

**ALASKA STATE LEGISLATURE  
HOUSE JUDICIARY STANDING COMMITTEE**

March 6, 2015

1:02 p.m.

**MEMBERS PRESENT**

Representative Gabrielle LeDoux, Chair  
Representative Bob Lynn  
Representative Matt Claman  
Representative Max Gruenberg

**MEMBERS ABSENT**

Representative Wes Keller, Vice Chair  
Representative Neal Foster  
Representative Charisse Millett

**OTHER LEGISLATORS PRESENT**

Representative Liz Vazquez  
Representative Harriet Drummond

**COMMITTEE CALENDAR**

HOUSE BILL NO. 79

"An Act relating to controlled substances; relating to marijuana; relating to driving motor vehicles when there is an open marijuana container; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 79

SHORT TITLE: MARIJUANA REG;CONT. SUBST;CRIMES;DEFENSES

SPONSOR(S): JUDICIARY

01/26/15	(H)	READ THE FIRST TIME - REFERRALS
01/26/15	(H)	JUD, FIN
01/26/15	(H)	JUD AT 1:00 PM BUTROVICH 205
01/26/15	(H)	Heard & Held
01/26/15	(H)	MINUTE(JUD)
01/28/15	(H)	JUD AT 1:00 PM CAPITOL 120
01/28/15	(H)	Heard & Held
01/28/15	(H)	MINUTE(JUD)
01/30/15	(H)	JUD AT 1:00 PM CAPITOL 120

01/30/15	(H)	-- MEETING CANCELED --
02/02/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/02/15	(H)	-- MEETING CANCELED --
02/06/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/06/15	(H)	Heard & Held
02/06/15	(H)	MINUTE(JUD)
02/09/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/09/15	(H)	-- MEETING CANCELED --
02/11/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/11/15	(H)	Heard & Held
02/11/15	(H)	MINUTE(JUD)
02/13/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/13/15	(H)	Heard & Held
02/13/15	(H)	MINUTE(JUD)
02/16/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/16/15	(H)	-- MEETING CANCELED --
02/18/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/18/15	(H)	Heard & Held
02/18/15	(H)	MINUTE(JUD)
02/20/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/20/15	(H)	Scheduled but Not Heard
02/23/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/23/15	(H)	<Bill Hearing Canceled>
02/25/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/25/15	(H)	Heard & Held
02/25/15	(H)	MINUTE(JUD)
02/27/15	(H)	JUD AT 1:00 PM CAPITOL 120
02/27/15	(H)	<Bill Hearing Canceled>
03/06/15	(H)	JUD AT 1:00 PM CAPITOL 120

**WITNESS REGISTER**

LEE PHELPS, Detective  
Drug Enforcement Unit  
Juneau Police Department (JPD)  
Juneau, Alaska

**POSITION STATEMENT:** Demonstrated various amounts and forms of cannabis regarding HB 79.

KACI SCHROEDER, Assistant Attorney General  
Criminal Division  
Alaska Department of Law (DOL)  
Juneau, Alaska

**POSITION STATEMENT:** During the demonstration of cannabis answered questions regarding CSHB 79.

BRUCE SCHULTE, Board Member

Coalition for Responsible Cannabis Legislation  
Anchorage, Alaska

**POSITION STATEMENT:** As spokesman for the Coalition for Responsible Cannabis Legislation answered questions during the hearing on CSHB 79.

DENNIS CASANOVAS, Major  
Deputy Director  
Central Office  
Division of Alaska State Troopers  
Department of Public Safety  
Anchorage, Alaska

**POSITION STATEMENT:** During the hearing of CSHB 79, answered a question.

REPRESENTATIVE HARRIET DRUMMOND  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing of CSHB 79, asked questions regarding measurements.

#### **ACTION NARRATIVE**

[1:02:00 PM](#)

**CHAIR GABRIELLE LEDOUX** called the House Judiciary Standing Committee meeting to order at 1:00 p.m. Representatives Lynn, Claman, Gruenberg, and LeDoux were present at the call to order. Also in attendance were Representatives Vazquez and Drummond.

#### **HB 79-MARIJUANA REG;CONT. SUBST;CRIMES;DEFENSES**

[1:02:10 PM](#)

CHAIR LEDOUX announced that the only order of business would be HOUSE BILL NO. 79, "An Act relating to controlled substances; relating to marijuana; relating to driving motor vehicles when there is an open marijuana container; and providing for an effective date."

REPRESENTATIVE LEDOUX further announced that the Juneau Police Department (JPD) would demonstrate and offer visuals of various forms of cannabis, and that the committee would not be speaking to the actual bill.

[1:02:26 PM](#)

LEE PHELPS, Detective, Drug Enforcement Unit, Juneau Police Department (JPD), said he was asked to bring marijuana to the committee meeting in different forms and weights. [Throughout his presentation he did not identify which package of cannabis he was referring.] He held up clear baggies that represented: one or more pounds of cannabis; one ounce; one gram; five grams; and seven grams of cannabis.

CHAIR LEDOUX questioned the cost on the street.

