



Chair Thomas, Vice Chair Mathews, Ranking Member Isaacsohn, and members of the House Judiciary Committee:

My name is Mairi Martin, and I am an attorney writing today on behalf of my family's business, MAG Industries, and countless other small businesses across Ohio. We respectfully request that you join us in supporting HB 198, which would establish much-needed guardrails for consumable hemp products – without artificially picking and choosing who gets to compete in this new industry.

As background, I have spent nearly a decade studying the different state approaches to regulating cannabis, first as a healthcare attorney with Vorys and more recently in my role as the General Counsel for MAG Industries.

MAG is a Pennsylvania-based wholesale distribution company that services retail stores in over a dozen states, including Ohio, where MAG is licensed by the Department of Taxation as a distributor of tobacco and vapor products (license #92200553 and #92200623). Many of MAG's customers are also small, family-owned companies, and all of them are experienced in handling highly regulated products such as tobacco, fuel, and alcohol.

For example, MAG works with several family-owned chains of tobacco outlets, who have responsibly run age-restricted retail locations across Ohio for decades. Rather than ripping away their good-faith investment in hemp-derived products – which have served as a lifeline through pandemic lockdowns, surging e-commerce, and rampant corporate consolidation among tobacco suppliers – HB 198 would level the playing field for these businesses and provide the stability they need to survive.

MAG also owns and operates a hemp facility in West Virginia, where it manufactures various types of hemp-derived products under a regulatory program similar to that proposed in HB 198.

As MAG's lead counsel, I oversee compliance with the hemp program in West Virginia and other states with similar regulations, including Kentucky, Tennessee, Georgia, and Florida. HB 198 incorporates all the key components of the regulatory model developed by these states, including a licensing structure to promote accountability among sellers, and testing and labeling standards

to ensure that consumers know what they are getting. Most crucially, it would mandate common-sense protections to keep potentially intoxicating products away from kids, including a minimum purchase age of 21, child-resistant packaging requirements, and restrictions on advertising targeted to youth.

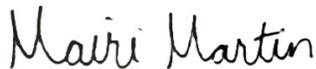
Also important, however, is what HB 198 does not do. Unlike other potential models currently before the General Assembly, this bill does not monopolize an industry in favor of marijuana's established "multi-state operators," who have lobbied from state to state to quash competition by restricting hemp-derived products into dispensaries.

While you may have been told that restricting hemp-derived products to dispensaries is a "tried-and-true" solution, the experience of states like California, New York, and Oregon has shown that an overly restrictive regulatory system leads to oligopolistic conditions that inflate prices, incentivize corruption, and perpetuate the black market. For example, a March 2025 report from the California Department of Cannabis Control found that only 40% of the state's known cannabis market is flowing through regulated channels,¹ creating a boon for criminal enterprises instead of economic opportunity for struggling communities. Moreover, these hemorrhaging sales divert tax revenue that is needed to fund enforcement and important community resources, such as poison control lines and public health messaging campaigns.

By instead reasonably regulating hemp-derived consumable products on the free market, HB 198 will protect kids and consumers without shutting out Ohio's small businesses. Ohio's own entrepreneurs can fill the gaps that otherwise allow the illicit marketplace to flourish, creating a safer and more sustainable marketplace for consumers and businesses alike.

Thank you for considering our testimony.

Sincerely,

A handwritten signature in black ink that reads "Mairi Martin". The signature is written in a cursive, slightly slanted style.

Mairi K. Martin, J.D.
General Counsel
MAG Industries Ltd.

¹ <https://cannabis.ca.gov/wp-content/uploads/sites/2/2025/03/Report-on-the-Condition-and-Health-of-the-Cannabis-Industry-FNL-03.06.25.pdf>.