

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

March 4, 2015

3:18 p.m.

MEMBERS PRESENT

Representative Shelley Hughes, Vice Chair
Representative Gabrielle LeDoux
Representative Cathy Tilton
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Kurt Olson, Chair
Representative Jim Colver
Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 123

"An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 123

SHORT TITLE: ESTABLISH MARIJUANA CONTROL BOARD

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/23/15	(H)	READ THE FIRST TIME - REFERRALS
02/23/15	(H)	L&C, JUD, FIN
03/04/15	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

MICHAELA FOWLER, Legislative Liaison
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 123.

CYNTHIA FRANKLIN, Executive Director
Alcoholic Beverage Control Board (ABC Board)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
HB 123.

CHRISTOPHER M. KENNEDY, Deputy Chief - Administrative Law Judge
Office of Administration Hearings (OAH)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
HB 123.

ACTION NARRATIVE

[3:18:30 PM](#)

VICE CHAIR SHELLEY HUGHES called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Kito, LeDoux, Tilton, Josephson, and Hughes were present at the call to order.

HB 123-ESTABLISH MARIJUANA CONTROL BOARD

[3:18:57 PM](#)

VICE CHAIR HUGHES announced that the only order of business would be HOUSE BILL NO. 123, "An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date."

[3:19:25 PM](#)

MICHAELA FOWLER, Legislative Liaison, Department of Commerce, Community & Economic Development (DCCED), on behalf of the administration, stated that HB 123 is the governor's bill to create the Marijuana Control Board (MCB). She explained that following passage of Ballot Measure 2 in November 2014, the administration began exploring different regulatory structures that might be appropriate for regulating marijuana. The initiative specified that the legislature has the authority to create a separate control agency for marijuana, but if the legislature does not create a control board, it will default to

the Alcoholic Beverage Control Board ("ABC Board"). Initially, the administration favored creating a separate marijuana board, but logistically and economically it did not make sense to set up a new agency and board. Further, the administration did not favor having the ABC Board as the only board regulating marijuana so it developed a hybrid solution. Under the hybrid solution, the Alcoholic Beverage Control Board (ABC Board) agency would support two boards: the Marijuana Control Board and the ABC Board.

[3:20:58 PM](#)

MS. FOWLER offered that the hybrid proposal would allow the administration to use the experience of the ABC Board's staff, in particular, its enforcement staff, while reducing set up costs associated with setting up an entire new entity, while achieving the intent of the initiative and meeting the statutory deadlines set out within the initiative. The majority of the bill parallels statutes that set up the Alcoholic Beverage Control Board (ABC Board), with changes to reflect the substance being regulated and the Title 4 [Alcoholic Beverages], working group product including suggestions from over 60 stakeholders who participated in a multi-year process.

[3:21:53 PM](#)

MS. FOWLER provided a section-by-section analysis of the bill. Section 1 would amend Title 4, name the director of the Alcoholic Beverage Control Board (ABC Board) as the director of the Marijuana Control Board (MCB), and establish the process for appointment and removal of the director.

[3:22:15 PM](#)

REPRESENTATIVE LEDOUX asked for the rationale for changing who may remove the director from the governor to the board.

MS. FOWLER answered that currently the Alcoholic Beverage Control Board (ABC Board), and not the governor, can remove the director. This language would amend it so both boards will have a say since the same executive director will serve both boards.

[3:22:50 PM](#)

REPRESENTATIVE KITO asked what would happen if one board votes to remove the executive director, but the other board does not concur.

MS. FOWLER answered that the other board would have to concur. She explained that each board would separately need to have a majority vote to remove the executive director. If one voted for and the other one voted against removal, it would result in a situation where the director will remain. In response to Representative LeDoux, she directed attention to Section 4, page 5, line 5, Section 17.38.085, of the bill and read, "The board may remove the director by majority vote of the full membership" She said this language is reiterated in Section 1, [AS 04.06.070] which allows the Marijuana Control Board (MCB) to remove the director by a majority vote of the full membership of the ABC Board and a majority of the full membership of the MCB. She explained that the executive director position falls in two titles so it was necessary to address the removal of the director in each title.

