

BEFORE THE OHIO SENATE  
Senate General Government Committee

**Testimony of Geoffrey Korff**  
**CEO and Founder of Galenas LLC**

OFFERED AS AN OPPONENT TO  
**HOUSE BILL 86**

December 5th, 2023

Chairman Rulli and honorable members of this committee, thank you for allowing me to testify here today as an opponent to House Bill 86 (HB 86). My name is Geoffrey Korff and I am the founder and CEO of Galenas LLC. Galenas is a Level II medical marijuana cultivator in Akron, and we own no other licenses in the state. Our cultivation facility is located at 1956 South Main Street, Akron, Ohio, and we have been operating in that location since April of 2019. We currently employ 22 full-time equivalent employees.

By way of background, I am a licensed attorney in Ohio, having graduated from The Ohio State University in 2005 and Syracuse University College of Law in 2008. I returned to Ohio, passed the bar exam here, and have been an active member of the Ohio State Bar in good standing for the past 14 years. In addition to practicing law, I also worked in private industry for several years. Prior to my entry into medical marijuana, I was the president of a steel and iron foundry with

an associated machining division producing several product lines. I left my previous employment in 2018 after Galenas was awarded a cultivation license in the initial round of licensing for Ohio's medical marijuana program. My full-time role is now with Galenas as CEO.

I am here today offering testimony on behalf of a majority of the Level II Cultivation Licensees in Ohio. This includes my company, Galenas, as well as Wellspring Fields in Ravenna, Fire Rock in Akron, Ascension Biomedical in Oberlin, Ohio Clean Leaf in Dayton, Ancient Roots in Wilmington, Farkas Farms in Grafton, OhiGrow in Toledo, Ancient Roots in Wilmington, Pure OH of East Palestine, Farkas Farms of Grafton, Ohio Clean Leaf of Dayton, and Paragon of Tipp City.

We are, as a group, opposed to HB 86. This bill represents a radical departure from the language of Issue 2 that was passed by 57% of Ohio voters when they came out to vote less than a month ago. Why the Senate has deigned to immediately alter a law that was so recently passed by a substantial majority of Ohio voters, I can only speculate. Contrary to the testimony we heard yesterday when the substitute bill was introduced, the amendments to HB 86 do not serve the public interest and are not limited to the margins. They are wholly substantive and

represent a massive departure from the language of the initiated statute of Issue 2. These changes go to the heart of the intent and plain language of the initiated statute.

The following is a non-exhaustive list of the substantive changes contemplated by HB 86.

- Page 57, Line 1605 – HB 86 limits the total number of dispensaries in Ohio to 230. This represents a reduction of about 100 dispensaries when compared to Issue 2.
- Page 66, beginning at line 1846 – This section substantially alters the manner in which licenses in an adult use market may be issued, adding to the amount of bureaucratic oversight that the state must bear in the process. This section will undoubtedly result in dozens of lawsuits and cost Ohio taxpayers hundreds of thousands of dollars simply defending against these suits.
- Page 79 – Total production capacity in the entire state for an adult use market is reduced by approximately 50%, which would drive up prices for the consumer dramatically.

- Page 91 – Advertising is restricted in virtually every reasonable manner, far beyond alcohol and tobacco companies. This section almost certainly would not survive First Amendment scrutiny.
- Pages 144 and 148 – Excise taxes are raised from the 10% written into Issue 2 to 30%, split between 15% at the retail level and 15% at the wholesale level. The wholesale tax mimics a VAT tax that is commonly associated with economies of the European Union.
- Page 164 – This section would delay the rollout of the adult use program until 12 months after the adoption of HB 86, pushing it out until at least 2025.

The changes contemplated by HB 86, if they become law, would however accomplish a few very specific outcomes. First, this bill would make an adult-use program in Ohio exceptionally uncompetitive relative to Michigan and would continue to drive thousands of consumers and millions of tax dollars across state lines. So, if the goal is to undermine any economic advantages for the state of Ohio that would be derived from an adult use program, this bill accomplishes that.

Secondly, this bill would make the regulated market in Ohio uncompetitive with the black market. As has been seen in all markets across the U.S. when a state

flips over to an adult use program, law enforcement will de-prioritize marijuana related crimes, which will only serve to buttress the black market. With less enforcement and much lower costs, this bill would be a massive boon to black market operators. So, if the goal of this bill is to support criminals, it will certainly accomplish that.

Third, this bill will likely deal a death-blow to the Ohio medical marijuana market, as it does nothing to address the problems with patient access in Ohio, where the total number of patients in the program has plateaued at a level substantially below most other mature medical markets. This committee had the opportunity to address many of the outstanding issues in the medical market through Senate Bill 9, which has been pending in the Senate for more than a year, but it has instead chosen to rush through these hastily conceived changes to the adult-use program by amending HB 86. In making this choice, this body will cause existing businesses in Ohio to suffer, especially the smaller operators, including my company Galenas, and similarly situated Level II license holders. If the goal of this bill is to harm Ohio businesses and patients, it will certainly accomplish that.

One additional point we believe worth noting is that we fail to see how the language that has been added to HB 86 in the substitute bill is germane to the

original intent of the underlying bill. It seems that would raise clear issues with Ohio's "One-Subject Rule" and could possibly lead to litigation.

This concludes my testimony for today. I now would submit to any questions that the committee may have.