

BEFORE THE OHIO SENATE Senate General Government Committee

Testimony of Geoffrey Korff CEO and Founder of Galenas LLC

OFFERED AS AN INTERESTED PARTY AS TO **SENATE BILL 9**

May 10, 2023

Chairman Rulli and honorable members of this committee, thank you for allowing me to testify here today as an interested party regarding Senate Bill 9 (SB 9). My name is Geoffrey Korff and I am the founder and CEO of Galenas LLC. Galenas is a Level II medical marijuana cultivator in Akron, and we own no other licenses in the state. Our cultivation facility is located at 1956 South Main Street, Akron, Ohio, and we have been operating in that location since April of 2019. We currently employ 20 full-time equivalent employees.

For my testimony today, I would like to read a letter the level II cultivators submitted to the bill sponsors highlighting our suggestions on the "dash 3 version" of the bill. Our group feels like we have some modest modifications for the committee to consider. I will go through the 5 suggestions within the letter, and answer any questions the committee may have.

1. Cultivation Area

We suggest changing the word "may" to "shall" as noted below in the red mark-up. Our intent here is to provide certainty for both Level I and Level II cultivators by explicitly stating that each license type will receive the automatic square footage increase as defined.

Pages 86-87 Lines 2455 to 2461

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(D) The division of marijuana control may issue two levels of cultivator licenses.
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(1) The division **may shall** approve a cultivation area of up to fifty thousand square feet for the holder of a level I cultivator license.

(2) The division **may shall** approve a cultivation area of up to fifteen thousand square feet for the holder of a level II cultivator license, including a stand-alone processor holding a stand-alone processor cultivation license.

2. Full Capacity

We bring this item up to discuss the intent of this provision and the exact meaning of full capacity. As written, there is potential for any cultivator (level I or level II) to engage in monopolistic behavior to prevent market entrants by purposefully not utilizing cultivation area. We believe this line should be omitted from the bill.

Page 67 Lines 1895-1896

(3) Whether licensed cultivators have expanded to full capacity.

3. Social Media Prohibition

O.A.R. 3796:5-7-01 and 3796:6-3-24 prohibit license holders from advertising, marketing, and signage to children, schools, places of worship, libraries, advertising on TV, radio, billboards, handheld, transit. Further, these rules require age affirmation of at least eighteen years of age by the user before access is granted. We believe that prohibiting social media advertising may cause constitutionality issues.

Page 61 Lines 1728-1731

(17) Allow a medical marijuana license holder to advertise without receiving prior approval from the division, but prohibit a medical marijuana license holder from advertising on social media;

4. THC Content

As currently written in the dash 3 version, this language appears to us to have some contradictory provisions noted below. Ohio law prohibits THC content higher than 35 percent in plant material. The following section that would have increased THC content from seventy percent to ninety percent is then followed by a confusing and contradictory statement that the THC content should not exceed thirty percent.

Page 69 Lines 1954-1959

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    Plant material shall have a tetrahydrocannabinol content of not more
than thirty-five per cent.
    Extracts shall have a tetrahydrocannabinol content of
not more than seventy <u>ninety</u> per cent. <u>Medical marijuana sold to</u>
registered patients and caregivers shall have a tetrahydrocannabinol content
of not more than thirty per cent.
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5. Medical Marijuana Commission & Medical Marijuana Advisory Council

Pages 49 through 51 Lines 1402 to 1456 Pages 53 through 55 Lines 1507 to 1557

We are supportive of including Level II representation and for that matter, Level I representation to the Medical Marijuana Commission ("the Commission"). We believe that the Commission should reflect various roles throughout the industry including many of the positions outlined in the Medical Marijuana Advisory Council ("the Council"). With the proper Commission structure, it is our position that the Council becomes unnecessary.

Again, we thank you for bringing this legislation forward to improve the program, and more importantly, improve the lives of patients throughout Ohio. This concludes my testimony. I am willing to answer any questions from the committee.

Respectfully Submitted,

Geoffrey Korff Founder and CEO Galenas LLC Akron, Ohio