[3:25:07 PM](#)

MS. FOWLER continued with the section-by-section analysis. Section 2 would establish a five-member Marijuana Control Board (MCB) in Title 17 with designated seats for public health, rural, public safety, and industry. She said that this language reflects the way the administration wishes alcohol was regulated, but it does not represent the way the ABC Board is currently structured since the ABC Board does not have any requirement for a public health or public safety member to serve on the board. She indicated that the administration believes it the emerging marijuana industry should have both of those representatives on the board.

[3:25:50 PM](#)

MS. FOWLER stated that Section 3 establishes terms of office for board members and the chair, set out requirements for board meetings, and provide for board member per diem. Section 3 also outlines the powers and duties of the board to propose and adopt regulations, establish qualifications for licensure, review applications for licensure, hear appeals from the actions of the director, reduce the area of a licensed premise, and adopt regulations according to AS 44.63. This section would also establish the board's enforcement powers by mirroring those of the Alcoholic Beverage Control Board outlined in AS 04.06.110, as well as providing for appointment and removal of the director and establishes the duties of the director.

[3:26:32 PM](#)

MS. FOWLER stated that Section 4 would define the board in AS 17.38.900(1) to mean the Marijuana Control Board (MCB) created by this act, and Section 5 defines "director" as the director of the Alcoholic Beverage Control Board (ABC Board) and Marijuana Control Board (MCB). She clarified that it would also define "registration" to mean registration or licensure as determined by regulation.

MS. FOWLER related that Section 6 would amend the duties of the Department of Commerce, Community, and Economic Development (DCCED) to include provisions for clerical and administrative support for the Marijuana Control Board (ABC Board) which mirrors the language in the ABC Board.

[3:27:10 PM](#)

MS. FOWLER stated that Section 7 would amend uncodified law for initial appointment of the MCB board members, and Section 8 would provide for transition on regulations such that if the Alcoholic Beverage Control Board (ABC Board) adopts any regulations before the Marijuana Control Board (MCB) was created, those regulations can be implemented, enforced, amended or repealed by the Marijuana Control Board (MCB) and it further provides that regulations adopted by the board in any transition period will take effect after the effective date of the act. Finally, Section 9 would provide for an immediate effective date.

[3:27:50 PM](#)

REPRESENTATIVE KITO directed attention to Section 2 to the membership composition of the board. He noted the requirement for two industry members with experience in the industry within the previous five years. Since the state does not currently have an industry, he wondered how that could occur.

MS. FOWLER answered that the intent would be to fill those positions by selecting people who have been active in passage of the initiative or have been lobbying on behalf of the marijuana industry. She envisioned the department would need to take a very broad perspective when filling the positions; however, the department does not mean this language will pertain to people who have been involved in the illegal marijuana industry in the past five years.

[3:28:49 PM](#)

REPRESENTATIVE KITO said he saw a distinction between people advocating for an interest and those with an active role in overseeing a business. He expressed concern that board members must develop regulations to regulate businesses but if they lack the expertise to do so, the regulations might not accurately protect public health and safety.

VICE CHAIR HUGHES related her understanding that Alaska is the only state with two industry people serving on the alcoholic beverage control board since most states do not have any industry participation, with the exception of one state having one industry board member. She asked for confirmation of this.

[3:30:05 PM](#)

CYNTHIA FRANKLIN, Executive Director, Alcoholic Beverage Control Board (ABC Board), Department of Commerce, Community & Economic Development (DCCED), acknowledged that it was true that Alaska's board is unique; however, the way in which different states regulate alcohol is quite varied. Fifteen states are control states, in which the states sell the alcohol so one could argue the entire board is in the industry. A few other states have "all-volunteer" boards similar to Alaska's board. The way this bill was written, up to two members could be employed by industry; however, there isn't any requirement for industry representation, just a limit on the total number of people that can have that industry connection, she said. If there were fewer than two industry people, these members would be replaced with general public members. Since one board member will serve a one-year term, the boards and commissions office could address Representative Kito's concern that industry has not yet been established by appointing someone who has been advocating on behalf of the industry to serve a "bridge" industry member into the one-year seat. The seat could later be filled once an industry person was identified, she said.

