant by physical or chemical means, intended to be refined for use as an ingredient in an adult use cannabis product or as a standalone adult use cannabis product.
- (7) "Adult use processor" means a person licensed pursuant section 3780.14 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to manufacture adult use cannabis as authorized.
- (8) "Adult use testing laboratory" means an independent laboratory that has been issued a license by the division of cannabis control to have custody and use of adult use cannabis for scientific purposes and for purposes of instruction, research, or analysis.
- (9) "Advertising" means any written or verbal statement, illustration, or depiction created to induce sales through the use of or a combination of letters, pictures, objects, lighting effects, illustrations, videos, sounds, or other similar means. "Advertisement" includes brochures, promotional and other marketing materials consistent with section 3780.21 of the Revised Code.
- (10) "Applicant" means an individual or person who files an application for a license pursuant to

Chapter 3780 of the Revised Code.

(11) "Certificate of operation" means a certification of operation or license issued by either the department of commerce or the state board of pharmacy to a person pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(12) "Confidential information" means information that is not a public record for purposes of section 149.43 of the Revised Code.

(13) "Cultivate" means to grow, harvest, package, and transport adult use cannabis pursuant to Chapter 3780 of the Revised Code.

(14) "Cultivation area" means the boundaries of the enclosed areas in which adult use cannabis is cultivated during the vegetative stage and flowering stage of the cultivation process. For purposes of calculating the cultivation area square footage, enclosed areas used solely for the storage and maintenance of mother plants, clones, or seedlings shall not be included.

(15) "Cultivation facility" means a facility where an adult use cultivator or a level III adult use cultivator is authorized to operate.

(16) "Dispensary" means a person who has a certificate of operation to operate a dispensary under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(17) "Disqualifying offense" means:

(a) A conviction or plea of guilty, including conspiracy to commit, attempt to commit, or aiding and abetting another in committing, the following:

(i) Any offense set forth in Chapters 2925, 3719, or 4729 of the Revised Code, the violation of which constitutes a felony or a misdemeanor of the first degree;

(ii) Any theft offense set forth under division (K) in section 2913.01 of the Revised Code, the violation of which constitutes a felony;

(iii) Any violation for which a penalty was imposed under section 3715.99 of the Revised Code;

(iv) A crime of moral turpitude as defined in section 4776.10 of the Revised Code; or

(v) A violation of any former law of this state, any existing or former law of another state, any existing or former law applicable in a military court or Indian tribal court, or any existing or former law of any nation other than the United States that is or was substantially equivalent to any of the offenses listed in paragraphs (a)(i) to (a)(iv) of this definition.

(b) Any first degree misdemeanor offense listed in paragraphs (a)(i) to (a)(v) of this definition will not automatically 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.

(c) Notwithstanding paragraph (a) or (b) of this definition, no misdemeanor offense, including misdemeanors of the first degree, related to cannabis possession, cannabis trafficking, illegal cultivation of cannabis, illegal use or possession of drug paraphernalia or cannabis drug paraphernalia, or other cannabis related crimes shall be considered a disqualifying offense.

(18) "Director" means the director of the department of commerce.

(19) "Level I adult use cultivator" mean either a person who has a certificate of operation as a level I cultivator and who is licensed pursuant to section 3780.12 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to cultivate adult use cannabis as authorized, or a person who is licensed as a level I adult use cultivator pursuant to section 3780.12 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to cultivate adult use cannabis as authorized, and either person may operate up to one hundred thousand square footage of space designated as the cultivation area in the application which may be increased if a request for expansion is approved by the division of cannabis control.

(20) "Level II adult use cultivator" mean either a person who has a certificate of operation as a level II cultivator and who is licensed pursuant to section 3780.12 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to cultivate adult use cannabis as authorized, or a person who is licensed as a level II adult use cultivator pursuant to section 3780.12 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to cultivate adult use cannabis as authorized, and either person may operate up to fifteen thousand square footage of space designated as the cultivation area in the application which may be increased if a request for expansion is approved by the division of cannabis control.

