

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 12, 2015

1:30 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Cathy Giessel, Vice Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Johnny Ellis

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARINGS:

Alcoholic Beverage Control Board
Ellen Ganley

- CONFIRMATION ADVANCED on 4/7/15

Big Game Commercial Services Board
James David Jones
Kelly Vrem

- CONFIRMATIONS ADVANCED on 4/7/15

Alaska Labor Relations Agency
Tyler Andrews

- CONFIRMATIONS ADVANCED on 4/7/15

Real Estate Commission
Traci Barickman
Marianne Burke
PeggyAnn McConnochie

- CONFIRMATIONS ADVANCED on 4/7/15

Alaska State Board of Public Accountancy

Andre Horton

- CONFIRMATION ADVANCED on 4/7/15

SENATE BILL NO. 53

"An Act relating to advanced practice registered nursing; relating to certified direct- entry midwifery; and providing for an effective date."

- MOVED SB 53 OUT OF COMMITTEE

SENATE BILL NO. 39

"An Act repealing the film production tax credit; providing for an effective date by repealing the effective dates of secs. 31 - 33, ch. 51, SLA 2012; and providing for an effective date."

- MOVED CSSB 39(L&C) OUT OF COMMITTEE

SENATE BILL NO. 60

"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: SB 53

SHORT TITLE: ADVANCED PRACTICE REGISTERED NURSES

SPONSOR(s): SENATOR(s) GIESSEL

| | | |
|----------|-----|-----------------------------------|
| 02/18/15 | (S) | READ THE FIRST TIME - REFERRALS |
| 02/18/15 | (S) | L&C, HSS |
| 03/10/15 | (S) | L&C AT 1:30 PM BELTZ 105 (TSBldg) |
| 03/10/15 | (S) | Heard & Held |
| 03/10/15 | (S) | MINUTE(L&C) |

BILL: SB 39

SHORT TITLE: REPEAL FILM PRODUCTION TAX CREDIT

SPONSOR(s): SENATOR(s) STOLTZE

| | | |
|----------|-----|-----------------------------------|
| 02/04/15 | (S) | READ THE FIRST TIME - REFERRALS |
| 02/04/15 | (S) | L&C, FIN |
| 02/19/15 | (S) | L&C AT 1:30 PM BELTZ 105 (TSBldg) |
| 02/19/15 | (S) | Heard & Held |

02/19/15 (S) MINUTE(L&C)
 02/24/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 02/24/15 (S) Heard & Held
 02/24/15 (S) MINUTE(L&C)
 02/26/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 02/26/15 (S) Heard & Held
 02/26/15 (S) MINUTE(L&C)
 03/03/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/03/15 (S) Heard & Held
 03/03/15 (S) MINUTE(L&C)
 03/05/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/05/15 (S) -- MEETING CANCELED --

BILL: SB 60

SHORT TITLE: ESTABLISH MARIJUANA CONTROL BOARD

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/23/15 (S) READ THE FIRST TIME - REFERRALS
 02/23/15 (S) L&C, STA, FIN
 03/10/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/10/15 (S) Heard & Held
 03/10/15 (S) MINUTE(L&C)

WITNESS REGISTER

ELLEN GANLEY, Nominee

Alcoholic Beverage Control (ABC) Board

Fairbanks, Alaska

POSITION STATEMENT: Testified as a nominee to the Alcoholic Beverage Control (ABC) Board.

JAMES DAVID JONES, Nominee

Big Game Commercial Services Board

Kodiak, Alaska

POSITION STATEMENT: Testified as a nominee to the Big Game Commercial Services Board.

KELLY VREM, Nominee

Big Game Commercial Services Board

Sutton, Alaska

POSITION STATEMENT: Testified as a nominee to the Big Game Commercial Services Board.

TYLER E. ANDREWS, Nominee

Alaska Labor Relations Agency

Anchorage, Alaska

POSITION STATEMENT: Testified as a nominee to the Alaska Labor Relations Agency.

LON NEEDLES, Nominee
Alaska Labor Relations Agency
Valdez, Alaska

POSITION STATEMENT: Testified as a nominee to the Alaska Labor Relations Agency.

TRACI A. BARICKMAN, Nominee
Real Estate Commission
Sutton, Alaska

POSITION STATEMENT: Testified as a nominee to the Real Estate Commission.

MARIANNE BURKE, Nominee
Real Estate Commission
Anchorage, Alaska

POSITION STATEMENT: Testified as a nominee to the Real Estate Commission.

