

## Opposition Testimony: Ohio House Bill 160 (HB160)

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Chair Thomas, Vice Chair Mathews, Ranking Member Isaacsohn, and members of the Judiciary Committee, thank you for the opportunity to provide opponent testimony on HB 160 this morning. My name is Wesley Bryant, and I'm the founder and CEO of 420 Craft Beverages, a Cleveland-based hemp manufacturing company specializing in infused, drinkable cannabinoid products distributed across Ohio.

For almost 13 years, I've proudly built a business rooted in compliance, transparency, and care — not just for the products we sell, but for the people who use them. Since day one, we've specialized in legal, hemp-derived products that help Ohioans sleep better, feel better, and live better. These products aren't fads or loopholes — they're lifelines for thousands of people who rely on them every day.

Like the vast majority of hemp retailers in this state, we've built our business the right way. We've invested in systems that promote transparency and safety — **QR codes on every package** that link directly to lab-certified Certificates of Analysis. We've never allowed sales to anyone under 21 and **strictly enforce ID requirements** at every point of sale. We *want* smart, consistent rules — because we're already following them.

But HB 160 isn't smart regulation- its economic exclusion disguised as consumer protection. If the bill moves forward as written, the consequences will be devastating. Not just for businesses like mine — but for the communities we serve.

Thousands of responsible hemp retailers across Ohio — corner stores, wellness shops, cafes, and beverage companies — will be banned from selling these products overnight. **Access will drop from thousands of storefronts to just 127 dispensaries.** Consumers, especially those in rural or underserved areas, will lose the ability to purchase affordable hemp-derived wellness products locally. For many, these aren't recreational luxuries — they're alternatives to pharmaceuticals and opioids. They're solutions for pain, anxiety, sleep, and recovery.

HB 160 in its current form creates a monopolistic market. By routing all hemp products through marijuana dispensaries, the bill consolidates power in a small group of vertically integrated operators, destroying fair market competition and access for small businesses and consumers.

HB 160 would result in products with less intoxicating effect than alcohol or marijuana being banned from general retail.

And here's the part that should alarm every lawmaker, banker, and regulator in this state:

The legislation would **force federally legal hemp companies to transact through federally illegal, state-licensed marijuana dispensaries**. That means co-mingling the proceeds of legal hemp commerce with proceeds from marijuana — a product still classified as a Schedule I substance under federal law.

How can the State of Ohio justify putting federally legal small businesses in that position?

## Recommendations:

- There is a critical need to separate product classes—such as tinctures, beverages, lotions, and gummies—because full-spectrum products function differently than THC-dominant products. Grouping all product types under a single regulatory treatment is both scientifically flawed and legally unsound.
- Every licensed hemp processor in the U.S. relies on Work-in-Progress (WIP) hemp—also known as in-progress hemp material—during standard manufacturing. These materials may temporarily exceed the 0.3% THC threshold while undergoing refinement, dilution, testing, or formulation. HB 160 should be amended to include a distinction between WIP and finished products.
- Finally, hemp is federally legal. Marijuana is not. HB160 attempts to blend both categories without legal consistency. I would welcome the opportunity to work with this committee on creation of meaningful state regulation of hemp to include:
  - Testing and labeling standards
  - Age restrictions (21+)
  - Reasonable potency limits (e.g. 10mg per serving)
  - Dual licensing pathways for compliant hemp operators

## Conclusion: HB160 is a State-Mandated Market Grab

This bill strips federally compliant hemp businesses of their rights, forces them into federally illegal commerce, and rigs Ohio's cannabis market in favor of a few large players. It violates multiple federal protections and should be **rejected outright or fundamentally amended**.

**HB198—while not perfect—offers a substantially better framework for regulating hemp-derived products.** HB198 reflects a more balanced approach that respects federal law, preserves small business viability, and provides more appropriate regulatory oversight. Given its **overwhelming co-sponsor support in the House**, HB198 deserves full consideration as the vehicle for hemp regulation.

## Legal Conflicts and Federal Law Violations

**1. Supremacy Clause Violation (U.S. Constitution, Article VI)** HB160 seeks to criminalize and restrict federally legal hemp-derived products (including Delta-8 and compliant Delta-9 THC beverages) unless they are sold through marijuana dispensaries. This violates the 2018 Farm Bill (7 U.S.C. §1639o), which federally legalized hemp and protects interstate commerce in those products.

**2. Dormant Commerce Clause Violation (U.S. Constitution, Article I, § 8)** HB160 discriminates against out-of-state businesses by requiring all sales of hemp-derived products to route through Ohio-based dispensaries. This restricts lawful interstate commerce and creates unconstitutional economic protectionism.

### *Legal Precedents:*

Tennessee Wine & Spirits Retailers Ass'n v. Thomas (U.S. Supreme Court, 2019) – invalidated in-state residency requirement for alcohol retail licenses.

Toigo v. Missouri DHSS (W.D. Mo., 2021) – struck down Missouri cannabis law that discriminated against out-of-state ownership.

**3. Money Laundering Exposure (18 U.S.C. §§ 1956, 1957)** HB160 mandates that hemp businesses sell only through federally illegal marijuana dispensaries. Accepting proceeds from dispensaries may constitute federal money laundering, even if the product is legal. This exposes hemp companies to criminal liability and forces them into legal jeopardy for simply conducting lawful commerce.

**4. USDA and DEA Jurisdiction Conflict Under federal law, hemp and its derivatives are regulated by the USDA.** HB160 places control of hemp-derived products into the hands of the Ohio Division of Cannabis Control (DCC), which is authorized only to oversee marijuana. This contradicts the 2018 Farm Bill and improperly overrides federal regulatory authority.

**5. Trademark and Contract Enforcement Risks Federal courts cannot enforce contracts involving federally illegal activity.** Tying hemp-derived products to marijuana dispensaries makes it impossible for hemp companies to:

- Protect trademarks through the USPTO
- Enforce contracts in federal court
- Secure insurance or federal loans

**6. Unconstitutional Conditions Doctrine** HB160 conditions legal commerce in hemp on forfeiting the right to sell outside the marijuana system. Courts have held that states cannot force businesses to surrender federal rights in order to comply with state law.

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