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CANNABIS LAW ALERT

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Ohio's cannabis industry awaiting Issue 2 changes

Ohio voters resoundingly approved Issue 2 in early November, legalizing recreational marijuana throughout the Buckeye state. **Stakeholders now should understand how potential legislative changes to Issue 2 legislature could affect their Ohio cannabis industry interests.**

When will legislative changes be introduced?

Legal use and possession of recreational marijuana is set to commence on Dec. 7, 2023. The governor and both House Speaker Jason Stephens (R-Kitts Hill) and Senate President Matt Huffman (R-Lima) are aligned on amending the law. The Ohio Senate is poised to introduce legislation as soon as Dec. 4; the Ohio House could act as early as January 2024.

"There's a lot of holes in what was passed," said Governor DeWine. "I think (it) would be good if that was all done and done by the seventh so that we're not in a situation of taking something away from people."

The governor emphasized the need for amendments focused on child safety and public marijuana use. Changes to tax rates, public consumption, potency, packaging, advertising and employment law will be high on the agenda for the coming session. Senate President Huffman and Speaker Stephens have indicated their intent to advocate for changes in these same areas, as well as THC levels and spending.

House Minority Leader Allison Russo (D-Upper Arlington) and Representative Juanita Brent (D-Cleveland) have expressed their caucus's desire to ensure more local control at the city or county level on issues such as public consumption, education, pricing and criminal record expungement.

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Representative Cindy Abrams (R-Harrison) has already introduced House Bill 326, proposing alterations to the distribution of tax revenue from recreational use to prioritize law enforcement.

Regulation of marijuana use in Ohio

The oversight and control of the adult-use marijuana industry will be housed within the Department of Commerce's Division of Cannabis Control. It will be critical for cannabis industry leaders to have relationships within and knowledge of the department and division during the 9-month rules process for adult use. The division potentially will have a separate regulatory goal from that of the state legislature and industry, and Porter Wright's cannabis team has the experience and relationships to advocate for changes so they are included in any potential rules package.

Local governments and mayors also are poised to initiate changes through local moratoriums, temporary freezes on recreational businesses, and tightened ordinances regarding marijuana use and sale.

Ohio cannabis industry advocacy

Porter Wright is in a unique position to advocate for clients before the Ohio legislature, the Division of Cannabis Control and with local governments across the state.

- Jonithon LaCross is one of the original administrative architects of House Bill 523, which created the medical marijuana program in Ohio. His instrumental role in creating the Ohio Medical Marijuana Control Program, along with his experience working for the State Medical Board of Ohio and the Department of Commerce, provides a profound understanding of the cannabis licensure and regulatory process and the regulatory relationships that shape it.
- John Carney is a former three-term member of the Ohio General Assembly who leads Porter Wright's Cannabis Practice.
- <u>Scott North</u> has long-term relationships with and decades of experience working for municipalities, townships and counties in a wide range of matters.
- <u>Shane Pennington</u> has published extensively on topics related to controlled substances, drug policy and federal regulations, and successfully litigated cases against the DEA related to cannabis issues.
- <u>Adrian Snead</u> principally was responsible for drafting early U.S. Senate legislation related to cannabis banking and reform between 2014 and 2017 and has significant experience with Federal cannabis law and policy.

Porter Wright's team of cannabis industry lawyers and lobbyists stands ready to assist stakeholders whose interests are affected by this rapidly evolving legal and regulatory environment. For further information, please contact Jonithon LaCross or any member of the firm's <u>Cannabis</u> or <u>Government and Regulatory Affairs</u> practice groups.