[3:32:50 PM](#)

VICE CHAIR HUGHES asked whether other states who have a marijuana industry have board compositions similar to what is being proposed in HB 123.

MS. FRANKLIN answered that Colorado does not have a board, but has a Division of Marijuana Enforcement within its Department of Revenue comprised of state employees. The Washington State Liquor Control Board regulates marijuana, but it doesn't

regulate liquor, although the state was initially a control state until the state privatized the industry and dismantled the board's regulatory authority over alcohol several years ago. She elaborated that Washington's board members are state employees who conduct three board meetings per week, and Oregon is a control state, with state employee [commission] members, without any local option with respect to marijuana. The Oregon initiative gave control to its Oregon Liquor Control [Commission] without an option for the legislature to create a separate board. She was unsure whether the [commission] would be expanded to handle the added function.

[3:35:10 PM](#)

VICE CHAIR HUGHES directed attention to the public health law enforcement provision in the bill and the director's background. She related her understanding that something similar was proposed in the Title 4 revisions and asked whether this bill was based on those revisions.

MS. FRANKLIN said that was correct; that it represented a carefully-crafted compromise in the role of the ABC Board subcommittee to the Title 4 [alcoholic beverages] stakeholders' revisions. She explained that public health representatives on the stakeholder's group wanted to see the ABC Board more evenly balanced with less industry focus. However, significant resistance from many stakeholders arose in terms of expanding the board. First, it often has been difficult to schedule meetings for the five-member all volunteer ABC Board. She described the ABC Board meetings as consisting of heavy working meetings with significant tasks to be accomplished. The compromise reached was that the director's background would be taken into account when balancing the board out since it was perceived that the director has quite a bit of influence. For instance, if a member of the liquor industry had been appointed as the agency director one of the liquor industry seats would be replaced by a public member; similarly, if the director had a public health background or a public safety background, she said, even though the director does not vote, the director's background is considered when balancing out the board.

[3:37:07 PM](#)

REPRESENTATIVE KITO referred to page 2, lines 15-21, to subsection (c) of HB 123 related to the Marijuana Control Board (MCB) appointment and qualifications, which read, "Of the board members and the director, one person shall be from the public

safety sector, one person shall be from the public health sector, one person shall be from a rural area, and not more than two people may be actively engaged in the marijuana industry; the remaining person or persons shall be from the general public." He said this language seemed to imply two board members would be selected from the marijuana industry, but not more than two could serve. He maintained his concern that an advocate for the legalization of marijuana could serve during the start-up phase when regulations will be developed for commerce or business aspects since this language doesn't require anyone with business experience. This could be very important for the state especially in the first term, when licensing requirements and regulations governing businesses will be established, he said.

MS. FRANKLIN replied that the distinction is the choice of the language "shall" and "may." Thus, the language requires that one person "shall" be from the public health sector and one person "shall" be from a rural area, but and not more than two people "may" be actively engaged in the marijuana industry. She interpreted this language to provide flexibility in terms of potential board members who are engaged in the marijuana industry. She suggested that the governor could appoint a business person not engaged in the marijuana industry to serve on the board since it may be impossible to find appropriate candidates for the emerging industry. She agreed it will be challenging since the proposed AS 17.38 seems to set up numerous "chicken and egg" scenarios. She reported that significant interest has been expressed by a number of people who would like to serve on the proposed Marijuana Control Board (MCB).

[3:40:47 PM](#)

REPRESENTATIVE KITO directed attention to the proposed MCB board composition. He said that three seats were designated, including the public safety sector, public health sector, and the rural area, with two available seats remaining for those actively engaged in the marijuana industry. He envisioned a circumstance could arise in which two members were engaged in marijuana industry, without a spot for the public member. He expressed concern that the board may not have a public member designee.

VICE CHAIR HUGHES pointed out that subsection (c) of HB 123 includes the director so the proposed board membership is five plus one, which totals six. She related her understanding that

the board membership for industry reads "may" and the "public" reads "shall," so one person must serve from the public sector.