DETECTIVE PHELPS replied that one gram of marijuana is roughly \$20, an ounce is roughly \$50-\$60, and one-half pound is roughly \$180-\$240. He advised that many of the prices vary on how well an individual knows the dealer as it is not an industry standard.

[1:05:07 PM](#)

CHAIR LEDOUX asked for clarification that one ounce is roughly \$50-\$60.

DETECTIVE PHELPS answered "I believe so, yes."

CHAIR LEDOUX advised she had heard that in Anchorage an ounce is roughly \$300.

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DETECTIVE PHELPS qualified what he had advised the committee by stating "I don't really deal with marijuana that much. My focus is on heroin, and meth amphetamines." He advised that he spoke with a prisoner in order to understand the different prices. "I am basing this off of what he told me." He reiterated \$20 per gram, \$50-\$60 per one-eighth, \$100-\$120 per one-quarter ounce, \$180-\$240 per one-half pound.

[1:06:16 PM](#)

REPRESENTATIVE LYNN asked how much is legal for an individual to possess.

DETECTIVE PHELPS said he was not sure with the voter initiative and advised that JPD and the Alaska District Attorney's Office (DA) is waiting to see what to do.

CHAIR LEDOUX advised Representative Lynn that it is one ounce.

REPRESENTATIVE LYNN held up a package and asked whether amount in the baggie was legal.'

[NO VERBAL RESPONSE.]

REPRESENTATIVE LYNN asked the cost of marijuana on the street.

DETECTIVE PHELPS responded that he was not sure.

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DETECTIVE PHELPS answered Representative Claman that the cost for one-quarter ounce is approximately \$100-\$120, and one-half is \$180-\$200 ounce.

REPRESENTATIVE CLAMAN opined that in referring to one-half ounces the likelihood of multiplying the one-quarter by four and there would be a range of the price for an ounce.

DETECTIVE PHELPS answered in the affirmative.

REPRESENTATIVE LYNN said he was passed a note that one ounce is approximately \$300 on the street.

DETECTIVE PHELPS offered that Anchorage prices are different than Juneau prices as they vary and that Juneau is more expensive.

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DETECTIVE PHELPS demonstrated a one ounce of hash and a baggie; plus five grams that was representative of hash oil, and stated that JPD destroyed all of their recent evidence. He also presented different pipes to smoke cannabis and hash.

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REPRESENTATIVE CLAMAN asked if the pipes were purchased in stores or seized as property in cases.

DETECTIVE PHELPS said he was demonstrating different pipes that were unused and seized, but no longer evidence.

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REPRESENTATIVE GRUENBERG noted that under Ravin v. State, 537 P.2d 494 (Alaska 1975), an individual is allowed four ounces in their home.

DETECTIVE PHELPS advised that he was not exactly sure.

REPRESENTATIVE CLAMAN stated that Ravin does not actually articulate any quantities, but subsequent legislation articulated that four ounces at home was legal under Ravin.

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REPRESENTATIVE GRUENBERG asked if Ravin is modified downward by the initiative so the legal amount is no longer four ounces but one ounce.

[1:11:24 PM](#)

KACI SCHROEDER, Assistant Attorney General, Criminal Division, Alaska Department of Law (DOL), responded to Representative Gruenberg that she concurs with Representative Claman in that Ravin set a small quantity for personal use in the home. Subsequent to Ravin, the legislature passed a law that said four ounces, and a case after that said "it was reasonable." The law has been changed several times since then and the initiative is currently the law which says one ounce or less, she explained. She further explained that the initiative allows for one ounce of marijuana and six plants for personal use where those plants are grown. She offered that there appears to be no real limit in the home in cultivating and harvesting those six plants.

REPRESENTATIVE GRUENBERG assessed that one ounce applies to processed marijuana rather than the actual leaf.

MS. SCHROEDER said "that is correct," as it is counting plants and weighing the leafy substance.

[1:12:56 PM](#)

CHAIR LEDOUX remarked that it is at least arguable that if a person has more than one ounce of marijuana in their home and no plants, that the individual would be in violation of the law. But, she opined, it is also arguable under the Ravin decision that the individual might not be in violation of the law. She asked if that was a fair statement.

MS. SCHROEDER responded "that is fair."

CHAIR LEDOUX referred to the initiative and stated that clearly whether an individual has the plants or does not have the plants, one ounce or less is legal in an individual's home.

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REPRESENTATIVE CLAMAN noted that it appears Detective Phelps is more involved in heroin and other street drugs, and not so much marijuana. He questioned Detective Phelps if he has expertise in terms of marijuana processes and how it is used in different forms.

DETECTIVE PHELPS said that he spoke with an inmate who advised it takes approximately six ounces of marijuana buds to produce approximately one ounce of hash oil.

REPRESENTATIVE CLAMAN surmised that in terms of his regular work, Detective Phelps is mostly relying on a cooperating witness.

[1:15:10 PM](#)

CHAIR LEDOUX confirmed from Detective Phelps that the liquid provided by him is not really hash oil.

CHAIR LEDOUX asked a person does with [hash oil].

