

## Senate General Government Committee March 4, 2025 Senate Bill 86

Chair Roegner, Vice Chair Gavarone, Ranking Member DeMora, and fellow members of the Senate General Government Committee, I am grateful to provide sponsor testimony today on Senate Bill 86.

We would also like to thank Governor DeWine and his cabinet for their leadership on this issue. The administration has been a consistent voice in warning of the dangers of this unregulated, untested, and dangerous market, and we're thankful for their efforts once again on this issue.

Senate Bill 86 requires intoxicating hemp products that meet the THC thresholds outlined in the bill to be sold in licensed marijuana dispensaries in accordance with rules adopted by the Director of Commerce, including rules regarding testing, packaging, labeling, and advertising. The bill's provisions regarding intoxicating hemp products only apply to products that can be ingested or inhaled.

Currently, intoxicating hemp products are untested, unregulated psychoactive products that can be just as intoxicating, if not more intoxicating than marijuana. These products impersonate or pose as hemp, like CBD, when in fact, they have been drastically chemically altered or infused with synthetic substances that cause an intoxicating effect. For instance, a substance known as THCP is reported to be 30 times more potent than true Delta 9 marijuana—with none of the testing or consumer safety regulations.

Given the lack of regulations, the intoxicating hemp industry has been able to confuse Ohio consumers and law enforcement by marketing themselves as "dispensaries" with "recreational marijuana." These types of places are becoming more and more prevalent—causing consumers to think they are buying well-tested, well-regulated marijuana that supports Ohio's economy when they are not.

To suppress the illicit market, this bill prohibits hemp products that are not sold in dispensaries from marketing the products as marijuana, using any terms associated with the sale of the product that would cause a consumer to infer the product is marijuana, or that the entity selling the product is a marijuana dispensary.

We must act quickly to stop the customer confusion and protect Ohioans from these dangerous, untested products. The longer we wait, the further we fall behind. The legislature has been debating this policy point for over two years now, and according to a recent report from the OSU Drug Enforcement and Policy Center, "a majority of states have fully prohibited or placed significant regulations on intoxicating hemp products" and "Ohio is currently among a minority of states with minimal or no regulations on these products."

The bill also authorizes the manufacture and sale of low-dose drinkable cannabinoid products in Ohio's dispensaries, craft breweries, bars and restaurants, and carry-outs, and imposes a \$3.50 per gallon excise tax on manufacturers, similar to how we tax alcohol. These products will be regulated in a substantially similar manner to alcoholic beverages under the existing regulatory structure for those businesses. The bill will also impose a 15% gross receipts tax on intoxicating hemp sales at dispensaries.

Lastly, this bill would simply close loopholes that would allow these dangerous products to be sold to our children. This bill will protect minors from gaining access to these intoxicating products, while ensuring adults can still purchase them from existing, well-regulated operators.

Thank you for the opportunity to present testimony to you today, we are happy to answer any questions you may have.