

Senate General Government Committee
Senate Bill 86 Proponent Testimony
Tom Hobson, Wellspring Fields

Chair Roegner and honorable members of this committee, thank you for allowing me to provide written testimony in support of Senate Bill 86. My name is Tom Hobson, and I am the CEO of Wellspring Fields, a state licensed level 2 cultivator and processor located in Ravenna, Ohio.

As a little background: I own an oil pollution control company in Chagrin Falls which I started with my father when I graduated from college in 1984. In 2017 when the opportunity to start a new company in the Ohio medical marijuana program presented itself, I persuaded my daughter to come back to Ohio from Boston, and, together with my son, we applied for and won a Level 2 cultivator and processing license. We started Wellspring Fields with zero outside funding because we wanted it to be a true family-owned, Ohio-based company with no outside influence.

We support Senate Bill 86 overall and applaud the Senate for taking steps to regulate the hemp market effectively. The bill's focus on stopping misleading labeling, especially those that appeal to children, is commendable. Additionally, making testing mandatory and limiting the outlets for these products to current dispensaries, which already possess extensive knowledge on the subject, are positive measures.

Wellspring Fields has been producing delta-9 THC beverages for 5 years. In testimony last week, it was mentioned that these beverages needed to be refrigerated, that is not the case. Beverages are shelf-stable without refrigeration as all products in the medical market are required to be.

Wellspring would like to propose some minor adjustments to Senate Bill 86:

1. *Distribution Process for Hemp Beverages:* We urge the committee to reconsider prescribing the distribution process for intoxicating hemp beverages as currently outlined. The proposed system seems to disproportionately benefit current alcohol distributors and is inherently uncompetitive. A more balanced approach that allows for fair competition among distributors would be beneficial for industry and consumers alike.
2. *Excise Tax:* The proposed \$3.50 per gallon excise tax on manufacturers of drinkable cannabinoid products is excessive. We recommend reducing this to \$1 per gallon. This

adjustment would still generate revenue for the state while keeping products more affordable for consumers and allowing businesses like ours to remain competitive.

3. *Cash Requirement for Purchases:* Requiring cash payments by consumers for hemp beverages is an unnecessary restriction that creates significant risks for retailers while confusing customers who are paying for the rest of their purchase—such as at a restaurant or liquor store—with a credit card. Since it is not federally illegal to produce or sell hemp-derived beverages, there are no banking or credit card restrictions on these transactions. Forcing cash-only payments introduces avoidable security risks and logistical challenges for businesses while inconveniencing consumers unnecessarily.

In conclusion, we believe Senate Bill 86 is a step in the right direction for regulating the intoxicating hemp industry in Ohio. With the suggested adjustments, we believe this bill can effectively balance consumer safety, industry growth, and fair competition. We appreciate the opportunity to provide input on this important legislation.

Thank you for your time and consideration.