DETECTIVE PHELPS provided that it can be smoked even though it is liquid as it can be mixed with tobacco, or marijuana, or burned on a piece of metal and the fumes smoked.

DETECTIVE PHELPS responded to Chair LeDoux that it can also be used in cooking as the THC content in oils are much higher than marijuana. He advised one gram will last a user between one and three weeks depending upon their tolerance.

[1:16:29 PM](#)

CHAIR LEDOUX referred to concentrates and edibles and asked whether the sample is being used.

REPRESENTATIVE CLAMAN questioned whether the concentration of THC is the same from one oil to the next, or whether it depends upon manufacturing.

DETECTIVE PHELPS responded that the quality of the oil is different with the various concentrations of THC. It depends upon how the THC is being pulled out of the marijuana plant, how much butane or CO<sub>2</sub> is used, how much is vaporized off, and the amount of THC is dependent upon the cook, he explained.

REPRESENTATIVE CLAMAN asked the difference between [hash] oil and hash.

DETECTIVE PHELPS advised he could not speculate.

1:18:25 PM

CHAIR LEDOUX used the example of a cookie that had been around for two-six weeks, whether it loses its potency.

DETECTIVE PHELPS said "I would guess not but I am not 100 percent sure."

1:19:19 PM

BRUCE SCHULTE, Board Member, Coalition for Responsible Cannabis Legislation, responded to Chair LeDoux that the shelf life depends on whether it is an edible or a raw form product. Many marijuana products improve over time as it cures, sometimes for months or a year or more, he said, and edibles will gradually diminish over time depending upon how it is stored. It is a food product so the quality of the food would probably diminish at a greater rate than the potency of the THC within, he noted.

REPRESENTATIVE CLAMAN referred to Mr. Schulte's statement "that it would improve" and questioned whether the value was getting more or less potent.

MR. SCHULTE responded that the potency would not necessarily diminish, but the taste would. He explained that when the plant is harvested there is a brief drying period and then a more extensive curing period. He further explained that during the curing period there are some complex compounds that break down and produce different chemicals that give rise to the distinctive taste and flavor of different strains of marijuana. He noted that the chemical break down can last many months depending upon how it is stored. He then stated that exceptionally high quality products are often cured for several months before they are ready to use and for that reason they are preferred.

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REPRESENTATIVE CLAMAN assessed that it was actually a matter of taste as opposed to potency that he was referring to.

MR. SCHULTE responded in the affirmative and opined that the percentage of THC is fairly consistent for the first several months, but after a few years it would start to diminish due to a breakdown of chemicals.

MR. SCHULTE confirmed to Chair LeDoux that he would expect the potency to go down after a couple of years, whereas the quality of the product infused would degrade far more rapidly than the potency of the infusion itself.

1:22:06 PM

CHAIR LEDOUX questioned whether infusion is different than baking.

MR. SCHULTE answered "No," it is a different terminology for the same process. He offered that he thinks of infusion as a broader, more general term that encompasses different processes, and not necessarily baking.

1:22:29 PM

CHAIR LEDOUX noted her suspicion that when an individual bakes a brownies, or cookies, that they put marijuana in as a spice. She held up a sample and questioned whether there would be a needle that infused the sample into the already manufactured Hershey or Snickers bar.

MR. SCHULTE related that if they were making a chocolate bar, the manufacturer would have heated chocolate that would then be mixed with some quantity of hash oil to achieve the desired level of potency, which would then be poured into molds and allowed to cool. He explained that it is very sensitive to heat so manufacturers are careful to control the temperature as heat is a key factor in producing edibles.

CHAIR LEDOUX surmised that a person would not take an already manufactured Milky Way, Snickers or Baby Ruth and stick a needle into it and infuse it with marijuana.

MR. SCHULTE said that it involves both a process and a philosophy. He stated he would not envision an existing edible

product being simply injected with hash oil as it would probably taste disgusting. In terms of philosophy, he remarked, there has been much discussion regarding adulterated products in taking existing food products with a familiar form and simply infusing it with THC. He related that it is not something his group supports due to the potential confusion over infused versus not infused products.

[1:24:41 PM](#)

CHAIR LEDOUX confirmed that while Mr. Schulte's group does not support it, theoretically as a process could be done.

MR. SCHULTE answered that she is correct, and his group saw in Colorado where some businesses were taking familiar products and either infusing them or coating them with a mixture that included THC. He noted that the process received negative press and lead to some confusion on edibles in a direction he would not like to see continue.

CHAIR LEDOUX asked whether the people were sued by the product manufacturers that had the original unadulterated products.

MR. SCHULTE said he did not know for certain, but imagined the companies were gearing up to do just that. He stated there was much public outcry against that practice and opined that it has been all but curtailed. Certainly from a regulatory perspective, that is something his group is hoping will not happen in Alaska, he further opined.

CHAIR LEDOUX noted that it probably didn't taste very good.

[1:26:12 PM](#)

REPRESENTATIVE GRUENBERG asked if infusion is allowed under the initiative and bills.