(21) "Level III adult use cultivator" means a person licensed pursuant section 3780.13 of the Revised Code, Chapter 3780 of the Revised Code and any rules promulgated thereunder to cultivate adult use cannabis as authorized.

(22) "Level I cultivator" means a person who has a certificate of operation to operate as a level I cultivator under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(23) "Level II cultivator" means a person who has a certificate of operation to operate as a level II cultivator under Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(24) "License" means a license by the division of cannabis control to a license applicant pursuant to Chapter 3780 of the Revised Code and the rules adopted thereunder.

(25) "License applicant" means an individual or person who applies for a license under Chapter 3780 of the Revised Code.

(26) "License holder" or "Licensee" means an adult use cannabis operator, adult use testing laboratory or an individual who is licensed under the provisions of Chapter 3780 of the Revised Code.

(27) "Manufacture" means the process of converting harvested plant material into adult use extract by physical or chemical means for use as an ingredient in an adult use cannabis product.

(28) "Medical provisional license" means a provisional license issued by either the department of commerce or the state board of pharmacy to a person pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(29) "Minor cannabinoid" means any cannabinoid other than CBD, CBDa, Delta-9 THC or Delta 9 THCa, including any isomer, analogue, or derivative thereof, and any other cannabinoid that naturally occurs in cannabis, regardless of whether that cannabinoid may be naturally or synthetically derived, which may be used as an ingredient in adult use products.

(30) "Mother plant" means an adult use cannabis plant that is cultivated or maintained for the purpose of generating clones, and that will not be used to produce plant material for sale to an adult use processor or an adult use dispensary unless the plant is transferred into the cultivation area of the facility.

(31) "Paraphernalia" means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

(32) "Person" includes, but is not limited to, an individual or a combination of individuals; a sole proprietorship, a firm, a company, a joint venture, a partnership of any type, a joint-stock company, a corporation of any type, a corporate subsidiary of any type, a limited liability company, a business trust, or any other business entity or organization; an assignee; a receiver; a trustee in bankruptcy; an unincorporated association, club, society, or other unincorporated entity or organization; entities that are disregarded for federal income tax purposes; and any other nongovernmental, artificial, legal entity that is capable of engaging in business.

(33) "Primary residence" means the residence of an individual in which the individual's habitation is fixed and to which, whenever the person is absent, the person has the intention of returning.

(34) "Processor" means a person who has been issued a processing certificate of operation pursuant to Chapter 3796 of the Revised Code and Chapter 3796 of the Administrative Code.

(35) "Prohibited facility" means any church, public library, public playground, public park, or school, as defined in section 3796.30 of the Revised Code.

(36) "Provisional license" means a temporary license issued to an applicant for an individual license that establishes the conditions that must be met by the licensee before the individual is issued a license in accordance with the requirements and conditions set forth in Chapter 3780 of the Revised Code and the rules adopted thereunder.

(37) "Tetrahydrocannabinol" or "THC" means the sum of the amount of delta-9 tetrahydrocannabinol (THC) and 87.7 per cent of the amount of delta-9-tetrahydrocannabinolic acid (THCA) present in the product or plant material. THC does not include minor cannabinoids.

#### **858.02 PROHIBITED ACTIVITY**

(A) Pursuant to Section 3780.25(A) of the Revised Code, Adult Use Cannabis Operators are prohibited within the City of Shelby, Ohio;

(B) No person shall operate as an Adult Use Cannabis Operator within the City of Shelby, Ohio;

(C) No building permits, certificates of occupancy or any other permits shall be granted by the City of Shelby to any person who intends to open, use any land or devote any floor area of the business for the purpose of the sale of cannabis. Subject to Section 3780.25(B), no existing business in the City may expand in any way that would establish sale of cannabis.

#### **858.03 SAVINGS CLAUSE**

If any provision of this Ordinance, or the application of such provision, should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the remaining parts or portions of this Ordinance shall remain in full force and effect.

#### **858.04 PENALTY.**

Whoever violates any provision of this Chapter shall be guilty of a first degree misdemeanor. Each day's continued violation shall constitute a separate offense.