

Governor's Advisory Task Force on Recreational Marijuana

Met Monday @ 11:00am

March 20th, 2023

Members: Leif Abel, Sam Hachey, Frank "Dru" Malone, Bryan Scoresby, Dru Malone, Aaron Stiasny, Ryan Tunseth, Jana Weltzin, Joan Wilson
Absent: Brandon Emmett, Gary Evans, Fadil Limani, Nick Miller, David Pruhs
Support: Maya Ali & Bailey Stuart

Agenda Items	Discussion	Decision(s)/Conclusions
Agenda approval for March 20th, 2023 meeting	<ul style="list-style-type: none">The Task Force discussed moving agenda item number 6 & 8 to the next agenda due to no Department of Revenue representation present and approval for 3/13/23 meeting minutes.Public Comment was moved to the end of the meeting. <p>Jana Weltzin motions to approve the March 20th, 2023 agenda as amended.</p> <p>Sam Hachey seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved. *</p> <p>*See Zoom transcribe for full discussion.</p>	The Task Force approved March 20th, 2023 meeting agenda as amended.
Update on Advisory Report & Leg. Legal	<ul style="list-style-type: none">Leg. Legal responded to the 16 Task Force recommendations in a memo from Attorney Claire Radford. The biggest issue with the recommendations is changing the definition of marijuana and hemp into one term, cannabis. One of the implications is that changing the definition would repeal the hemp program in its entirety, effectively making CBD products illegal, this was not the intention of this Task Force.HB 119 is a committee bill under the Labor and Commerce committee. The Chair and Co-Chair will primarily work on the bill at the direction of the Speaker of the House (House Representative Cathy Tilton). Through the course of its committee life people will sign on to sponsor it as they find favor.	HB 119 is the tax bill under the Labor and Commerce committee. The committee will work on the bill under the direction of the Speaker of the House (House Rep. Cathy Tilton). HB 117 is sponsored by House Rep. Jesse Sumner's office and will be introduced on Wednesday to the Labor and Commerce committee. A committee substitute is going to replace HB 117 with the Task Force limited priorities minus the tax changes included in HB 119.

	<p>Lacy Wilcox <i>“Because the speaker has done the drafting, and her staff is introducing, and they’ve done it as a committee bill. It just kind of shows right out of the gate that this is a priority. So, it’s a good thing.”</i></p> <ul style="list-style-type: none"> • HB 117 is sponsored by House Representative Jesse Sumner’s office and will be introduced on Wednesday to the Labor and Commerce committee. A committee substitute is going to replace HB 117 with the Task Force limited priorities minus the tax changes included in HB 119. • Jana Weltzin asks that the Task Force work on getting their colleagues to draft letters of support. • Once the recommendations become a bill the Task Force no longer has control over the language. Any language changes needs to happen before the bill moves forward. • Ryan Tunseth will draft a technical letter of suggested changes to HB 119 language for submittal to the sponsor office to ask for concurrence with the proposed amendments in committee to ensure legislature is not confused or blindsided about necessary changes. • The Task Force would request language in HB 119 page 2, line 29 exclude “fractional ounces and ounces to be reported” seeing as that is data already submitted by licenses into METRC and the new tax would be based on the sale percentage and no longer the weight. • The Task Force would like to like to revert allocation of the excise tax funds to how it was generally allocated as to reduce push back into getting this bill passed. • The Task Force would like to propose a date of January 1st 2025 as the effective date for the Department of Revenue (DoR) to have the programing for the new excise tax finalized and implement. • Bryan Scoresby reports that Department of Natural Resources (DNR) has talked about emergency regulations and has elected to not pursue. 	<p>Ryan Tunseth will draft a technical letter of suggested changes to HB 119 language for submittal to the sponsors office to ask for concurrence with the proposed amendments in committee.</p> <p>Department of Natural Resources has talked about emergency regulations and has elected to not pursue.</p>
Department of Revenue Tax Change Analysis Review	Moved to April 3 rd , 2023 meeting at 11:00am.	Moved to April 3 rd , 2023 meeting at 11:00am.
Transportation Issues and Resolution Recommendations	<ul style="list-style-type: none"> • Task Force members Aaron Stiassny, Gary Evans and Sam Hachey worked on a letter addressing burdensome transportation regulations. In this letter the Task Force members outlines solutions to; <ol style="list-style-type: none"> 1. Industry issues in transporting across the State of Alaska that 	The Task Force approves a letter to the Marijuana Control Board that reflects necessary transportation regulation changes.