MS. SCHROEDER responded that infusion is not specifically mentioned in the initiative, but there is nothing prohibiting it as it reads that a person can manufacture marijuana products. She said she would have to look at the definition of products and accessories, but infusion would be decided on a regulatory basis.

REPRESENTATIVE GRUENBERG requested an answer in the future as to whether it is prohibited, and whether it should be prohibited.

CHAIR LEDOUX advised that Ms. Schroeder's answer stated it is not prohibitive.

MS. SHROEDER responded to Representative Gruenberg that she would have to look at the definitions to determine how broad it is and believes it is very broad. She advised there is nothing that prohibits it specifically.

REPRESENTATIVE GRUENBERG asked for clarification that with a broad definition it would not be prohibited. In the event, it is not prohibited, he related that he would like advice as to whether the law should or should not prohibit it.

[1:28:28 PM](#)

MR. SCHULTE opined that infusion into the production of edible products is absolutely contemplated and allowed under the terms of the initiative. That being said, he offered, he wholeheartedly agrees that it should be allowed as the manner of consumption of marijuana has evolved quite a bit. Hash was a rarity and hash oil was almost non-existent [approximately 30 years ago]. These days, he pointed out, a significant portion of the consumer base is edibles, oils, and tinctures. He remarked he had spoken with medical patients who could not smoke the products and consumed it to keep their appetite up and maintain their body weight. He further pointed out that the market and habits of consumption are skewed toward edibles and concentrates.

REPRESENTATIVE GRUENBERG questioned his testimony in that Detective Phelps had said that people thought infusion should be prohibited.

MR. SCHULTE replied that previously he was referring to the secondary application of THC to an existing familiar product, such as, gummy bears.

REPRESENTATIVE GRUENBERG asked for clarification that Detective Phelps was speaking about one specific type of process, whether that type of process is now allowed under the initiative, and if it is, should that limit the type of infusion prohibited.

MR. SCHULTE submitted that the adulteration of existing familiar products specifically, those that are child friendly, should be banned.

[1:31:12 PM](#)

REPRESENTATIVE GRUENBERG questioned if it was permissible to do that under the initiative.

MR. SCHULTE responded "I believe it is."

REPRESENTATIVE GRUENBERG offered to pursue that issue.

MR. SCHULTE reiterated that he was not speaking of all edibles, just the very narrow issue of potential safety of minors.

REPRESENTATIVE GRUENBERG said he would ascertain whether that was allowed under the initiative.

[1:31:42 PM](#)

CHAIR LEDOUX asked what type of infusion would be banned under the initiative.

MR. SCHULTE opined that the initiative allows for reasonable limits on packaging, which constitutes packaging. In hoping for a responsible industry, he agreed that nothing should be packaged that unnecessarily invites children that could lead to misuse by those under 21.

CHAIR LEDOUX stated that there must be laws on the books regarding adulterating an existing product. She further stated that someone cannot take a candy bar, and without the manufacturer's permission, infuse it with vodka or gin. She remarked there are other health and safety laws that probably, with the federal or state government, prohibit those actions already.

MR. SCHULTE replied that he could not agree more and, if someone [adulterated] existing products he would expect them to receive a letter from a lawyer in short order.

MS. SCHROEDER responded to Chair LeDoux that the question is outside of criminal contacts, although it sounded reasonable and she agreed with Mr. Schulte.

[1:33:44 PM](#)

REPRESENTATIVE CLAMAN observed that there was a distinction regarding criminal statutes having to do with possession versus what may be a regulatory matter. He asked what information should be listed on the labels on the packaging and offered a

scenario of a person that is allowed to have one ounce of hash oil in their house invites their friends over to dip gummy bears in the hash oil to eat. He further asked whether the person is protected under the statute because a person is allowed to do what they like at home, rather than someone infusing Hershey bars that are put in a Hershey bar wrapper and sold in a marijuana store. He said it is a different topic than what people may choose to do in their homes with quantities of marijuana or marijuana derivatives wherein they are allowed to do "pretty much" what they want to even though it might taste bad.

MR. SCHULTE responded that he agrees they are different considerations in whether it is criminal or regulatory. He opined the initiative clearly envisions a commercial industry operating under reasonable guidelines of packaging and labeling, which his group wholeheartedly endorses. In turn, it makes provisions for cultivation and possession in a person's home. He related that the initiative is largely silent as to what one does with those products in their home. He surmised that the Libertarian in him would probably agree that is the individual's right as long as they are not endangering children, but it is beyond his legal expertise, he said, and the scope of the initiative. He agreed they are different issues and is not sure what the proper answer would be.

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REPRESENTATIVE GRUENBERG asked when Detective Phelps stops a car due to suspicion of the person being under the influence of marijuana, whether that gives him a right to search the entire car without a warrant.

DETECTIVE PHELPS responded that when a person is pulled over law enforcement does not know what substance causing impairment, just possibly the person is too impaired to be driving. Speaking with the person helps them to ascertain whether it is alcohol, a medical condition, or something else. He related that when a person is arrested for being under the influence of marijuana, law enforcement can search the car because it would be a search incident to arrest.

