

Governor’s Advisory Task Force on Recreational Marijuana:

Met Monday @11:00am

February 6th, 2023

Members: Leif Abel, Rob Carter, Brandon Emmett, Gary Evans, Sam Hachey, Frank “Dru” Malone, Nick Miller, Aaron Stiassny, Ryan Tunseth, Jana Weltzin, Joan Wilson

Absent: David Pruhs

Support: Maya Ali & Bailey Stuart

Agenda Items	Discussion	Decision(s)/Conclusions
Agenda Approval for February 6th, 2023 meeting Meeting Minutes Approval for January 23rd, 2023 meeting	Ryan Tunseth motions to approve the agenda. Brandon Emmett seconds motion. Task Force members voted unanimously in favor; motion is approved. Aaron Stiassny motions to approve the agenda. Leif Abel seconds motion. Task Force members voted unanimously in favor; motion is approved*. *See Zoom transcribe for full discussion.	Task Force unanimously approved February 6th, 2023 meeting agenda. Task Force unanimously approved January 23rd meeting minutes.
Public Comment	Shawn McDonough <i>“I’m Shawn McDonough from Frontier CBD and since this Task Force has been sending out notices and advisory notices my business has been greatly impacted. My business is down, I mean substantially... I’ll be laying people off and finding something else to do. I think that the Task Force knows that the idea of going after it, I’ve been all for it since day one. I’ve spoken about it way before I think most people even thought about it or heard about it. I’ve been on the radio for over a year and a half talking about how bad these products are, so I’m all for getting them out of the state. But let’s be honest, the stores aren’t the problem, the recreational stores are not the problem. What do we have? Maybe a half dozen stores that were selling Delta-8 products that I could identify, and I go in a lot of stores on a weekly basis. So, I mean to lose about 80</i>	

	<p><i>customers of mine so far that I haven't seen since [the advisory notice released] Which I would normally would see by now... The letter just basically scares people. If you talk to people, you know, especially store owners, a lot of them think small... I mean there's a lot of big stores out there that continue to support me because they know what they're looking at. But a lot of other stores aren't going to take the risk of selling a product that might be on the list/might not be on the list. Some fall off the list, some come on the list, so I mean the list has been up and down. So, for most stores to really put their arms around it and say, hey, I'm gonna continue to sell hemp products, it's not on their agenda moving forward since this letter came out."</i></p> <p>Levi Miller <i>"I thought I seen an increase in 2022 by 2 million across the whole market. I mean there was a decrease of about 900,000 in tax paid to the State but from what I seen is there was an increase of 2 million across the whole sector. Edibles, I want to say, grew by 3 to 4 million dollars and so on and so forth...to add to that I think the advisory notice did kind of spook people and I think they know a ruling is coming from the Task Force... So I'm kind of glad they put the advisory notice out, I mean they could have been a little more specific."</i></p>	
<p>Discussion on Advisory Report submitted to the Governor</p>	<ul style="list-style-type: none"> • Laura Stidolph, Legislative Director with the Governor's Office, reported that the Governor has a queue of 20 bills currently but views the issue as a priority. Knowing the timeline for Law to get bills drafted, she believed they would not be able to introduce the legislation until late March. She spoke with the Speaker's Office and they indicated they are supportive of the recommendations made by the Task Force. With the current backlog in the Governor's Office, she felt this would be the quickest avenue to get the bill passed this session. • Laura Stidolph directed DCCED (Department of Commerce, Community & Economic Development) to work with the bill sponsor and incorporate anything that they need from the executive branch. The Governor's office will be supportive of and can testify. • The Governor is supportive of the recommendations especially with the commerce piece of this bill, including addressing the Delta-9 hemp issues. 	

	<ul style="list-style-type: none"> • The House has already started the drafting process with Leg. Legal, and the Governors Office will be working with the sponsors to get this bill written. Representative Wright could be sponsoring the bill, or it could be a House Labor & Commerce committee bill. <p>Joan Wilson <i>“I think it’s fair to say, Department of Health is a little concerned about some of the impact of the reduced taxation. But we talked through a number of those things. One thing I did ask them for is, can you please give me a breakdown of how the recidivism fund uses money from marijuana because they were mentioning a number of programs, I had no idea that were going through the Recidivism Fund... So I thought that might be beneficial to this group, since we targeted the Recidivism Fund.”</i></p>	
<p>Capturing online sales, modality for enforcing taxation</p>	<ul style="list-style-type: none"> • Brian Fechter is no longer with the Department of Revenue. Fadil Limani will serve in their place. • Department of Revenue (DoR) is currently developing a taxation model for online alcohol sales by 2024. There is the potential to recreate this for capturing online CBD sales as well. • The Task Force indicates they would like to continue to look at other taxation approaches (e.g. wholesale/proof), in the instance that legal determines the original recommendation does not uphold the commerce clause. 	
<p>Subcommittee discussion</p>	<ul style="list-style-type: none"> • If Task Force members would like to discuss topics to bring back to the Governor’s Advisory Task Force they may meet in groups of 3 or less and not violate the Open Meetings Act. Any amount of the public may contribute. The Task Force member count is what applies to the Open Meetings Act. • Attorney Kevin Higgins informs the Task Force the letter of the Open Meetings Act is once they are more than 3 persons the Task Force is subject to it because you’re holding what is defined as a meeting. The courts, in their jurisprudence, interpret the act strictly and come down hard on meetings that look like they’re set up to get around the requirements of the Open Meetings Act. Any meetings need to be informal to not be in violation of the act. 	

Future recommendations	<p>Leif Abel motions the regulation idea number 8 on his recommendation list. Which references a license endorsement on a cultivation license to allow cultivations to sell directly to the public.</p> <p>Dru Malone seconds this motion.</p> <p>Gary Evans would like the Task Force to discuss issues with transportation regulations and find resolutions.</p> <p>Leif Abel seconds this motion.</p> <p>Rob Carter motions the Task Force to review 3 AAC 306.100 – 3 AAC 306.300 and come back to the next meeting with regulations to be discussed for review.</p> <p>Jana Weltzin seconds motion.</p>	
Adjournment	<p>Meeting adjourned at 12:23pm</p> <p>Next Task Force meeting is scheduled for February 21st, 2023 at 11:00am</p>	<p>Meeting Adjourn at 12:23pm</p> <p>Next meeting is scheduled for February 21st, 2023 at 11:00am</p>

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