



Representatives Jamie Callender

Sponsor Testimony: House Bill 498 (Ohio Adult-Use Act)

House Finance Committee

December 6, 2022

Chairman Oelslager, Vice Chair Plummer, Ranking Member Sweeney, and Members of the House Finance Committee thank you for the opportunity to speak today on HB 498. Representative Ferguson and I introduced the “Ohio Adult-Use Act” amid a growing national debate surrounding the use of cannabis in not only our state but the nation. There is a growing nationwide effort to not only de-schedule cannabis at the federal level but pass a nationwide adult use provision. Ensuring that Ohio has the structure in place to create a safe, regulated environment for adult use is key to maintaining Ohio’s ability to have the best possible outcome in this growing market.

In 2012, the voters of Colorado and Washington became the first states to legalize adult use of cannabis through ballot initiative. Six years later in 2018, Vermont became the first state to pass adult use through the legislative process. With Maryland and Missouri passing adult use ballot measures in November, 21 states and the District of Columbia allow for adult use adult use. 37 states and the District of Columbia allow for medical use of cannabis.

The bill before you today is the result of best practices taken from the states who have already implemented adult use. Creating a strong regulatory agency under the Ohio Department of Commerce, only allowing those 21 and older to purchase cannabis from regulated and approved locations, and using the revenues to support law enforcement and those dealing with the epidemic of chemical dependency are just part of our proposal. All of these controls will ensure that Ohio will not only be competitive in the emerging cannabis industry but do so in a manner that safeguards against misuse.

Included in this bill is a 10% state sales and use tax rate on adult use cannabis, replacing the 5.75% rate on other property and services subject to the tax. Revenue for this tax would be distributed to the State General Revenue Fund (50%), Department of Public Safety to combat illegal drug trafficking (25%), and to the Department of Mental Health and Addiction Services to combat substance abuse and addiction (25%).

I want to thank all of our partners who gave input in the crafting of this legislation. We heard from cultivators, labs, consumers, and retailers about what their experiences in other states as well as under Ohio’s current medical cannabis provisions. HB 498 will put Ohio on the path to create a regulated cannabis industry that will set the standard for how promote industry growth while maintaining the protections necessary to keep our communities safe.

Thank you for the opportunity to testify. We welcome any questions you may have.