DETECTIVE PHELPS responded to Representative Gruenberg that law enforcement could not search the trunk of the car, just the person's immediate surroundings otherwise it would require a warrant.

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MS. SCHROEDER replied to Representative Gruenberg that Detective Phelps and law enforcement are on the ground doing this every day and his testimony sounded correct but she would check. She noted there is a larger expectation of privacy in one's trunk than in the body of the car, and there is a safety in the wing space within a person's reach.

REPRESENTATIVE GRUENBERG said over the years there has been "second generation" legislation in that questions have to be answered after the initial legislation, one of which generically, is the scope of the search. He requested something in writing on the marijuana samples before the committee, and what may be different with other drugs and alcohol. He opined it may be similar to other drugs but there will be more people smoking and using.

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MS. SCHROEDER responded that the initiative does not change how the state would investigate or prosecute driving under the influence as far as search and seizure laws so it would all be the same.

REPRESENTATIVE GRUENBERG questioned paraphernalia possession.

MS. SCHROEDER explained that under the initiative, possession of paraphernalia alone is not a crime.

REPRESENTATIVE GRUENBERG surmised there is no probable cause.

MS. SCHROEDER responded "Right."

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CHAIR LEDOUX asked Dennis Casanovas, Alaska State Troopers, if he agreed with the responses from Detective Phelps and Ms. Schroeder.

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DENNIS CASANOVAS, Major, Deputy Director, Central Office, Division of Alaska State Troopers, Department of Public Safety, said he does not disagree with the testimony thus far.

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CHAIR LEDOUX referred to the explosiveness of butane and hash oil and asked whether hash oil is particularly explosive, or more explosive than cooking oil or any other oil.

MR. SCHULTE responded that hash oil itself is not explosive as it is a fairly benign product. He opined that the confusion could be related to the reference of butane hash oil, which refers to the oil product and one of many processes used to extract it. He pointed out that butane misused is a volatile and explosive gas, as in aviation fuel, or propane as all are potentially dangerous. The hash oil itself, properly extracted and purged of residual butane is not at all volatile.

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REPRESENTATIVE GRUENBERG referred to a "cheat sheet" in the committee member's packet and asked why a person would add butane to hash oil.

MR. SCHULTZ responded that a person would not deliberately add butane to hash oil, but residual amounts of butane can end up in the hash oil. He said there is a process of purging butane by warming it slightly or putting it in a vacuum chamber to allow it to off gas and rid it of residual butane. He pointed out that in a commercial environment many operators do not use butane at all and instead use high pressure CO<sub>2</sub> in a close loop extraction system.

REPRESENTATIVE GRUENBERG asked for clarification that the use of butane does not make it particularly more explosive.

MR. SCHULTE replied that the use of butane in the extraction process does not necessarily make the oil volatile because the residual amounts of butane are measurable but almost negligible. It is the process of extract that has proven to be hazardous and should be discouraged, he explained.

[1:45:33 PM](#)

MR. SCHULTE responded to Chair LeDoux that butane is used for lighters and there are probably other uses for compressed butane that he is not aware of.

CHAIR LEDOUX said in these other uses of butane whether butane is dangerous in other processes.

MR. SCHULTE answered that the use of butane with marijuana is potentially hazardous because it is done inside with normal lighting, light switches, and cell phones, of which all are ignition sources and potentially very dangerous. He contends the best way to diminish that practice is to ensure there is a retail industry where a person could simply go to the store and buy [hash oil] that is extracted by trained professionals in a suitable environment using safe equipment at a much lower price and a better product. Ultimately, he opined, that is the way to really get at the problem of inadvertent fires from butane hash oil extraction.

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REPRESENTATIVE GRUENBERG questioned if it would also be getting into the area of negligent burning.

MS. SCHROEDER replied that if a person was to do something in an unsafe manner that caused property damage or harm to other people they would be subject to a whole slew of potential criminal charges. She said it would be hard to narrow down exactly which ones they would be charged with as it would be very fact specific.

[1:48:20 PM](#)

CHAIR LEDOUX noted that the possibility of a \$300 fine probably isn't going to be the thing which tells the person "I can't do it, we've got a \$300 fine to worry about," when there is the possibility of blowing up a person's house, blowing the person up, and blowing children up. Obviously, she further noted, it would be a good idea to discourage people from attempting the butane method through education and another [extraction] method. She was not sure that a fine would be the dispositive thing in someone's consideration.

CHAIR LEDOUX asked the difference between hash and flowers.

MR. SHULTE responded that he had passed around a small jar with hash in it.

CHAIR LEDOUX asked if his sample of hash oil was the normal smell of hash as it smelled cinnamon-y and smelled good.

MR. SCHULTE noted that hash oil has a very distinctive smell and he placed a sample of dried flowers and hash oil before him in parallel. He explained that the two concentrated forms, hash

and hash oil, are derived from the flowers by using different processes and in each case sometimes several processes are available. The flower itself is organic and there are small resin glands on the surface of a mature female plant which contains THC bearing resins. The goal of both concentrates, he remarked, is to extract the THC bearing resins from the rest of the organic material and used the analogy of separating the wheat from the chaff.