	<p>encompasses a large rural community.</p> <ol style="list-style-type: none"> 2. Create safety issues due to unforeseen stops not being allowable (aka bathroom breaks etc.). 3. Transportation to a hub retail isn't possible, which creates issues of drivers traveling long distances in order to make deliveries across the state and be in compliance with regulations. 4. Manifests being required however these regulations open drivers up to security issues with each stop knowing the full route of the transporter. Considering many are also picking up cash for payment of the licensees, this creates a large security issue. <p>Leif Abel motions to approve transportation recommendations.</p> <p>Sam Hachey seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p> <p>Sam Hachey motions to amend language in the transportation Recommendations reflect the word locked to secured in 3 AAC 306.750(d).</p> <p>Leif Abel seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p>	
<p>Update from Department of Revenue on Potency Tax Modeling</p>	<p>Moved to April 3rd, 2023 meeting at 11:00am.</p>	<p>Moved to April 3rd, 2023 meeting at 11:00am.</p>
<p>Retail Sales Endorsement for License Cultivations</p>	<p>Leif Abel <i>“We license standalone cultivations, whether they be limited or whether they be standard. It’s something that as license its clearly meant to be supported just by the fact that we license them. But given the current situation, they’re not feasible long term. Standalone cultivations won’t survive long term. It’s one of the reasons why my company is currently in the process of vertically integrating. And I believe that in, you know, several years there won’t be any standalone cultivations left, given the current set of regulations and statutes without a change. That’s why I’ve proposed this retail sales endorsement for license cultivation... This does not give cultivators a free run on retailers. It’s extremely limiting... it would only</i></p>	

	<p><i>allow a cultivator to be a point destination, to be able to get tours on their farm, and then sell only the product they create on their farm to a member of the public who's 21 or over. They can't purchase from anyone else. All they're doing is selling something they grow on their farm. It makes their farm a little bit more of an attraction as a point destination and a little more survivable long term."</i></p> <ul style="list-style-type: none"> • Leif Abel proposes that only a daily limit maximum of one-half ounce be allowable for sale to the public. • Leif Abel proposes a cultivator who holds a retail endorsement may also apply for an onsite consumption endorsement and that onsite consumption may be permissible. • Sam Hachey has concern about unforeseen potential zoning issues with this endorsement. • Jana Weltzin expresses concern that the way the onsite consumption endorsement is written that it could violate the Clean Air Act. There is a very limited exception in the Clean Air Act for the State of Alaska that talks about stand alone facilities. • Dru Malone shares that the limited cultivators cannot afford a retail license, will never be able to afford it, but an endorsement will provide some relief to cultivators. • Jana Weltzin reiterates that this is now a statute change not just a regulation change. • Joan Wilson informs the board that 11 licenses decided to not renew for the 2022–2023 year. • Aaron Stiassny feels this endorsement should be called a tourism endorsement in the future. 	
<p>Historical Background – Current Market Prices</p>	<p>Jana amends language to add “on a solely weigh base”</p> <p>Leif Abel motions to adopt with the amended changed “on a solely weight base to the Historical Narrative portion of the report.</p> <p>Ryan Tunseth seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p>	<p>The Task Force amends Historical Narrative to reflect current market prices and that the State of Alaska is the only state to solely have a weigh based tax.</p>
<p>Public Comment</p>	<p>No Public Comment received.</p>	<p>No Public Comment received.</p>

Adjournment	Meeting adjourned at 12:46pm Special Task Force meeting scheduled for March 23 rd , 2023 at 3:00pm Next Task Force meeting is scheduled for April 3 rd , 2023 at 11:00am	Meeting Adjourn at 12:46pm Special Task Force meeting scheduled for March 23rd, 2023 at 3:00pm Next meeting is scheduled for April 3rd, 2023 at 11:00am
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