

Ohio Cannabis Bill Modified by House Panel on Tax and Equity

Ohio's HB 160 Bill Sparks Concern Among Cannabis Reform Advocates, Who Argue It Undermines Voter Intent by Removing Equity Programs and Introducing New Criminal Penalties

Ohio House Judiciary Committee Moves Slowly on HB 160 Proposal, which Seeks to Overhaul the State's Cannabis Law in Major Ways

Ohio lawmakers are taking a careful approach to making sweeping changes to the state's cannabis law, with the House Judiciary Committee recently taking up HB 160, a bill that proposes significant amendments to Ohio's voter-approved marijuana legalization. The bill, introduced by Rep. Brian Stewart (R), includes provisions that would create new criminal penalties, eliminate social equity programs, and place limitations on the legal cannabis market.

Despite the bill's sweeping nature, lawmakers indicated they are not rushing to pass the measure and are focused on carefully deliberating its impact. During a committee hearing on March 28, 2025, the panel voted to move forward with HB 160, adopting a six-page amendment that made changes to key provisions, including how marijuana tax revenue would be allocated and how business licenses would be awarded.

House Bill 160 Introduces Restrictions on Legal Cannabis Products, Including THC Limits and Dispensing Rules

HB 160 includes several provisions that would create new criminal charges and limit legal cannabis activities in Ohio. Among the proposed changes are the introduction of a 70 percent THC cap on cannabis products and a ban on state regulators adjusting or eliminating this limit. Additionally, the bill would restrict new forms of adult-use marijuana from being approved by the state.

The bill also includes provisions that would limit the number of active dispensaries in Ohio to 350 and place restrictions on how cannabis products are sold. For example, marijuana and related paraphernalia would have to be stored in vehicles in a non-accessible area, such as the trunk, when being transported.

Other key changes include banning the use or possession of cannabis that wasn't purchased from a licensed retailer or grown legally at home. Additionally, the bill prohibits the sharing of homegrown cannabis with others, which has raised concerns about potential legal challenges for consumers who may not be able to prove the legality of the cannabis they possess.

HB 160 Could Impact Social Equity Programs, Removing Voter-Approved Provisions and Redefining Marijuana Tax Revenue Allocations

One of the most controversial aspects of HB 160 is the proposed elimination of the Cannabis Social Equity and Jobs Program, which was a key component of the voter-approved marijuana law passed in 2023. Under the existing law, 36 percent of marijuana tax revenue is earmarked for social equity initiatives, including financial support for applicants who have been adversely affected by marijuana prohibition.

The bill also introduces changes to how marijuana tax revenue would be allocated. While local governments would still receive some funding, the bill proposes a temporary five-year program for municipalities, which would receive only 20 percent of the state's cannabis tax revenue. Additionally, only cities or townships with at least one licensed dispensary would be eligible for these financial distributions, a significant change from the current law, which allocates funds to all localities that have not banned or limited marijuana retailers.

Rep. Brian Stewart Defends HB 160, Emphasizing Need for Consistency with Both House and Senate Proposals

During the committee hearing, Rep. Stewart defended the bill's provisions, arguing that the proposal aligns with the overall will of the voters who approved adult-use cannabis in Ohio. However, Stewart acknowledged that many of the provisions in HB 160 were taken from other proposals, such as the Senate's SB 56, which aims to impose even stricter regulations on cannabis in Ohio.

"We're not trying to rush this," Stewart said at the hearing. "This is something we'd like to have passed by June, but we want to make sure that we get it right. I know there are questions about this, and we will be addressing them as we move forward."

The House bill also proposes a program that would allow individuals to request the expungement of criminal records for past marijuana possession charges, though there is a \$50 fee for filing such requests. In addition, the bill removes the current ban on marijuana retailers providing product samples to customers, a provision that some cannabis advocates view as a step in the right direction.

Cannabis Advocates and Local Officials Push Back on Restrictions in HB 160 and Proposed Changes to Local Tax Revenue Distribution

Cannabis reform advocates have expressed concern over HB 160, arguing that the bill undermines the intent of voters who approved marijuana legalization in 2023. The removal of social equity programs, along with the introduction of new criminal penalties and restrictions on legal cannabis products, has drawn significant opposition.

In addition to the bill's social equity provisions, the proposed changes to the allocation of marijuana tax revenue have sparked backlash from local officials across the state. A recent survey of 38 municipalities found that localities are "unequivocally opposed" to the proposed changes, particularly the shift in revenue allocations.

Municipalities have argued that marijuana tax revenue is vital for funding public safety, law enforcement, infrastructure maintenance, and community services. In some areas, officials have warned that they may reconsider allowing recreational cannabis sales if the revenue they were expecting is eliminated or significantly reduced under HB 160.

Governor DeWine's Proposed Budget Includes Changes to Cannabis Revenue Distribution and Police Funding

Governor Mike DeWine has proposed changes to Ohio's marijuana tax revenue distribution as part of his state budget. While DeWine respects the voters' decision to legalize marijuana, he has expressed concerns

about the potency of cannabis products and the potential risks associated with stronger strains.

DeWine's budget proposal suggests reallocating marijuana tax revenue to support police training, local jails, and behavioral health services. Despite concerns from cannabis reform advocates, the governor has made it clear that he believes such funding is necessary to improve public safety and support law enforcement agencies.

Next Steps and Legislative Challenges for HB 160 and the Future of Cannabis Legalization in Ohio

As HB 160 continues to make its way through the Ohio House, lawmakers will likely engage in further debate and discussions about the bill's provisions. With the bill still undergoing revisions, it remains to be seen whether it will gain enough support to pass in the legislature or whether other competing proposals, such as SB 56, will have a greater impact on Ohio's cannabis landscape.

Despite pushback from reform advocates, local officials, and some members of the public, HB 160 represents a significant step in shaping Ohio's cannabis laws as the state grapples with the challenges of legalization and regulation.

For now, lawmakers remain committed to moving forward with the legislative process carefully, with hopes that a final version of the bill will be passed by June 2025, as Rep. Stewart indicated during the committee hearing. The next few months will be crucial in determining the future of marijuana in Ohio and how the state balances public safety, equity, and the will of its voters.

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