

Chair Roegner, Vice Chair Gavarone, Ranking Member Blackshear, and members of the Senate General Governance Committee:

My name is Mairi Martin, and I am an attorney testifying on behalf of my family's business, MAG Industries, and countless other small businesses that would be harmed by the anticompetitive effects of Senate Bill 86.

For nearly a decade, I have studied the different state approaches to regulating cannabis, first with Vorys here in Columbus, and more recently as the General Counsel for MAG.

MAG is a wholesale distributor from Pennsylvania that services retail stores in over a dozen states, including Ohio. MAG's customers are small family businesses, like local chains of convenience stores and licensed tobacco outlets.

MAG also owns and operates a hemp facility in West Virginia, where it responsibly manufactures various types of hemp-derived products under its flagship brand names. MAG offers its hemp products to its retail partners in states where they are lawful.

Due to the potentially intoxicating effects of some of the products, state governments have stepped in to regulate this emerging industry. For example, in West Virginia, a hemp regulatory program was launched in 2019. Under West Virginia's program, the Department of Agriculture oversees products and sellers using an annual registration system, and the state's Alcohol Beverage Control Board perform audits and enforcement at stores.

As MAG's lead counsel, I oversee MAG's compliance with the hemp program in West Virginia and other states with similar regulations. From this experience, I can tell you that these state regulatory programs are serving their purpose – to ensure that the market has responsible actors, quality products, and sales to adults only.

I recommend that Ohio lawmakers take a similar approach – regulating hemp for Ohio retailers and small businesses.

By contrast, Senate Bill 86 would restrict all potentially intoxicating products into marijuana dispensaries, effectively creating an oligopoly, with barriers to entry high enough to keep out any typical Ohioan.

Lobbyists for the marijuana corporations may have told you that restricting all such products into dispensaries is a tried-and-true solution. However, these dispensary schemes – adopted in states like California, New York, and Illinois – have serious flaws. In particular, the oligopolistic market conditions created by these programs inflate prices, create opportunities for corruption, and even expand the black market.

As Florida Governor Ron DeSantis wrote in vetoing a similar bill : “Sensible, non-arbitrary regulation will provide businesses and consumers alike with much-needed stability –

safeguarding public health ... , allowing legitimate industry to flourish, and removing bad actors from the market.”

On behalf of all those who have poured their blood, sweat, and tears into building this new industry, I respectfully request that you reject Senate Bill 86 and, instead, take the common-sense approach being developed in states like West Virginia, Florida, Georgia, Tennessee, and Kentucky. I understand that a bill of this nature will soon be introduced in the House, and I respectfully urge you to consider it as an alternative starting point.

Thank you again for the opportunity to share our story and offer our insights.