

## **Perkins Township Board of Trustees**

## Timothy Coleman, James Lang, James Ommert

March 7, 2025

The Honorable Brian Stewart, Chair House Finance Committee Ohio Representatives 1 Capital Square Columbus, Ohio 43215

Re: House Bill 96

Proposed Changes to Adult Use Cannabis

Host Community Funding

Dear Chair Stewart:

On behalf of Perkins Township, Erie County This letter is being sent to provide you and other members of the House Finance Committee with Perkins Township's comments and concerns related to proposed House Bill 96 as it relates to possible changes to the current law applicable to funding for communities hosting adult use cannabis dispensaries.

Please be advised that there are two (2) medical marijuana/ adult use cannabis dispensaries licensed by the Division of Cannabis Control and located in Perkins Township. Both dispensaries were initially licensed by the State as medical marijuana dispensaries and were subsequently issued dual licenses that provides for the sale of adult use cannabis.

The ballot language for Issue 2 presented to voters in November, 2023 clearly indicated that if this issue was approved by voters, there would be a ten (10) percent excise tax on the sale of adult use cannabis and that thirty-six (36) percent of the collected excise tax on those sales would be distributed to any community that has an adult use cannabis dispensary. That excise tax would be collected in conjunction with the sales tax also applicable to retail sales. House Bill 96 proposes to eliminate the sharing of any excise tax collection with local governments and repeals a subdivision's ability to prohibit or limit adult-use dispensaries within its community.

The Township has the following comments on House Bill 96:

Perkins Township has no objection to any proposed increase in excise tax, nor any tax revenue changes the General Assembly may make, other than the host community fund. We strongly object to the proposed repeal of the tax revenue sharing for local governments that host adult-use marijuana dispensaries. We also oppose a lower revenue share than what was passed by the voters in Issue 2. It is local host communities that have the responsibility for providing public services to such businesses.

Perkins Township requests the community host fund allocation be reinstated at 36% of the 10% excise tax, or in the case of an increase in excise tax, a proportional allocation.

This position is taken from the perspective of the following:

- Township governments rely on property tax to fund its operation, and they do not benefit
  from any sales tax revenue collected by the State which is, in turn, shared with counties.
  In this regard, it is noted that townships such as Perkins Township generate considerable
  sales tax collections and much of the sales tax revenue collected in Erie County is the
  result of the hundreds of large and small businesses located in our Township which
  businesses serve a multi-county area as well as millions of visitors annually to Cedar
  Point, Lake Erie and the islands, indoor water parks and resorts, and sports venues in and
  around this Township;
- Perkins Township provides professional Police, Fire and EMS services that enable us to
  provide public safety and security to residents, businesses and visitors in our community
  that they expect and deserve. Those services are provided directly by the Township and
  not by the county.
- 3. The proposed elimination or reduction of sharing of excise tax collected on the sale of adult use cannabis with host communities is disappointing on several levels including:
  - (a) revenue sharing is currently provided for under State law which law and its sharing formula reflects the will of the electorate.
  - (b) the State will continue to collect sales tax on the sale of adult use cannabis in addition to the excise tax collected.
  - (c) sharing of such excise tax collected on adult use cannabis sales would provide this Township and other host communities with an additional source of revenue that would help to replace some, but not all, of the revenue lost through significant reductions in local government fund transfers from the State that have occurred over the years as well as the elimination of other funding sources to communities by the State that has also taken place; and
  - (d) excise tax on adult use cannabis is an important funding source for this township as well as other communities that have adult use cannabis dispensaries. The

continuation of that funding will enable Perkins Township to continue to provide important public safety services to our residents, visitors and communities.

Thank you in advance for your consideration of the Township's comments and concerns related to House Bill 96.

Should you have any questions concerning the Township's position, please do not hesitate to contact us.

Sincerely,

Timothy D. Coleman

Timothy D. Coleman, CPM Chair

Gary Boyle, AICP Township Administrator

cc: Representative DJ Swearingen

Senator T. Gavarone

Trustees Vice Chair, J. Ommert

Trustee J. Lang

Police Chief J. Musser

Fire Chief D. Murphy