



INTERESTED PARTY TESTIMONY ON SENATE BILL 9

Senate General Government Committee

Senator Michael Rulli, Chairman

Presented by Dave Sahr, Chief Financial Officer

Verdant Creations Dispensaries and PurposeLeaf Processor

May 10, 2023

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Chairman Rulli, Vice-Chairman Schuring, Ranking Member DeMora, and members of the Senate General Government Committee:

My name is Dave Sahr and I currently serve as the operator of one dispensary and one Stand-Alone Processor in Ohio. We are a small, compliant, women-owned Ohio business that has wholly financed our investment in the medical marijuana industry. We were recently successful in obtaining a second dispensary through the RFA II lottery, which we are in the process of constructing.

Thank you for the opportunity to provide feedback on our opposition to the substitute version of Senate Bill 9 (SB9).

First, we believe in a strong medical program to meet the needs of patients in our state. The Ohio General Assembly chose to enact a *medical* marijuana program and not a recreational marijuana program, and we would like to thank the bill sponsors for maintaining that limitation.

The key to improving the program is implementing policies that encourage access for patients that can benefit. For that reason, we appreciate the expansion of qualifying medical conditions contained in SB9, as well as the language giving greater discretion to physicians to make medical decisions in the best interest of their patients, the extended licensure renewal cycle, and the reduced registration fees for patients. We believe the focus of SB9 should be on patient access, and not on license expansion.

Although we were interested parties the last time we testified, we are compelled to oppose Substitute Senate Bill 9 at this time due to a number of items, most importantly, the bill's licensure handouts that the market simply does not support.

Current licensed and compliant dispensaries should have the first right of refusal to add additional dispensaries until they reach the 5-location maximum. Hand-outs and preferences are provided for Level I and Level II cultivators, but there is no consideration of current dispensaries.

In addition, only a select few stand-alone processors will be handed cultivator licenses. Under the bill's perplexing definition of Stand-Alone Processor, we would be placed at a competitive disadvantage simply because we did not submit a failed cultivator application when the program began. Although we were told this provision would be changed to allow all existing stand-alone processors to be eligible for a cultivator license, the bill continues to pick winners and losers.

We continue to have serious concerns about adding a dispensary for every 1,000 *registered* patients as opposed to using *active* patient numbers which is the only way to accurately reflect the marketplace. We further believe that patient ratio should be closer to 2,000 active patients per dispensary in order to support a sustainable market for the small businesses like ours that made the investment to enter this industry. Furthermore, there should be at least 5 miles between dispensaries until the market can support adding more.

The cap on THC content at 30% is problematic for our patients who require, and currently can access, higher levels. And the bill creates additional layers of unnecessary regulators and advisors. IN addition there should be consideration of limiting advertising similar to the tobacco settlement so Ohio doesn't get inundated with billboards and bus advertising that is accessible to individuals under 21 years of age.

We do appreciate consideration of the regulation of this medicine at the Board of Pharmacy like other medications but cannot support the other provisions that we believe will ultimately harm our small business, but large investment, and ultimately the industry as a whole.

Thank you for taking the time to listen to our concerns. I am happy to answer any questions you may have at this time.