Ohio Senate votes to require hemp products to be sold in marijuana dispensaries

By Haley BeMiller Columbus Dispatch

Ohio officials want to move hemp from CBD stores and gas stations to licensed marijuana dispensaries.

The Ohio Senate unanimously voted April 30 for legislation that would restrict the sale of <u>certain hemp products</u> to dispensaries, icing out retailers who operate outside of the marijuana industry. <u>Senate Bill</u> 86 is the latest effort by lawmakers to crack down on delta-8 THC and other forms of gray market cannabis.

The bill would:

• Require intoxicating hemp products to be sold at dispensaries, which only cater to customers 21 and older.

• Classify intoxicating hemp as anything inhaled or ingested with more than 0.5 milligrams of delta-9 THC per serving, 2 milligrams of delta-9 THC per package or 0.5 milligrams of other THC per package. That wouldn't include lotion or other topicals.

• Tax a dispensary's intoxicating hemp sales at 10% and impose a \$3.50-per-gallon excise tax on THC beverages. The money from both taxes would go into the state's general bank account.

• Allow breweries, restaurants and other licensed retailers to sell drinks with no more than 0.42 milligrams of THC per ounce. Individual servings would be capped at 12 ounces.

• Criminalize driving under the influence of an intoxicating hemp product and having an open THC drink in the vehicle.

"Due to a 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," Sen. Steve Huffman, R-Tipp City, said. Huffman and Gov. Mike DeWine have spent months <u>pushing for hemp</u> <u>regulation</u>. They contend many of these products are untested, unsafe and too easily accessible to children.

Much of that stems from a loophole in federal law. The 2018 Farm Bill legalized hemp nationwide and defined it as cannabis with no more than 0.3% delta-9 THC, the compound that produces a high. Businesses soon found ways to get around those potency limits and sell unregulated THC products.

Concerns about the hemp market made strange bedfellows of Republican lawmakers and the marijuana industry. Ohio dispensary owners must follow strict rules under the adult-use cannabis program and contend hemp businesses should be subject to the same scrutiny.

But CBD retailers say the bill goes too far and conflates legitimate businesses with bad actors. The proposed THC limits would force stores to relinquish most of their inventory, said Jaimee Courtney, owner of Your CBD Store in Bellefontaine.

"SB 86 would eliminate 90% of our inventory and deprive our customers of a natural approach to their health," Courtney said in committee testimony. "These products are not found in dispensaries, and their removal would be devastating for the people who depend on them."

The House must consider Senate Bill 86 before it heads to DeWine's desk. House lawmakers have pitched their own ideas for hemp, <u>including a bill</u> that would allow any retailer to sell products if they get a special license.