PEGGYANN MCCONNOCHIE, Nominee
Real Estate Commission
Juneau, Alaska

POSITION STATEMENT: Testified as a nominee to the Real Estate Commission.

ANDRE HORTON, Nominee
State Board of Public Accountancy
Anchorage, Alaska

POSITION STATEMENT: Testified as a nominee to the State Board of Public Accountancy.

SARAH CHAMBERS, Operations Manager
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community and Economic Development
(DCCED)

POSITION STATEMENT: Provided information related to the fiscal note for SB 53

WESTON EILER, Staff
Senator Mia Costello

POSITION STATEMENT: Provided an explanation of Amendment 1 for SB 53.

SENATOR BILL STOLTZE
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 39.

KIM KOLE

Coalition for Responsible Cannabis Legislation
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 60.

BRUCE SCHULTE, Spokesperson

Coalition for Responsible Cannabis Legislation
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 60.

CYNTHIA FRANKLIN, Director

Alcoholic Beverage Control (ABC) Board
Department of Commerce, Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Provided supporting information for SB 60.

ACTION NARRATIVE

[1:30:35 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Ellis, Giessel, and Chair Costello. Senators Stevens and Meyer arrived soon thereafter.

CONFIRMATION HEARINGS:

[1:32:35 PM](#)

CHAIR COSTELLO announced the first order of business would be confirmation hearings for Governor appointments for Boards and Commissions. She noted that the names would be held and the committee would advance all the names in a future meeting.

[1:33:42 PM](#)

At ease

Alcoholic Beverage Control Board

[1:35:18 PM](#)

CHAIR COSTELLO reconvened the meeting. She recognized Ellen Ganley as a nominee for a public seat on the Alcoholic Beverage Control Board. She noted that this was one of five seats.

[1:36:10 PM](#)

ELLEN GANLEY, Nominee, Alcoholic Beverage Control (ABC) Board, said she has served on the ABC Board for about 18 years and has found the work to be both challenging and rewarding. She reported that the board spent a lot of time on the Title 4 rewrite over the past three years and she's proud of the end product.

CHAIR COSTELLO discerned that no one wanted to testify and closed public testimony.

Big Game Commercial Services Board

CHAIR COSTELLO recognized James David Jones as a nominee for a licensed transporter seat on the Big Game Commercial Services Board. She noted there are nine seats on this board.

[1:38:03 PM](#)

JAMES DAVID JONES, Nominee, Big Game Commercial Services Board, Kodiak, Alaska, stated that this will be his second term on the board and he looks forward to continuing. He works as a marine transporter of big game hunters and a sport fishing guide so he understands the guide industry from that perspective.

CHAIR COSTELLO discerned that no one wanted to testify and closed public testimony.

CHAIR COSTELLO recognized Kelly Vrem as a nominee for a licensed registered guide seat on the Big Game Commercial Services Board.

[1:40:04 PM](#)

KELLY VREM, Nominee, Big Game Commercial Services Board, Sutton, Alaska, stated that this will be his second term and he feels he understands the process a little better. He's been a registered guide since 1977 and wants to give back to the industry.

SENATOR GIESSEL asked what seat designation he would fill.

MR. VREM answered that he is the registered guide board member.

DAVE JONES said it's been a pleasure to serve with Mr. Vrem; he's very knowledgeable and dedicated.

CHAIR COSTELLO found no other testifiers and closed public testimony.

Alaska Labor Relations Agency

CHAIR COSTELLO recognized Tyler Andrews as a nominee for the management seat of the Alaska Labor Relations Agency and Lon Needles as a nominee for the labor seat on the Alaska Labor Relations Agency. She noted that this is a six-member board.

[1:43:14 PM](#)

TYLER E. ANDREWS, Nominee, Alaska Labor Relations Agency, Anchorage, Alaska, stated that he has been on the board since 2008 and he welcomes the idea of serving for another term. He described the board as an objective and collaborative group.

CHAIR COSTELLO found no testifiers and closed public testimony.

[1:44:21 PM](#)

LON NEEDLES, Nominee, Alaska Labor Relations Agency, Valdez, Alaska, said this will be his first term. He believes he can be fair and unbiased and looks forward to serving.

CHAIR COSTELLO found no testifiers and closed public testimony.

Real Estate Commission

CHAIR COSTELLO recognized Traci Barickman as a nominee for the 3rd Judicial District broker seat on the Real Estate Commission. She noted that this is a seven-member board. She asked Ms. Barickman to tell the committee why she is interested in serving.

