

Chairman Thomas, Vice Chair Matthews, Ranking Member Isaacsohn and members of the Ohio House Judiciary Committee:

Thank you for the opportunity to testify. My name is Jim Higdon, co-founder of Cornbread Hemp, a family-owned hemp company based in Kentucky. We make USDA organic hemp products and THC beverages, which we sell direct-to-consumer across the country, including to thousands of customers in Ohio. We also partner with more than 30 retailers in Ohio, including Fresh Thyme Markets and many family-owned natural health food stores, who sell our products to adults over 21.

I wish I could appear before you to offer this testimony, but my calendar would not allow it. I am submitting this testimony in writing to oppose the hemp provisions in HB160, which would require hemp products to be sold exclusively in the state's marijuana dispensary system. This may make sense on paper, but in practice, **HB160's hemp provisions are a clear violation of the Dormant Commerce Clause of the U.S. Constitution, and would likely be struck down in federal court.**

Here's why: Every marijuana dispensary in America is a violation of federal law. To navigate this, states like Ohio have created systems that allow state residents to access legal cannabis by producing all products within that state without engaging in interstate commerce. These dispensaries are powered by backend and point-of-sale platforms that track every product from seed to sale, ensuring that everything sold in a dispensary is produced in that state.

HB160, by forcing hemp products into the dispensary system, would therefore deny access to out-of-state hemp products, like those made by Cornbread Hemp, because Ohio's cannabis dispensaries are designed to only allow products made inside Ohio.

The Dormant Commerce Clause of the U.S. Constitution prevents states from enacting policies that protect in-state companies from out-of-state competition. Unlike marijuana, hemp is legal under federal law and therefore protected by this legal doctrine.

Last year, a federal court in New Jersey ruled that a nearly identical provision — one that attempted to restrict the sale of hemp products to only in-state manufacturers — violated interstate commerce protections. That ruling is clear: states may regulate hemp as a federally legal product, but they may not erect protectionist trade barriers that favor in-state operators over out-of-state manufacturers.

Ohio can't treat federally legal hemp like it's a Schedule I drug — especially when they're being shipped from out of state under the federal Farm Bill framework. HB160 would effectively ban all direct-to-consumer sales from out-of-state producers like Cornbread Hemp and deny our current retail partners the ability to sell hemp products to their customers over 21 years old.

This bill would invite costly litigation that Ohio is likely to lose. It would harm thousands of small businesses. And it would remove access to legal, safe, and tested hemp products that adult consumers in Ohio are already choosing for themselves.

We support reasonable safety standards. We support age gating, lab testing, and common-sense packaging rules. But forcing hemp into the dispensary system is a violation of the Dormant Commerce Clause. Spending time attempting to regulate hemp like marijuana is a waste of your limited legislative bandwidth and a direct path to avoidable litigation. **I urge you to reject this approach to hemp products in HB160 to protect Ohio from an expensive legal battle that it will lose.**

Thank you. If your committee has questions for me, I can be reached at jim@cornbreadhemp.com.