

## OHIO HOUSE JUDICIARY COMMITTEE June 4, 2025

## Interested Party Testimony Substitute Senate Bill 56

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

My name is Bevan Schneck, and I am the Public Affairs Director at the Ohio Municipal League. On behalf of the Ohio Municipal League, I appreciate the opportunity to provide this interested party testimony regarding Substitute Senate Bill 56, which makes a variety of changes to the state's recreational marijuana law.

The Ohio Municipal League represents more than 730 cities and villages. The services provided by Ohio's municipalities are beneficial for their businesses and residents, including in the area of public safety, which uses up the vast majority of our members' revenues.

I want to begin by expressing our appreciation for the sub bill's creation of the Host Community Cannabis Fund. This mechanism ensures that local governments hosting licensed cannabis dispensaries will receive a share of the state's excise tax revenue, recognizing the important role these communities play in safely and responsibly regulating cannabis businesses.

However, I would like to emphasize several important points regarding the implementation of the Host Community Cannabis Fund:

First, it is essential that the funds already collected by the state through the current 10% excise tax on adult-use marijuana are made available for distribution to host communities through this fund. These revenues were generated under the legal framework approved by Ohio voters in 2023, and the communities that have hosted dispensaries during this time should have access to these funds to support public safety, health, and other local services. We ask that this committee ensures that past collections can be distributed.

Second, the Legislature should honor the will of the voters by maintaining the percentage of the excise tax revenue that is allocated to local governments with dispensaries at 36% of the overall 10% excise tax. This percentage was part of the voter-approved framework in 2023, and it reflects a commitment to ensuring that local governments have the resources they need to address the impacts of cannabis legalization.

Moreover, we urge the Legislature to remove any sunset provisions currently included in the Host Community Cannabis Fund or similar distributions. The voter-approved framework established a permanent, ongoing source of funding for communities that have chosen to host dispensaries, and this funding is essential for offsetting the costs of police, fire, emergency medical, and other municipal services that may experience increased demands.

Many municipalities made the decision to allow dispensaries in their communities with the understanding that this revenue would be a sustained source of support. Any changes to this percentage or its duration would be a departure from the commitment made to these communities and could erode the trust between the state and local governments, as well as with voters.

In conclusion, we appreciate the steps taken in Substitute Senate Bill 56 to create a path for distributing these funds. However, we ask that you ensure that the funds already collected are included in these distributions, that the percentage remains at 36% of the overall 10% tax, and that the distributions are made permanent, as was the clear intent of Ohio voters.

On behalf of the members of the Ohio Municipal League, thank you for your consideration of these requests and the opportunity to share our position on Senate Bill 56.