

The Honorable Kristina D. Roegner
Chair, Senate General Government Committee
Senate Building
1 Capitol Square
First Floor, 142
Columbus, Ohio 43215

February 17, 2025

Re: Senate Bill 56 – Revise Medical and Adult-Use Marijuana Laws; Levy Marijuana Taxes

Position: Oppose

Dear Chair Roegner:

Thank you for the opportunity to offer feedback on Senate Bill 56, which significantly alters both the medical and adult-use cannabis programs in Ohio. We appreciate your commitment to collaborating with key stakeholders through the legislative process and we look forward to our continued work together. We respectfully oppose Senate Bill 56 in its current form. Senate Bill 56 significantly disrupts the rules currently being promulgated by the Department of Cannabis Control (“DCC”). We appreciate the collaborative approach taken by the DCC and we strongly recommend the General Government Committee consider amendments to Senate Bill 56 prior to passage.

Verano has been operating in Ohio since the inception of the medical marijuana program and currently operates a Level II cultivation and manufacturing facility in Canton as well as medical and adult-use dispensaries in Antwerp, Canton, Newark, Cincinnati, Bowling Green, and Dayton under the “Zen Leaf” moniker. We have offered feedback to the DCC as several rules have advanced through the formal rulemaking process over the last year plus.

Senate Bill 56 reverts Level I and Level II adult-use cultivator licenses to the medical license model. As a result, Level I and Level II cultivator allowable square footage have been reduced dramatically. For Level II cultivators, licensees are no longer able to cultivate up to 15,000 square feet. The square footage has been reduced to a maximum of 9,000 square feet, and any expansion beyond 3,000 square feet must receive approval from the DCC. The bill does not consider licensees who have already increased their total cultivation area by receiving approval from the DCC before the introduction of Senate Bill 56. We recommend mirroring the 15,000

square foot allowance currently permitted for Level II cultivators and including language that grandfather licensees that have already expanded operations with prior DCC approval.

The bill reduces allowable THC levels in adult-use marijuana extracts from a maximum of 90% to a maximum of 70% for both adult-use consumers and medical patients. The reduction in potency is problematic because some consumers, especially medical patients who suffer from chronic conditions and pain management, often seek higher potency products to achieve desired relief. By reducing the allowable potency of these products, the legislature is removing known, tested, and safe products from the market. Further, if the potency of products is limited in the legal market, some medical patients and adult-use consumers may seek alternatives in the illicit market or through other harmful substances. Given that the DCC has oversight of the cannabis industry in Ohio, we recommend removing potency caps from statute, and instead empowering the DCC to have the flexibility to increase or decrease potency as appropriate.

Lastly, the bill requires that medical marijuana products are kept separate from adult-use marijuana. There is no rational basis for this requirement given that the potency limits set by the bill for medical products and for adult-use products are the same. The requirement is an unnecessary burden on business operations; rather than separating products, a unified product display reduces complexity for dispensary staff, giving these employees more time to focus on customer service.

Thank you for your time and consideration of these comments. Should you have any questions, please feel free to contact Neal Karkhanis, Director, Legislative Policy at neal.karkhanis@verano.com.

Sincerely,

Neal Karkhanis