

# Governor's Advisory Task Force on Recreational Marijuana

Met Monday @ 11:00am

May 1<sup>st</sup>, 2023

*Members: Brandon Emmett, Gary Evans, Fadil Limani, Sam Hachey, Bryan Scoresby, Dru Malone, Aaron Stiasny, Ryan Tunseth, Jana Weltzin*

*Absent: Leif Abel, Nick Miller, David Pruhs, Joan Wilson*

*Support: Maya Ali & Bailey Stuart*

Agenda Items	Discussion	Decision(s)/Conclusions
<p><b>Agenda approval for May 1<sup>st</sup>, 2023 meeting</b></p> <p><b>Approval of April 17<sup>th</sup>, 2023 meeting minutes</b></p>	<p>Ryan Tunseth motions to approve the May 1<sup>st</sup>, 2023 agenda.</p> <p>Sam Hachey seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p> <p>Sam Hachey motions to approve the April 17<sup>th</sup>, 2023 meeting minutes.</p> <p>Gary Evans seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved. *</p> <p>*See Zoom transcribe for full discussion.</p>	<p><b>The Task Force approved May 1<sup>st</sup>, 2023 meeting agenda.</b></p> <p><b>The Task Force approved April 17<sup>th</sup>, 2023 meeting minutes.</b></p>
<p><b>Public Comment</b></p>	<p>No public comment.</p>	<p><b>No public comment.</b></p>
<p><b>Update on Tax Bill Hearing</b></p>	<ul style="list-style-type: none"> <li>• Ryan Tunseth and Jana Weltzin were invited to testify in the House Labor and Commerce Committee on Wednesday, April 26<sup>th</sup>.</li> <li>• Cody Rice was hired by Representative Cathy Tilton's office to do economic modeling and present before the House Labor and Commerce Committee. Questions that were presented to Cody Rice from the committee were industry specific, such as what drive demand for cannabis trim or flower. Ryan Tunseth was able to answer some of the questions the committee had for Cody in his testimony.</li> <li>• Committee Substitute increased the sales tax from 3% to 10% and</li> </ul>	<p><b>Co-chairs Brandon Emmett and Jana Weltzin are to make the corrective grammatical and final edits of the draft letter addressing suggested changes to HB119.</b></p>

	<p>were adopted by the House Labor and Commerce Committee as the working document. This was done without input from the Task Force.</p> <ul style="list-style-type: none"> <li>• The legislature is having a difficult time conceptualizing the number for the sales tax that is going to bring in new market participants or consumers from the unregulated market.</li> <li>• Ryan Tunseth drafted a letter of short-term fixes after he reviewed the committee substitute. He feels the 10% is too high and feels it should be lower and that there should be some type of discussion about having caps for rural areas that might already be too high so that the industry doesn't run into 25% taxation. He included the request for quarterly tax payments to alleviate tax payment issues cultivators are experiencing and that there appears to be a easy solution with boroughs and municipalities collecting on behalf of the state. Another item he felt should be included is the immediate implementation of the \$12.50 an ounce that provides significant relief and revenue could easily implement. And lastly, that he acknowledges that biannual licensing was added into HB117 language however, this change would be a opportunity for cost reduction and efficiency within the Alcohol Marijuana Control Office (AMCO) office and was supported by the Marijuana Control Board (MCB)</li> <li>• The Task Force would like to see the \$12.50 ounce implemented with a sunset date of January 1<sup>st</sup>, 2028 or sooner if the long term retail tax is implemented prior to 2028.</li> </ul> <p>Ryan Tunseth motions to send the draft letter with Co-chairs Brandon Emmett and Jana Weltzin to do the grammatical and final edits.</p> <p>Aaron Stiassny seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p>	
<p><b>Proposed Changes to 3 AAC 306</b></p>	<ul style="list-style-type: none"> <li>• Gary Evans would like to follow include Sam Hachey draft transportation regulations into the final report including METRC tag changes.</li> <li>• Dru Malone would like to extend the harvest period because it is not cultivator friendly specifically the limited cultivations.</li> </ul>	<p><b>The Task Force would like to draft a letter to the MCB addressing regulatory changes that will facilitate public safety of transport regulations, METRC tag waste that does not provide additional tracking and overlapping</b></p>

	<ul style="list-style-type: none"> <li>• The Task Force discussed recommendations on cannabis waste and the regulations that are currently being used. The waste made by cultivations is mostly non consumable and having to track and destroy something that is not a public safety issue but consumes business resources needs to be changed.</li> </ul> <p>Sam Hachey <i>“For instance, if I’ve got a room that’s in week 5 and I go in and big leaf a room and I’ve got 40lbs of big leaf should I just be able to dispose of that? It has no trichrome coverage. I’m not really sure why I’m tracking it or weighing it or recording it in the system. That’s its kind of a twofold thing I guess. Not necessarily moving the product back. I think it’s a different issue than just removing waste.”</i></p> <p>Aaron Stiassny <i>“I thought there was an interesting topic of conversation on AMIA which was about the ability to take waste and hand off to a processor to make hemp. You know there is some waste is valuable as we know for non-intoxicating reasons. But for, you know, those uses could you have a third party that could have a business that basically gathers wastes from operators and uses it for a raw material. So, I think there are other benefactors of waste. Seafood industry uses waste to, you know, the dog treat companies and stuff so over time maybe the MCB would entertain those operators in it.”</i></p> <ul style="list-style-type: none"> <li>• Ryan Tunseth wants the Task Force to address regulations that the MCB can look at in the June meeting. He feels the MCB already has a lot that they are working on and he feels this letter would be more productive if it is kept simple and focus on transportation issues. And if the Task Force were to get an extension that they could put together a more comprehensive report.</li> <li>• Jana Weltzin would like to add overlapping license premise to the letter. It was addressed in the past by the MCB however, the director at the time carved out restricted access areas which made the regulation unusable. She would like to see this included as to facilitate in the industry being able to use licensed restricted access areas more efficiently.</li> <li>• Brandon Emmett asks the Task Force to compile their bullet points of change and bring it to the next Task Force meeting in preparation of the sunseting of the Task Force on May 30<sup>th</sup>, 2023.</li> </ul>	<p><b>restricted access areas between licenses.</b></p> <p><b>The Task Force will come back to the next meeting with language to being the drafting of the final recommendations.</b></p>
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<b>Request for Task Force Extension</b>	<p>Brandon Emmett motions to give Co-chair Jana Weltzin authority to draft a letter to the Chief of Staff in the Governor’s office Tyson Gallagher and Director of Boards and Commissions Jordon Shilling requesting an extension for the Task Force for a 6-month period of time.</p> <p>Gary Evans seconds motion.</p> <p>Task Force members voted unanimously in favor; motion is approved.</p>	<p><b>The Task Force motioned to give Co-chair Jana Weltzin the authority to draft the letter to request an extension of the Task Force.</b></p>
<b>Adjournment</b>	<p>Meeting adjourned at 12:00pm</p> <p>Next Task Force meeting is scheduled for May 15<sup>th</sup>, 2023 at 11:00am</p> <p>The following and last Task Force meeting will be May 22<sup>nd</sup>, 2023 at 11:00am.</p>	<p><b>Meeting Adjourned at 12:00pm</b></p> <p><b>Next meeting is scheduled for May 15<sup>th</sup>, 2023 at 11:00am</b></p>