INTERESTED PARTY TESTIMONY ON HB198

Wesley Bryant – Founder & CEO, 420 Craft Beverages House Judiciary Committee May 7, 2025

Chairman Thomas, Vice Chair Mathews, Ranking Member Isaacsohn, and members of the Judiciary Committee, thank you for the opportunity to provide testimony today as an *interested party* on House Bill 198. 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.

I commend the bill sponsors for their proactive approach in addressing the regulation of hemp-derived consumables. While not perfect, HB198, recognizes the need for a balanced regulatory framework that ensures consumer safety while supporting Ohio's burgeoning hemp industry.

Strengths of HB198

- Establishes a dedicated hemp licensing pathway independent of the marijuana program;
- Allowing hemp-derived consumables to remain accessible through retail, online, and wholesale channels;
- Recognizing the need for **age restrictions and labeling protections** to prevent youth targeting;
- Creating foundational safety standards and a product registration system that can
 evolve with the market.

These are critical safeguards that maintain consumer confidence without crippling small businesses. Still, HB198 must be further refined to ensure it aligns with federal law, distinguishes between product categories, and guarantees Ohio hemp stakeholders fair treatment in future regulatory transitions.

Key Areas for Improvement & Proposed Language Support

1. Distinguishing Cultivation vs. Consumer Product Testing

HB198 currently does not distinguish between **pre-decarboxylation testing for hemp cultivation** and **total THC testing for consumer products**. This creates regulatory confusion and risks classifying compliant biomass as illegal.

✓ Proposed fix: Adopt definitions and testing framework to align Ohio's cultivation standards with the USDA's pre-decarboxylation standard — preserving the intent of the 2018 Farm Bill while enforcing stricter rules for finished products.

2. Codifying Work-in-Progress (WIP) Exemptions

WIP hemp materials — extracts and distillates that have not yet been labeled or sold — are not consumer products. HB198 should codify that WIP materials are exempt from retail labeling, potency limits, and registration until final formulation.

✓ *Proposed fix:* Define WIP materials and create clear exemptions from premature regulatory burdens. This protects manufacturers while still requiring appropriate product safety testing.

3. Direct-to-Retail Sales & Vertical Integration

As currently written, HB198 may unintentionally ban manufacturers from selling directly to retailers, consumers, or operating their own storefronts — a model used in other regulated industries like craft beer.

✓ Proposed fix: Modify Section 930.06(B) and 930.10(G–H) to allow licensed manufacturers to distribute and retail their own products, subject to regulatory compliance. Small businesses should not be forced into unnecessary middlemen relationships.

4. Fair & Accessible Licensing

To avoid monopolization, Ohio's hemp framework must guarantee fair access and prevent caps, quotas, or undue delays that favor large operators.

✓ Proposed fix: Incorporate language to prohibit artificial licensing barriers and ensure the same standards apply across the board. Priority should be given to existing operators that comply with state and federal law.

5. Hemp-to-Cannabis License Reciprocity

If Ohio moves toward a unified cannabis industry, licensed hemp operators must have a **clear pathway into the adult-use market**. We've seen successful models of this in states like Vermont and Minnesota.

✓ Proposed fix: Lay out a fair system for dual licensing and priority classification for hemp businesses — ensuring we are not locked out of future cannabis licensing rounds solely because of our hemp status.

6. Dispensary Access for Fully Compliant Hemp Products

Dispensaries should not be barred from carrying hemp-derived products that meet the Division of Cannabis Control's (DCC) testing, packaging, and tracking standards. This limits consumer choice and undermines Ohio's regulatory intent.

Proposed fix: Ensure compliant hemp products can be sold through dispensaries without new fees or facility requirements, while protecting program integrity.

Conclusion

HB198 is an important and commendable step toward regulating hemp-derived consumables in Ohio — but it still needs adjustment to ensure compliance with federal law, fairness for existing businesses, and long-term scalability.

The additions we propose are not radical departures — they're clarifying enhancements grounded in federal guidance, industry experience, and economic pragmatism. We believe these updates will strengthen HB198 while maintaining its core integrity.

Thank you for your time and commitment to getting this right.

Respectfully submitted,

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