

BEFORE THE SENATE GENERAL GOVERNMENT COMMITTEE

Testimony of John Kobel Offered in Opposition to Senate Bill 56

Chair Roegner, Vice Chair Gavarone, Ranking Member Blackshear, and members of the committee,

Thank you for the opportunity to testify today. My name is **John Kobel**, and I am a representative of **Ohio Cannabis Company**. We are proud to be a family business owned and operated by Ohioans, for Ohioans since 2018. We currently have three dispensaries open in Canton, Piqua and Upper Sandusky Ohio with three new locations opening this year. Our company has served both patients and adult-use consumers with safe, regulated cannabis. As life-long Ohioans, we are deeply invested in Ohio's success in this industry.

Three Key Concerns with Senate Bill 56

1. Increased Costs That Push Consumers to Unregulated Markets

- **The bill raises the excise tax from 10% to 15%**, increasing prices for legal cannabis and driving consumers toward **unregulated markets or that state up north**.
- **It removes funding from industry-related community programs** and redirects all cannabis tax revenue into the **General Revenue Fund**, eliminating reinvestment efforts that directly benefit Ohio communities. Many of the **townships and cities where we operate planned to use these tax dollars for local improvements**, and this bill takes that away.
- **Preventing cultivation facilities from expanding will increase costs for consumers**. As my children would say, **this is simple 7th-grade economics**—reducing the square footage available to growers in Ohio will mean **higher prices on products, lower supply, and a competitive disadvantage compared to neighboring states**.

2. Product Restrictions That Hurt the Program and Consumers

- **The bill reduces allowable THC limits in extracts from 90% to 70%**, which puts Ohio at a disadvantage compared to **that state up north**. This ensures that **tax revenue, jobs, and businesses will continue flowing out of Ohio**, as consumers will seek higher-potency products elsewhere.
- **Capping THC in edibles at 100mg per package** will drive consumers to alternative, **unregulated sources like gas stations, smoke shops, or out-of-state dispensaries** where 1000mg packages are not uncommon.

3. Unnecessary Separation of Medical and Adult-Use Marijuana

SB 56 **requires dispensaries to keep medical marijuana separate from adult-use marijuana**—but this is a **solution to a problem that doesn't exist**.

- **For over six months, we have successfully operated with both products together without any issues.** Customers, staff, and regulators **have had no difficulty distinguishing between medical and adult-use products** under the current system.
- **This change increases labor costs without improving safety.** We will have to **hire additional staff** to manage two separate areas, **check inventory in two locations**, and maintain separate compliance measures—**all for the same result we already achieve today.**
- **It forces us to redesign spaces that were built with safety in mind.** Our dispensaries were carefully designed for **efficient customer flow, secure product storage, and a streamlined purchasing process.** Separating medical and adult-use marijuana **means spending money to rebuild an already functional, compliant system** while reducing space available for **customer service and daily operations.**

These changes **do nothing to improve public safety but will drive up costs, reduce efficiency, and negatively impact businesses and patients alike.**

A Smarter Approach

Instead of **restricting business growth, raising taxes, and limiting consumer choice**, I urge this committee to:

- **Keep tax rates at the current level** to support the legal industry and prevent **illegal market growth.**
- **Let businesses innovate and serve their customers** by maintaining **flexibility in product offerings.**
- **Stop solving problems that don't exist—allow dispensaries to keep products together, as they have been successfully doing.**

Ohio's cannabis industry has **created jobs, generated tax revenue, and built a safe, regulated market.** **SB 56 threatens that progress.** I urge the committee **to oppose this bill** and instead support policies that **allow the industry to grow responsibly.**

Chair Roegner, thank you for your time. I'm happy to answer any questions.