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CHAIR LEDOUX questioned whether a person purchases a male or a female plant.

MR. SCHULTE responded that the female plant is the plant that produces the desirable resin glands, and male plants are used for no purpose other than pollenating the female plants. In fact, he explained, most commercial settings do not want the female plant pollenated because when it is not pollenated it will produce more resins. When the female plant produces resin it is a reproductive response in that the female is trying to effect pollen from the males and if there are no males around it goes "nuts" in producing resin until it is finally chopped down and harvested. He described that the males are typically ripped up and thrown away and that it is possible to produce only female plants. In a commercial setting if a person has 100 plants and has ensured that they are all female, a way of promulgating them is to take cutting from those plants, root them, and generate more plants. The cuttings largely have the same genetic characteristics as the original plant, therefore, they are all females. He remarked the only time a person would want a male plant is if they are in the process of developing strains wherein they want to generate seeds and spawn a new crop by genetically combining two different strains. A good example is the medicinal strain called "Charlotte's Web" which contains CBD (Cannabidiol) that has proven to be beneficial regarding epilepsy. He noted that some marijuana strains are high in THC and some are high in CBD. He explained that THC is a psychoactive component and CBD is the more medicinal component. He pointed out that the initiative allows for businesses such as that and he could envision hard core horticulturists finding the market in Alaska to develop new strains. The female plant holds very tiny crystals which, he described, are the resin glands which by now have been dried and cured slightly. He noted that when the flowers are put into a bucket of ice it causes the resin glands to be brittle which tend to be heavier than the rest of the organic material. The resin glands then drop to the

bottom where they are filtered off and dried. He offered that his sample is called ice water hash.

[1:55:10 PM](#)

CHAIR LEDOUX questioned whether that it is a much safer process than butane.

MR. SCHULTE agreed but, he said, butane would be used to extract hash oil which is why he put the flowers and hash parallel as they are similar chemically, but not the same product at all. A person might use ice water or dry ice to isolate the crystals to produce hash or use another solvent like butane or CO<sub>2</sub> to basically wash the crystals from the leaf and produce hash oil. With regard to Representative Claman's earlier question, he replied that one would use quantities of the sample to produce edible products, although a person can use hash as well. The sample could be mixed in with butter to produce baked products because it is free of organic material and is not all the leaf and cellular structure associated with the sample.

[1:56:10 PM](#)

MR. SCHULTE responded to Chair LeDoux that the sample is actually fat soluble so if it is put in butter, it will dissolve.

CHAIR LEDOUX pointed to the initiative which refers to one ounce and questioned whether the "green stuff" was measured in volume ounce or a weight ounce, and asked whether the liquid is measured by weight or a liquid measurement.

MR. SCHULTE stated "I'm not sure," typically an ounce of flowers and a couple grams of hash would be by weight, but he was not certain.

[1:57:33 PM](#)

MS. SCHROEDER responded to Chair LeDoux that the initiative does not distinguish between liquids and solids and how marijuana is supposed to be weighed. Under the state's current drug offenses, most of the things that are liquid are classified so high that they are not measured by any amount. For instance, she said, it is against the law to have any amount of certain things and liquids generally fall into that category. Law enforcement is not doing a lot of weighing of liquids which is why there is a question as to how hash oil should be weighed.

She offered that the most common way things are weighed right now is by mass.

REPRESENTATIVE GRUENBERG said he thought an ounce, pound, grams and kilograms are measurements by weight, whereas when discussing volumes it could be a teaspoon or tablespoon, cup, gallon and so forth. He questioned whether the law uses that type of measurement of "an ounce" to measure liquids.

MS SCHROEDER reiterated that most liquids fall into the "any amount" provision so it does not have to be weighed.

REPRESENTATIVE GRUENBERG remarked that the use of the term ounce would normally be a measurement of weight.

MR. SHULTE hesitated to offer a definitive answer due to the difference between a measured ounce and a fluid ounce. He said he will research the issue and come up with a more definitive distinction.

[2:00:03 PM](#)

CHAIR LEDOUX agreed with Representative Lynn in that within pending marijuana legislation a committee should put definitions into the language.

REPRESENTATIVE GRUENBERG said things like fuel are taxed a certain amount per gallon.

[2:01:21 PM](#)

REPRESENTATIVE CLAMAN opined that within the Federal Criminal Code and possibly the Alaska Criminal Code that it is weighed by mass and not by volume as the mass is easier to be consistent. He stated that after researching the issue, if it turns out that weight is not determined by mass as opposed to volume it should be fixed.

CHAIR LEDOUX asked how much an ounce of hash oil in a liquid measuring cup would weigh.

[2:03:02 PM](#)

REPRESENTATIVE HARRIET DRUMMOND, Alaska State Legislature, related that one liquid cup has eight ounces of liquid, and an ounce of water does not weigh an ounce when put on a scale because a liquid ounce is different from a mass ounce. She

opined that marijuana and its derivatives are measured by THC and CBD content.

MR. SCHULTE offered that in commerce the percentage of THC is rarely discussed, although in Colorado they do label various products for the percentage of THC. He said that a person would not conduct a transaction other than secondarily as certain products may be higher in one than the other and it may be a different price.