MS. FRANKLIN discussed the proposed Marijuana Control Board (MCB) membership. The background of six people would be considered as board members, including considering the director's background. If the director's background was any of the three designations - public health, public safety, or industry - the seat on the board would be filled by a member of the general public. She said that the rural member would be a public member from a rural area. The only situation that could arise, in terms of Representative Kito's concern, would be if the director's background was not any of the three aforementioned designations. Thus if the director was not from public health, public safety, or industry, and two marijuana representatives were selected, the only public member in that case would be the rural public member.

MS. FRANKLIN assured members that the proposed Marijuana Control Board (MCB) composition was crafted after months of input and numerous controversial meetings deliberating over what a board regulating [marijuana] should look like. She stated that stakeholder's participation included representatives from public health, public safety, the general public, and members the alcohol industry crafted this compromise with the goal of keeping the board small enough to be workable. She said that if the legislature were to create a larger board or expand the proposed board, it will be important to consider whether the board will be able reach a majority vote and not be tied.

[3:44:37 PM](#)

REPRESENTATIVE KITO asked whether the director in question would be the state employee who serves as the executive director of the proposed Marijuana Control Board (MCB). He further asked whether the person would have voting rights.

MS. FRANKLIN answered yes; the director would serve as the executive director of the Marijuana Control Board (MCB), but the position does not have any voting rights. She reiterated that the executive director's background would be considered in terms of board composition. The alcohol industry, the public health and public safety members of the stakeholder's group all expressed strong opinion that the background of the director of a volunteer board that meets five times per year was very important since the director will be very influential in the day-to-day operations of the agency. Further, the ABC Board

chair indicated that the background of the director matters as much as board members' backgrounds, since so much of the work will be performed outside board meetings - such as approvals and transfers. She offered that proposed Title 4 revisions and HB 123 contain substantial delegation to the director.

[3:46:29 PM](#)

VICE CHAIR HUGHES asked to focus on the rural member for the proposed Marijuana Control Board (MCB). She asked whether subsection (f) was fashioned on rural membership for other boards since it requires the board member to have resided in a rural area for not fewer than 180 days within the five years. She said she was also curious whether the 6,000 population figure is used throughout statute in terms of identifying rural areas.

MS. FRANKLIN answered that the language in this bill related to the size of the community for the rural public member is identical to the language in the proposed Title 4 revisions, but she was unsure whether this language was used to define a rural public member on other boards. She explained that the "180 days" language came out of the proposed Title 4 revisions. The composition of the proposed MCB is different than the ABC Board since the ABC Board does not specify public health or public safety designees, just industry designees. She said that the "180 days" language was developed when the Title 4 [AS 04] revisions were made, since it could help ascertain whether someone has a rural background, for example, someone who previously resided in rural Alaska would not qualify. This rural member language was also included in the draft Title 4 revisions to the ABC Board membership. The under 6,000 population language exists in Title 4 has been used for many years to help determine a rural public member, she added.

VICE CHAIR HUGHES expressed concern that a town in the Kenai Peninsula or in the Matanuska-Susitna Valley that is under 6,000 probably wouldn't be the type of rural participation that should be considered for the MCB.

[3:50:21 PM](#)

REPRESENTATIVE LEDOUX gathered that the idea for including the background for the director came from the current ABC Board.

MS. FRANKLIN answered that the Title 4 stakeholders group, a group of 60-70 stakeholders considered revisions to Title 4

assigned a subcommittee to review the role of the ABC Board and that group primarily reviewed the composition of the board, in part, due to the sense that the ABC Board has been listing to the industry side. She commented that she just became director September 2014 and while she was not party to the discussions, she understood that the alcohol industry fought very hard against losing any designations or expanding the designations. As previously mentioned, this compromise was agreed upon by the Title 4 review committee, and by Jess Jessee, Director, Mental Health Trust and Bob Klein, the current chair of the ABC Board, who specifically worked on this compromise together as a means to balance the industry interest without having to numerically expand the board.

[3:53:43 PM](#)

REPRESENTATIVE LEDOUX referred to AS 04.06.020, to the qualifications of the ABC Board, which doesn't seem to consider the background of the ABC Board director.