[1:45:30 PM](#)

TRACI A. BARICKMAN, Nominee, Real Estate Commission, Sutton, Alaska, said this will be her first term, but she has been practicing real estate for more than 20 years. She is a broker who supervises licensees as well as a trainer.

CHAIR COSTELLO, finding no questions or public comment, closed public testimony.

[1:47:03 PM](#)

CHAIR COSTELLO recognized Marianne Burke as a nominee to the public seat on the Real Estate Commission.

MARIANNE BURKE, Nominee, Real Estate Commission, Anchorage, Alaska, said she joined the commission in 2010. She is proud of the work that's been done since then, but would like to continue to serve to address a few other matters related to protection of the public and the industry.

CHAIR COSTELLO found no questions or public comment and closed public testimony.

[1:48:57 PM](#)

CHAIR COSTELLO recognized PeggyAnn McConnochie as a nominee for the broker at large seat for the seven-member Real Estate Commission.

PEGGYANN MCCONNOCHIE, Nominee, Real Estate Commission, Juneau, Alaska, stated that she is a real estate broker in Juneau and has been licensed since 1982. She also teaches real estate. She has long wanted to serve on this commission because it's a way to give back to the public.

CHAIR COSTELLO asked what she sees as the commission's largest challenges moving forward.

MS. MCCONNOCHIE identified the challenge of figuring out how to cover the costs that are directly attributable to the commission, because no board or commission should be a burden on the state. She also identified the challenge of getting ahead of the issues in the Lower 48 so those problems don't make their way to Alaska.

CHAIR COSTELLO found no public testifiers and closed public testimony.

Alaska State Board of Public Accountancy

CHAIR COSTELLO recognized Andre Horton as a nominee for a public seat on the Alaska State Board of Public Accountancy.

[1:53:20 PM](#)

ANDRE HORTON, Nominee, State Board of Public Accountancy, Anchorage, Alaska, said this will be his second term as a public member. He has enjoyed his service.

CHAIR COSTELLO found no public comment and closed public testimony.

CHAIR COSTELLO thanked the nominees and restated that all the names would be advanced from committee in a future meeting.

SB 53-ADVANCED PRACTICE REGISTERED NURSES

[1:55:35 PM](#)

CHAIR COSTELLO announced the consideration of SB 53. "An Act relating to advanced practice registered nursing; relating to certified direct entry midwifery; and providing for an effective date." She noted that this was the second hearing and public testimony was closed.

SENATOR GIESSEL asked if Sarah Chambers could discuss the fiscal note.

[1:56:32 PM](#)

SARAH CHAMBERS, Operations Manager, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), told the committee that the division is reviewing the fiscal note for SB 53 because it appears that some of the programs that will have statutory changes will not need conforming regulation changes. That would reduce the size of the fiscal note. She also clarified that the expenses that are incurred by licensing boards are borne by the licensees as required under state law.

CHAIR COSTELLO asked her to review the amount of the fiscal note.

MS. CHAMBERS advised that the current fiscal note is \$15,000. The estimated cost of promulgating regulation changes is \$2,500 per program, and the division and five licensing boards that are affected.

CHAIR COSTELLO asked if the division will absorb some of the costs.

MS. CHAMBERS replied each entity will bear the cost of its own regulation changes and the Board of Nursing will bear the cost of the title changes.

[2:00:11 PM](#)

SENATOR GIESSEL asked how it would affect the cost if one or more of the boards could tag onto an ongoing regulatory project.

MS. CHAMBERS replied she would encourage each of the boards to include these changes where they have an existing program or have one coming up in the near future. That would bring the cost to zero and there would be no additional authority needed for those programs. If the authority is granted through the fiscal note and isn't used, then the division would back it out through the management plan.

CHAIR COSTELLO found no further questions and solicited a motion.

[2:01:06 PM](#)

SENATOR GIESSEL motioned to report SB 53, labeled 29-LS0043\N, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO announced that without objection, SB 53 is reported from the Senate Labor and Commerce Standing Committee.

[2:01:39 PM](#)

At ease

SB 39-REPEAL FILM PRODUCTION TAX CREDIT

[2:03:39 PM](#)

CHAIR COSTELLO reconvened the hearing and announced the consideration of SB 39. "An Act repealing the film production tax credit; providing for an effective date by repealing the effective dates of secs. 31 - 33, ch. 51, SLA 2012; and providing for an effective date." She noted that this is the fifth hearing and public testimony is closed. She stated her intention to address a technical amendment, take committee questions, and look to the will of the committee.

[2:04:12 PM](#)

SENATOR GIESSEL moved Amendment 1.