CHAIR LEDOUX stated that beer has a different alcohol content than does vodka or whiskey, but still the transaction is not offered in alcohol content.

REPRESENTATIVE DRUMMOND related that some states have "near beer" with a very low alcohol content, and noted there is plenty of beer with a higher alcohol content that begins to approach hard liquor.

[2:05:36 PM](#)

REPRESENTATIVE GRUENBERG pointed to AS 45.75.190 and advised it is a chapter in the Weights and Measures Act that specifically discusses methods of sale of commodities and how that should be measured.

CHAIR LEDOUX reiterated that Representative Lynn is correct in that this area requires clarification and it is this committee's job to determine how to sensibly clarify it.

REPRESENTATIVE CLAMAN said that one gram of water is one milliliter of water in the metric system so one liter of water, which is 1,000 milliliters of water weighs one kilogram and a liter is almost the same as a quart. Therefore, if you weighed a water bottle and deducted the weight of the bottle it would weigh approximately 2.2 pounds and roughly 250 grams of water equals one cup.

[2:07:48 PM](#)

MR. SHULTE offered that airplane fuel is measured by pounds and not by the weight because the volume varies with atmospheric conditions. For purposes of this discussion, there are only two scenarios where this will come into play, personal possession and commercial production. When it comes to personal possession the question may arise whether the person has an ounce of hash oil or 1.5 ounces of hash oil. The other circumstance would be

at a commercial setting where there may be several gallons of hash oil because they are producing large quantities of edible products. He noted it is not a criminal issue and more of a matter of commerce. He agreed it as an issue that should be nailed down but in practice it actually impacts this discussion only in a very narrow circumstance.

CHAIR LEDOUX voiced her concern for the law enforcement officer who is thinking of arresting a person based upon a certain amount of hash oil as it would be a good idea to make sure everyone knows the rules before engaging in the practice.

[2:10:19 PM](#)

REPRESENTATIVE DRUMMOND referred to the "cheat sheet" and asked the definition of "keef" and how is it different from hash.

MR. SHULTE responded that keef is a slang term which refers to the accumulated resin glands known in botanical circles as tricombs which are not unique to the cannabis plant as many plants produce them. The tiny resinous tricombs can be extracted through various means, ice water and/or dry ice processes. He advised if he was to take a mature marijuana plant with crystals and glands on it and hang it upside down, and shake it, the tricombs that fall out onto the table is keef. If a person gathers them up into a little pile and compress it, it becomes hash.

REPRESENTATIVE DRUMMOND asked whether [the tricombs] falling off the mature but fresh plant would have a different characteristic than after it has been dried, or is drying part of the process, she questioned.

MR. SHULTE related that keef and hash really do not change that much even though they do cure. He explained there is a chemical breakdown of various products within and that the taste and smell changes over time. He referred to the dried sample in front of him and said that due to the way it was extracted, it was very wet and damp and had to dry for a time and if a person uses dry ice as an alternative it dries in a matter of hours.

[2:12:21 PM](#)

REPRESENTATIVE DRUMMOND clarified that hash doesn't really dry out because it is oil soluble so it is oily.

MR. SHULTE responded that it largely does dry but remains pliable and not very sticky, yet when on the plant it is very sticky but does dry out a bit. He described it as dense clay but a little drier, like clay and sand together. He showed an example of a tincture and advised it is fairly popular amongst medicinal users. A medicinal user can take very concentrated hash oil and dilute it with an alcohol and the tincture can then be sprayed or dropped into a beverage, he explained.

MR. SHULTE responded to Chair LeDoux that it could be used recreationally as well.

[2:13:38 PM](#)

MR. SHULTE responded to Chair LeDoux that the alcohol he referred to was like rubbing alcohol, and very small amounts. Definitely not rum or whiskey and, he expressed, he is not suggesting for a moment to combine marijuana products with anything bought at a package liquor store as it is more of a laboratory process.

CHAIR LEDOUX described the tincture as a spray as in putting on perfume.

MR. SHULTE said that it is an atomizer.

[2:14:42 PM](#)

REPRESENTATIVE CLAMAN referred to keef and asked whether it is also called shake and bud.

MR. SHULTE said "not exactly," and referred to samples in front of him of which was the core of a flower of a mature plant with dense leaf structure and all of the reproduction components of the plant. He described that shake is all of the leaf that falls off of the plant and is much lower in potency. In order of potency per unit weight there is shake, bud, and hash in ascending order of potency. Although, he said, if the sample was crushed and shaken eventually there would be a small layer of what appeared to be sand which would be keef.

[2:15:51 PM](#)

MR. SCHULTE said he referred earlier to the different forms of consumption and the various samples were bud, leaf, hash and hash oil, [and tincture]. He explained that the consumption of hash oil includes using it in edibles or smoking the oil. A

person could put a few drops on a joint or on a cigarette to give it a burnable medium.

