

Dear Senators.

My name is Ahmad Khalil, and I am a 26-year-old entrepreneur and the founder of over 10 businesses, employing more than 60 individuals. I made the decision to leave college with only 9 credits remaining in order to pursue my entrepreneurial dreams. Today, I contribute significantly to Ohio's economy, paying over \$1 million in annual salaries to my employees. In addition, I manage over \$40,000 in monthly property lease overhead, excluding other expenses such as utilities, insurance, taxes and local marketing programs, which stimulate and support the communities around my businesses.

I am here today to express my deep concern about any legislation that would stop Ohio business owners from selling federally legal products. Ohio's 1,500+ locally owned businesses are part of the flourishing percentile of Ohio's current fragile economy. This potential ban is a direct threat to the livelihoods of small business owners like myself, as well as the thousands of employees and Ohioans who rely on these businesses. I respectfully urge you to reconsider such legislation, as this ban is not just about a product, it is an attack on small family-owned businesses and a win for private equity backed marijuana dispensaries. This attack will have broader implications for consumer choice, public health, and Ohio's economic well-being.

Banning these federally legal products from locally owned businesses would harm Ohio's small business ecosystem and take away jobs from hard-working Ohioans. Ohio's smoke shops contribute millions of dollars to the state's economy and provide jobs that support families across the state. According to the Ohio Department of Job and Family Services, Ohio's tobacco and smoke shop industry generated over a billion dollars in revenue over the last few years (probably more) and supports tens of thousands of jobs currently. A ban on these federally legal products would deprive consumers of access to safe, regulated alternatives, forcing them into unregulated black markets where no safety standards exist by cutting the available retail outlets for hemp products by over 90% from over 1,500 retailers, excluding the hundreds if not thousands convenience stores and gas stations in Ohio that also sell hemp products, to 127 marijuana dispensaries. This is a direct risk to public safety and consumer health.

Furthermore, businesses like mine are often family-owned or locally operated, meaning that banning hemp products would disproportionately harm Ohio's small business owners who have invested in their communities. As the U.S. Small Business Administration (SBA) reports, small businesses are responsible for over 50% of private-sector jobs in the U.S. . When small businesses suffer, the entire local economy is harmed, leading to job losses, reduced tax revenue, and the destabilization of communities. Ohio enforces antitrust laws to promote fair competition and prevent monopolistic practices, thereby supporting small businesses. The dispensaries would not make up for the thousands of jobs that would be destroyed by this ban and the state would lose the economic impact, tax revenue, and harm the communities these employees and business owners live in.

Ohio's Valentine Act (Ohio Revised Code Chapter 1331):

This act prohibits trusts, monopolies, and any agreements that restrain trade or commerce within the state. It aligns with federal antitrust laws to maintain competitive markets.

Ohio Revised Code Section 107.63:

This section defines "small business" and emphasizes the state's commitment to consider the impact of regulations on small businesses, ensuring they are not disproportionately burdened. Through these laws and enforcement mechanisms, Ohio aims to foster a competitive environment that benefits small businesses and prevents the formation of monopolies.

Limiting dispensaries to selling only hemp products would create a monopoly, eliminating local competition and hurting Ohio's small businesses. This would lead to fewer choices for consumers, higher prices, and a market controlled by a few large, out-of-state corporations. If Ohio law were to limit the sale of hemp products only to dispensaries, this would force local entrepreneurs and small businesses out of the market. Larger, well-funded out of state corporations that have the ability to only supply a narrow range of products would dominate the market, limiting consumer choice and putting smaller, locally owned businesses at a significant disadvantage and out of business. This shift toward monopolization would reduce marketplace diversity and harm consumers by limiting access to a broader range of regulated, safe alternatives. We risk creating a market

dominated by a few large corporations. These corporations, with their vast resources, will push out local businesses, reducing competition and stifling innovation in the industry

Rather than imposing a blanket ban on hemp products. Please consider sensible regulation that ensures product safety and consumer protection. A regulatory approach would protect public health while still allowing Ohioans to make their own informed choices. Regulations should focus on testing for contaminants, establishing age restrictions, ensuring safe manufacturing and marketing practices, all of which can mitigate potential risks while preserving local businesses.

Our housing market is seeing unprecedented increases in costs, putting housing out of reach for many Ohioans. In fact, nearly 40% of Ohioans report struggling to afford their rent. Giving hemp over to dispensaries will only put more Ohioans in financial risk as this would cost the vast majority their jobs, leaving them unable to put food on their table and a roof over their and their family's heads.

By championing a well-regulated market for hemp products, Ohio has the opportunity to protect public health, generate significant tax revenue, and safeguard the livelihoods of countless small businesses that are the lifeblood of our local economies. Supporting these businesses not only strengthens our communities, but also ensures that Ohio remains a competitive and forward-thinking state, fostering economic growth, innovation, and consumer choice while maintaining public safety.

Thank you for your time and consideration. I urge you to act in favor of Ohio's small businesses and its future by supporting sensible regulations that benefit both consumers and local entrepreneurs.

Sincerely, Ahmad Khalil

Hippie Hut Smoke Shop

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Citations:

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"Economic Contributions of the Ohio Tobacco and Smoke Shop Industry."

Ohio Department of Job and Family Services

U.S. Small Business Administration

"2020 Small Business Profile."

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Virginia Hemp Ban: The Economic Impacts of SB 903

<https://whitneyeconomics.com/reports>