

HAMILTON COUNTY TOWNSHIP ASSOCIATION

March 11, 2025

Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and Honorable Members of the House Finance Committee,

Thank you for the opportunity to provide written opposition testimony to your committee regarding HB96. I am Tom Weidman, President of the Hamilton County Township Association, which represents 330,000 residents in our county. I would like to address the proposed changes to the excise tax collection and distribution relating to the sale of adult use marijuana in Ohio.

Voters in Hamilton County voted overwhelmingly (66% vs 57% statewide) to approve State Issue 2 in November, 2023. Included in that language was a 10% cannabis tax, with 36% of that tax being distributed to the Host Community. Many of our townships lifted moratoriums to facilitate agreements with dispensaries, based on the promise of a stream of revenue to their townships. With those decisions also came political collateral damage for some of our trustees, who made the decision solely on the basis of enriching their community and reducing the need for added property tax levies, but are opposed by voters that were in opposition to adult use marijuana sales.

We are grateful to the legislature for providing townships in Ohio with the tools to keep our property taxes low. Our townships have used every tool available to them including JEDZ, JEDD, TIF and CRA, just to name a few. Many of our townships have banked on the Host Community tax from cannabis sales to be another successful tool at keeping their property taxes at a minimum, and offsetting any additional costs related to the dispensaries.

We believe that the proposed 20% tax with no funds distributed to the Host Community is a bait and switch from what the voters approved in 2023. It is our understanding that by increasing the tax from 10% to 20%, it makes the Ohio dispensaries non-competitive and will drive the consumer either back to the street to purchase an unregulated and possibly deadly (fentanyl laced) product, or send them off to Michigan where it is like the Wild, Wild, West with prices that are 35% less than what it would cost in an Ohio dispensary. Pennsylvania and Kentucky are very close to also becoming competitors of Ohio as well.

In addition, we know that those in the cannabis business have made significant investments in the industry. We have spoken with many that have told us that if the tax is increased to 20%, they will work to put a Constitutional Amendment on the ballot, which will prevent the legislature from having any say in the sale, distribution, or taxation of marijuana in Ohio.

We have a number of townships in Hamilton County that previously negotiated with marijuana dispensaries for a stream of income that is now part of their budgets. The reduction or elimination of this source of revenue will have a significant negative impact on our townships, forcing them to alternate sources of revenue such as property taxes, or reducing important services to their residents.

I want to thank the Committee for their work on this important issue, and request that the Host Community portion of the Cannabis tax remain at the original 3.6% as voted on by the residents of Ohio.

Tom Weidman

President
Hamilton County Township Association