MR. SCHULTE responded to Chair LeDoux that hash oil could be put on a marijuana cigarette or a tobacco cigarette. He then referred to tobacco E-cigarettes as being the same technology for marijuana consumers. He demonstrated a battery pack from one such device and said it is notable in two ways in that it has become a more common method of consumption, and has very little residual smoke and uses a diluted form of hash oil as the combustible material. He remarked that he brought it up due to public consumption being allowed in specific designated areas and businesses. He said it is valuable to consider that E-cigarettes are a growing method of consumption in the marijuana community.

2:18:05 PM

CHAIR LEDOUX opined that with regard to smoking marijuana, unless a person takes a drag, inhales it, and pulls it into their lungs that it doesn't really accomplish its goal. She questioned how the E-cigarette vaporizer does any good.

MR. SCHULTE answered that the terminology is misleading in that it is a vaporizer in the sense that it takes the material, heats it rapidly to several hundred degrees and vaporizes the oil which the person does inhale.

CHAIR LEDOUX quiered that the person would still have to breathe deeply and have it in their lungs.

MR. SCHULTE responded "Yes," in that scenario, whereas with a tincture a person could spray it on their tongue.

2:19:24 PM

REPRESENTATIVE CLAMAN referred to the battery pack and advised is called "vaping," and that a criticisms of vaping is the chemicals used in the fluid. He noted that little is known and vaping is unregulated, so there is an issue of what a person is actually inhaling.

MR. SCHULTE answered that his question relates to more than the marijuana industry as E-cigarettes have lead the way in that regard. Mr. Schulte agreed that there are questions about secondary products, the catalyst, or the vehicle used to deliver

the oil. He offered that he is not an expert in the devices but could research the issue.

REPRESENTATIVE CLAMAN noted if there was a marijuana control board that vaping may be an appropriate subject for regulation.

MR. SCHULTE agreed that it should be addressed in regulation.

[2:21:28 PM](#)

REPRESENTATIVE LYNN referred to Mr. Schulte's wealth of knowledge and asked whether he took a class to become so knowledgeable.

MR. SCHULTE related that he is not a large consumer in that his work makes it impractical because he is drug tested, and stated that he has friends and he has performed research.

[2:22:31 PM](#)

REPRESENTATIVE GRUENBERG noted that Alaskans are willing to discuss things that in earlier years were controversial.

[2:23:29 PM](#)

REPRESENTATIVE CLAMAN referred to "black market" marijuana as opposed to legal market marijuana and questioned whether Mr. Schulte had any suggestions or recommendations that would make the transition from a black market to a legal market for marijuana.

MS. SCHULTE said his group shares the goal of taking an existing \$100 million industry in Alaska and moving it to a legitimate business model. In order to encourage that process Alaska should have a regulatory structure that appropriately addresses public safety and health, but is not so onerous that it keeps people out of the industry. The goal is to encourage the casual participant grower or seller to obtain a permit, file tax returns and pay excise tax. Keeping things reasonable simple, he noted, is a huge part of it, plus keeping the cost down. The initiative identifies a \$50 excise tax and, he remarked, this industry should not be subsidized by the state. He opined that it can be self-supporting and hopes that the application fees and permit fees, and so forth, are kept to a reasonable minimum. In that regard, the legitimate industry would want to participate and it can compete effectively with the black market. He described it as a fine balance and noted that it may

have to be evaluated through trial and error. He referred to the IRS rules and banking rules, and so forth, and advised that all of those things taken together could make this business viable ... a business plan around this industry will diminish the black market. He reiterated that it may take several years but if the state makes it attractive to legitimate businesses the state will see a huge reduction of the black market.

[2:26:13 PM](#)

CHAIR LEDOUX asked whether Mr. Schulte had any idea where the banking industry is right now [on the marijuana issue], and whether there has there been any movement on that level. [Her concern] is that the state will continue to see an industry dealing solely in cash because it can't put its money in a bank.

MR. SCHULTE responded that federally it is a problem as federally insured banks have problems handling anything related to marijuana. He remarked that his group is hopeful the federal government will reschedule marijuana as that would positively affect many federal laws around banking rules, IRS rules, and so forth.

CHAIR LEDOUX noted there is nothing the state legislature can do.

MR. SCHULTE agreed and offered that Colorado has a state sponsored bank model that is either being implemented or very close to implementing.

CHAIR LEDOUX opined that Alaska has the Alaska Commercial Fisheries and Agriculture Bank (CFAB), and marijuana could be viewed as agriculture.

[2:28:06 PM](#)

REPRESENTATIVE GRUENBERG stated North Dakota is the first and only state to have an official state bank owned by the state government. He opined that Hawaii is looking into doing the same thing, and that Representative Kawasaki is looking into it in Alaska. He remarked that this committee or another committee should have a hearing to see what can be done.

CHAIR LEDOUX said she found the initiative process and committee process interesting in that the legislature's feelings have run the gamut. Even so, she noted, there has been no effort made to torpedo the process. She opined that everyone believes the

legislature must acknowledge the will of the people, and the people have spoken, and she related she is thankful for her colleagues.

[HB 79 was held over.]

2:30:26 PM

**ADJOURNMENT**

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 2:30 p.m.