

Ohio Senate
General Government Committee
March 7, 2023
Opponent Testimony on Senate Bill 9

Good Afternoon, Chairman Rulli, Vice Chair Schuring, Ranking Member DeMora and members of the Senate General Government Committee. My name is Nickole Ross, I am an owner and operator of Noohra Labs, an independent processor in Ohio's Medical Marijuana Control Program. I appreciate the work of Senators Schuring and Huffman to improve the Medical Marijuana Control Program with the introduction of Senate Bill 9, but unfortunately I testify before you today as an opponent to the bill with grave concerns that as currently written the bill will do more harm than good to the program.

In this current SB9 bill, there are several issues that can create more disparities and challenges within our medical program for independent licensed operators and underrepresented businesses in Ohio. If not properly addressed and adjusted in the current conditions that has been proposed, existing operators that are given the opportunity to be vertically integrated without application and merit, is unjust. It will directly impact non-vertical operators from producing quality and compliant medicine for medical patients here in Ohio. Which is the primary focus for our program and for our business as licensed operators. Independent operators like Noohra Labs can then be squeezed out, based on supply chain control and pricing whether it's manufacturing or retail. Creating cannibalization of licenses, monopolies with limited operators and leaving local and independent operators to compete to survive.

I stand in the middle on both ends. No operator in this program weather level one or level two, should have the opportunity to be GIVEN any license without proper qualifications, or addressing all the current needs or conditions from all active operators involved in the program. More biomass and manufactured products are not the problem in supply chain, it is about the demand of more patience buying more products for affordability. It's about keeping patients safe with tested, reliable products in Ohio and focusing on employment opportunities, economic development, and growth, while effectively fighting the long battle of the War on Drugs that has impacted minority communities immensely. We still have challenges getting onto dispensary shelves with current retail operators, due to oversupply of products and patients buying close to expired products to date. We want this program to be successful for the patients, community and operators are together.

There is plenty of operators who are in provisional status that has not been able to be operational based off capital and or patient demand. Level one or two cultivators should not be able to receive processing licenses, additional expansion outside of what's approved or awarded for program, or more dispensaries just because one has a qualified operating license. If one operator has opportunities to be vertical in law, then we all should be given stakes for us the eat good in this program. However, what I'm asking fair assessment, a real look at the bigger picture for what is right and what can be improved so we can all succeed in this cannabis industry.

Those interested in RFA II Dispensary request, all had to apply for RFA II licenses in a lottery. Plus, we have yet to address the social equity issues that has created more applicants, to win licenses in 2019 based on lawsuits, not awards. A predicate study alone on disparities, is not enough to rewrite the wrongs that was done in 2018 by taking away social equity in Ohio. We were not a social equity winner, but applied under the rule at the time and was told that our company needed to measure up to win, since it was found unconstitutional to have a set aside based on race. In that case, all future licenses

should be held with the same statute and must measure up and prove their application is worthy of receiving more licenses based on merit, not privilege. Furthermore, SB9 still doesn't address how we resolve the problem with "social equity" for the future awarding of qualified minority businesses, even if the study shows in favor of disparities. There is still no language for licenses to be issued for any current operating minority, small business or woman owned company at any level in this bill.

Awarding more licenses without merit or proper application, is unfair for any new businesses who may qualify or have interest in growing in this industry. Our company has interest in being vertical as well, these changes doesn't guarantee my business those privileges and opportunities as a independent operator who had to work extremely hard to maintain ownership, capital access and compliance in a federally unregulated industry.

I do agree that the program can be better in areas, but we must first review collectively to ensure that we know what works in the rules for patients' sake. We must ensure that each operating business are healthy and working together first with continued standards and quality that has been developed approved now and in the future for our industry.

Again, thank you for the opportunity to testify before you today. At this time, I would be happy to answer any questions you or the committee may have.