MS. FOWLER answered that these provisions were part of the draft rewrite of Title 4, but that language is not in current statute. She offered to provide the committee with the recommendations.

[3:54:48 PM](#)

REPRESENTATIVE JOSEPHSON referred to page 4, to subsection (c), of HB 123 to the language that reduces the area to be designated as the licensed premises.

MS. FOWLER answered that subsection (c) mirrors the proposed Title 4 language.

MS. FRANKLIN explained that the way alcohol is licensed includes a diagram of the premise, which means the ABC Board wants to know where on the premise of any business that substance will be contained. She related a scenario in which a licensee applied for a beer and wine license, but submitted a diagram that required a server to cross a public sidewalk to reach a separate patio. The language in subsection (c) gave the ABC Board the authority to allow the specific establishment to serve beer and wine in its restaurant, but it also allowed the board to excise off the part of the designated premises for the patio since it required servers to cross a public area. This language would give the board the authority to reduce the premise without throwing out the application.

[3:57:16 PM](#)

CHRISTOPHER M. KENNEDY, Deputy Chief - Administrative Law Judge, Office of Administration Hearings (OAH), said he was available for questions.

[3:57:48 PM](#)

VICE CHAIR HUGHES asked for a brief review of the fiscal note.

MR. KENNEDY answered that the fiscal note was a standard formula fiscal note that the OAH would submit any time a new board was established if it was likely the board would send case work to the Office of Administrative Hearings on disciplinary cases or when for administrative hearings resulting from license denials. The legislative drafters indicated it was the intent for hearings to be referred to OAH, which is in keeping with what currently occurs with the ABC Board. The projected costs for hearings for the MCB were based on the current need by the ABC Board for hearings; however, he has since understood that there might be a surge in hearings in the early part of the Marijuana Control Board (MCB) as people may litigate more vigorously over licensure and as licensees try to figure out the "lay of the land" in regulation. He suggested that the OAH fiscal note was probably a fairly conservative fiscal note for FY 16 and FY 17.

[3:59:48 PM](#)

VICE CHAIR HUGHES asked whether the OAH plans to revise the fiscal note to reflect the surge.

MR. KENNEDY answered that the OAH probably should consider whether to revise it slightly upward, although he did not anticipate that the fiscal note changes would be dramatic. He said the Office of Administrative Hearings (OAH) will want to consider a potential surge; however, he acknowledged it may be difficult to project. In response to Representative Josephson, he clarified that the vast majority of board and commission hearings are conducted by the OAH; however, in this instance the OAH confirmed with the legislative drafter the intent was to have any appeals heard by the Office of Administrative Hearings (OAH).

[4:01:23 PM](#)

REPRESENTATIVE JOSEPHSON referred to page 4, lines 19-21 paragraph (4), of HB 123 which states that the board would hear

appeals. He asked whether the OAH would accept the board's facts or how does that work.

MR. KENNEDY answered that the voluntary boards do not normally hear any evidence first hand. He explained the hearing process, such that the Office of Administrative Hearings (OAH) has a statutory procedure for hearing cases on behalf of boards and commissions, in which the evidence is presented and subsequently findings and conclusions are submitted as a proposal to the board. The board then would deliberate with the OAH, he said.

4:02:28 PM

REPRESENTATIVE JOSEPHSON asked whether this bill would give the board appellate authority.

MR. KENNEDY answered that he was aware of the language, which is the same as the ABC Board, such that it gives the board the authority to hear the appeal; however, the board refers those hearings to the Office of Administrative Hearings (OAH) to conduct the hearing, but the board makes the final decision. He characterized his office as being the hearing arm of the Marijuana Control Board (MCB), followed by an appeal to the court system, in terms of the bill's structure.

4:03:37 PM

VICE CHAIR HUGHES asked for further clarification on the Alcoholic Beverage Control Board (ABC Board), Department of Commerce, Community and Economic Development (DCCED) fiscal note of \$1.574 million to establish the Marijuana Control Board (MCB). She was unsure how those funds would be used.

