

April 20, 2023

To: Honorable Representative Jesse Sumner
Chair: House Labor and Commerce Committee

From: Lloyd H. Stiassny, Owner
Eden Management Group LLC

Re: Support for HB 119

Dear Chair Sumner and Members of the Committee,

I am writing to express my support and full endorsement of the Cannabis Industry taxation bill that has been proposed by the Industry and State task Force, as well as the Alaska Marijuana Industry Association.

This Act as it relates to restructuring cannabis taxation, and how it's imposed on the industry is vital to the continued growth and success of this new and developing industry. Your support for this Act is a natural progression of a maturing industry that is meeting the goals and objectives of the initial passage of Ballot Measure 2 in 2014.

I am the Owner of Eden Management Group, dab, Uncle Herb's and the Alaska Herb Garden a State licensed retail and cultivation business. We have been in business since 2016 and have grown steadily with the industry. Today we have **50 employees**, as we continue to provide meaningful job's for a new generation of Alaskans, and economic diversification for the State of Alaska in a new and dynamic industry. The long term growth of the industry will require continued revisions and adjustments to the initial initiative. The tax revisions proposed in HB 119 will help accomplish this. It will stabilize a struggling cultivation community, and allow for a much stronger tax allocation process for the State. The result will be far less tax delinquencies, better accountability of tax revenue, less administrative cost to manage, and more tax revenue for the State.

Cannabis will become a \$500,000 million dollar industry in the State in the next decade, if not sooner. The jobs, and economic opportunities it will create are diverse. This includes a myriad of support services, suppliers, transportation and freight companies, legal services, Accountants, CPA's, janitorial, construction, and the list goes on. The industry is also creating vibrant economic opportunity in rural Alaska where jobs and economic growth are desperately needed.

The industry deals with substantial Federal barriers including excessive federal tax provisions under 280-E, and the lack of access to banking, and the credit required, for business development and growth generally.

Any reforms that help mitigate the risk(s) inherent in the industry will be very positive for all Cannabis businesses as they struggle with ever increasing, cost(s), and competition. The State of Alaska will be a primary beneficiary.

Your support of HB 119 is an important step toward stabilizing a new and developing industry that will continue to be a vibrant economic engine for job growth and business development Statewide, for many years to come.

Sincerely,

Lloyd H. Stiasny, Owner
Eden Management Group LLC