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Testimony of Michelle Minton Senior Policy Analyst, Reason Foundation

Ohio Senate General Government Committee SB 86: Regulate and tax intoxicating hemp, drinkable cannabinoid product

Dear Chair Roegner and members of the General Government Committee,

On behalf of Reason Foundation, I thank you for accepting these comments and making them part of the public record. My name is Michelle Minton, and I am a senior policy analyst with Reason Foundation, a 501(c)(3) nonprofit think tank dedicated to advocating for policy solutions that enhance public health, foster dynamic markets that offer economic opportunity, and ensure consumer access to safe, regulated products.

The concerns raised by Senate Bill 86 regarding the quality and safety of novel and potentially intoxicating hemp products are warranted. However, we believe that SB 86 adopts an overly restrictive approach that risks undermining its goal of consumer health protection by inadvertently driving individuals toward unregulated markets and products.

The Proposed THC Limit Is Excessively Low

A critical point of concern is the bill's proposed definition of "intoxicating hemp products" as those with greater than 0.5 milligrams of Delta-9 THC per serving, greater than 2 milligrams Delta-9 THC per package, or greater than 0.5 milligrams of THC other than Delta-9 THC.

Generally, a THC concentration of 1% is considered the threshold at which cannabis products begin to exhibit intoxicating or psychotropic effects. In terms of edible products, a concentration of 1% THC in a 10-gram package would amount to 100 milligrams of THC per package. The limit proposed by SB 86, capping total non-Delta-9 THC to 0.5 milligrams per package, would be 200 times below the generally accepted threshold for intoxication.

SB 86 Would Classify Most Natural Hemp Products as "Intoxicating"

Because it is virtually impossible to eliminate trace levels of THC from hemp extract, SB 86's excessively low THC threshold would effectively define all naturally-derived hemp products as "intoxicating hemp," requiring consumers to purchase these products through Ohio's marijuana dispensary system. This mandate neludes products that pose no risk of intoxication and those clinically demonstrated to provide therapeutic benefits.

Restricting sales of hemp products, including those with therapeutic uses, would greatly increase burdens for both businesses and consumers of these products in the state. As of March 2025, 312 local governments have imposed moratoriums that prohibit adult-use cannabis businesses, limiting access for around 15% of the state's population.² Even where consumers have access, products available at dispensaries may be significantly more expensive due to regulatory costs compared to products sold outside of the dispensary system.

This situation is particularly concerning for patients and families who depend on hemp-derived cannabidiol (CBD) to treat seizure disorders, such as Dravet Syndrome, a rare and severe form of childhood epilepsy. For these patients, CBD can be a lifeline, offering relief from debilitating symptoms that are often inadequately managed by conventional medications. These individuals need assurance that the CBD products they rely on are safe, free from harmful contaminants, and accurately labeled for proper dosing.

Rather than providing this necessary reassurance, SB 86 would greatly reduce their legal access to regulated CBD products. As a result, patients may be forced to forgo essential therapy, travel out of state to purchase it, or turn to unregulated markets, exposing them to potentially greater risks than those posed by intoxicating hemp products.

Reasonable Hemp Regulations

If the aim is to protect consumers and keep potentially intoxicating hemp away from minors, we encourage Ohio lawmakers to develop a sensible regulatory framework governing hemp products. Reason Foundation's recently published study, *A Framework for Federal and State Hemp-Derived Cannabinoid Regulation*, offers detailed recommendations for state regulation of the production, testing, labeling, and sale of both intoxicating and non-intoxicating hemp products without imposing arbitrary or prohibitive THC limits that could hinder consumer access and expand illicit markets.³

A sensible regulatory framework would include:

- Safe manufacturing standards for hemp-derived goods;
- Final product testing requirements to ensure products are free of harmful contaminants;
- Packaging standards for clear and accurate labeling;
- Age restrictions on the purchase of intoxicating hemp products; and
- Restricted sales of intoxicating hemp products to outlets with established age-gating practices.

By implementing a framework that prioritizes transparency, product quality, and compliance, Ohio could ensure consumer safety more effectively than through excessive restrictions or prohibitions. This approach would protect consumers, support public health, and promote a regulated, orderly market without creating unintended harm.

Conclusion

Reason Foundation urges the committee to exercise caution with SB 86. While the intent to protect consumers is commendable, the bill's provisions would inadvertently harm those who

rely on hemp products for therapeutic benefits, as well as other hemp consumers in state. Instead of pushing hemp products into the overly restrictive marijuana dispensary system, we urge members to develop a more balanced regulatory framework from hemp products.

Such an approach would allow Ohio to maintain oversight of the hemp market, enforce standards that safeguard consumer welfare, promote responsible access to products, and prevent the proliferation of unregulated and potentially harmful markets or products.

Thank you for your time and consideration.

Michelle Minton Senior Policy Analyst Reason Foundation

¹ Congressional Research Service, "Defining Hemp: A Fact Sheet," 22 Mar 2019, https://crsreports.congress.gov/product/pdf/R/R44742.

² Ohio State University Moritz College of Law, "Local Moratoriums for Ohio Adult Use Marijuana Operators," https://moritzlaw.osu.edu/faculty-and-research/drug-enforcement-and-policy-center/research-and-grants/policy-and-data-analyses/ohio-marijuana-moratoriums

³ Michelle Minton and Geoffrey Lawrence, "A Framework for Federal and State Hemp-Derived Cannabinoid Regulation," Reason Foundation, September 2024, https://a8d50b36.rocketcdn.me/wp-content/uploads/framework-federal-state-hemp-derived-cannabinoid-regulation.pdf.