MS. FRANKLIN related her understanding that the budget did not survive the House Finance Committee process. She explained that the figure for FY 16 budget represents 4 additional staff be added in addition to the current 10 statewide staff to regulate alcohol. The DCCED has asked for 2 additional staff in the supplemental budget since work has already begun. She explained that the funding covered travel costs for enforcement officers to check on licensees, as well as \$500,000 for a database since the ABC Board currently operates as a paper-based agency. Other states that have legalized marijuana have had a constant demand for data. Further, public safety tracks marijuana sold in commercial marijuana establishments to ensure the product was grown in legal establishments, which also requires electronic support. She characterized the proposed software as seed-to-

sale software, which allows marijuana tracking to occur to ensure that black market marijuana is not funneled into the distribution facilities. She noted that it is all broken out in the governor's budget.

4:06:42 PM

VICE CHAIR HUGHES asked for further clarification that this fiscal note was removed in the House Finance Committee.

MS. FOWLER said that the funding was removed in the House Finance Committee and the department was asked to submit the request in fiscal notes.

4:07:15 PM

VICE CHAIR HUGHES asked for clarification on the number of employees proposed for the MCB Board.

MS. FRANKLIN answered that 2 additional employees were added in the FY 15 supplemental budget request that has not yet been approved, with 4 additional employees requested in the FY 16 budget request. In response to Vice Chair Hughes, she said that the ABC Board has 10 employees statewide, including 3 licensing employees, 5 enforcement officers, and 2 administrative staff. She stated that an additional 2 staff were requested in the supplemental budget, and an additional 4 staff were requested in the fiscal note [dated 1/20/15]. She said if all the budgets were passed, it would bring the number of statewide staff working on the ABC Board and the Marijuana Control Board (MCB) to a grand total of 16 employees.

VICE CHAIR HUGHES remarked that it would be helpful to have the electronic means for tracking marijuana listed in the narrative for the fiscal note.

4:08:30 PM

REPRESENTATIVE LEDOUX directed attention to the fiscal note to \$610.5 thousand for personnel services. She asked for information on the \$756.4 thousand for services, asked whether that covers the database, and if so, what the additional \$250 thousand would be used for.

MS. FRANKLIN answered yes; that the \$500 thousand for the database is contained in services; however, she did not have the

full breakout of the budget in front of her. She offered to provide it to the committee.

[4:09:46 PM](#)

REPRESENTATIVE LEDOUX asked for further clarification on the line item for capital outlay, which it seemed is where the database costs would be listed. She further asked why there were not any costs listed in the out years of FY 17-FY 21.

MS. FOWLER answered that part of the commodities line item funding would be to purchase computers, desks, and vehicles for enforcement officers. Since the costs for the Marijuana Control Board (MCB) were included in the governor's budget, the costs were not reflected in the FY 17-21 budget request; however, if there had been an appropriation, the costs would have been reflected in the out years. She explained that if the funding for marijuana is not put back in the budget, the department will revise the fiscal note to include it in the FY 16 appropriation requested column and at that point it would show up in the out years.

[4:11:26 PM](#)

REPRESENTATIVE LEDOUX said that she would like to see the projections for the bill listed in the fiscal note.

MS. FOWLER explained that one reason the fiscal note was prepared in this format was to reflect the costs of the initiative, since it was not possible to attach a fiscal note to the initiative when it was passed. She understood the request, and offered her belief that the committee will receive an updated fiscal note.

VICE CHAIR HUGHES added that it would be helpful for the committee to know how much of the \$1.575 million represents one-time costs.

[4:12:25 PM](#)

REPRESENTATIVE JOSEPHSON asked if this bill does not pass whether the regulation of marijuana would be handled by the Alcoholic Beverage Control Board (ABC Board); however, if so, the board would not have any financial resources to do so. He wondered how to remedy the funding issue.

MS. FOWLER reported that the fiscal notes for all the marijuana bills were currently being amended to include costs for implementation, noting that clearly funding will only be needed for one of the bills. She said that was one reason the department initially asked for funding in the proposed budget; however, the department understands the need for the fiscal note as requested by the House Finance Committee.

[HB 123 was held over.]

[4:14:25 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:14 p.m.