29-LS0097\H.1
Nauman
3/12/15

AMENDMENT 1

OFFERED IN THE SENATE
TO: SB 39

BY SENATOR COSTELLO

Page 3, line 22:
Delete "three"
Insert "six"

CHAIR COSTELLO objected for discussion purposes.

SENATOR ELLIS expressed gratitude for the technical fix and stated he had no objection.

[2:05:10 PM](#)

WESTON EILER, Staff, Senator Mia Costello, informed the committee that Amendment 1 makes a technical correction from three [years] to six [years] to conform to existing statute and avoid a regulatory takings claim. Case law stipulates that credits a government extends must be honored and any sort of preemptive taking or removal of those credits could constitute a violation.

SENATOR COSTELLO asked the sponsor to comment on the amendment.

[2:06:41 PM](#)

SENATOR BILL STOLTZE, sponsor of SB 39, described the change as substantive, adding that it was a legal and fiscal omission.

SENATOR MEYER asked if he supports the amendment.

SENATOR STOLTZE answered yes and thanked the committee for its due diligence.

SENATOR COSTELLO found no further questions and solicited a motion.

[2:08:30 PM](#)

SENATOR GIESSEL motioned to report SB 39, labeled 29-LS0097\H, as amended, from committee with individual recommendations and attached fiscal note.

[2:08:42 PM](#)

SENATOR ELLIS objected. He stated that he was disappointed to see the bill leave the committee, but not surprised. He said the goal of the Alaska film and production incentives is to diversify the economy and it's worked. There has been steady progress in that direction and more could come. Since improvements to the program have taken effect, Alaska hire has increased. He reminded the members that the Alaskanization of the program has been successful and the abbreviated sunset timeframe and the increased audit opportunities were common-sense improvements. He reminded the committee of the testimony it heard about new companies forming to capture new high tech markets in post-production and editing. Most importantly, the committee heard from young people who are eager to continue their careers in Alaska.

SENATOR ELLIS noted that a young man from Homer contacted him and begged him not to approve the legislation because he wanted to stay in Alaska to develop his career telling Alaska stories

in the state he loves. Senator Ellis said he told the young man he'd do his best and share his thoughts with the committee. He said he's grateful to each Alaskan who took the time to testify and talk about the jobs and opportunities brought by the production incentives, and he knows that scores more are impacted.

SENATOR ELLIS stated that his primary objection to moving this bill is that the governor already made the difficult decision to shut down the program. That was not an unreasonable step to take given the state's fiscal circumstance, but it didn't mean that Alaska is permanently closed to the multi-billion dollar film production industry. That is in sharp contrast to SB 39, which tells the global multi-billion dollar film industry that Alaska is permanently closed for business. That's an ill-advised message to send and it will hurt a lot of small Alaska businesses. It's unfortunate and doesn't need to happen. He suggested that a better option is to suspend the program until fiscal circumstances warrant revisiting the issue.

CHAIR COSTELLO recognized that Senator Ellis was the author of the film tax incentive program and expressed appreciation for the work he's done. She noted that Alaska has benefited from the 146 productions that came to the state using \$38 million in credits of the \$200 million cap. She opined that it would be prudent for the Senate Finance Committee to look closely at the differences between what the governor has proposed for the program versus what this legislation seeks to achieve, which is to essentially take it off the books.

[2:14:27 PM](#)

At ease.

[2:15:19 PM](#)

CHAIR COSTELLO reconvened the hearing and removed her objection to Amendment 1. Finding no further objection, she announced that Amendment 1 is adopted and the amended bill is before the committee.

SENATOR GIESSEL restated the motion to move SB 39, as amended, from committee with individual recommendations and attached fiscal note.

SENATOR ELLIS maintained his objection.

A roll call vote was taken. Senators Giessel, Meyer, Stevens, and Chair Costello voted in favor of SB 39. Senator Ellis voted

against it. Therefore, CSSB 39(L&C) was reported out of the Senate Labor and Commerce Standing Committee by a vote of 4:1.

[2:16:45 PM](#)

At ease

SB 60-ESTABLISH MARIJUANA CONTROL BOARD

[2:19:05 PM](#)

CHAIR COSTELLO reconvened the hearing and announced the consideration of SB 60. "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." She noted that this was the second hearing and opened public testimony.

[2:19:50 PM](#)

KIM KOLE, Coalition for Responsible Cannabis Legislation, Anchorage, Alaska, testified in support of SB 60. She advocated for having two members from the cannabis industry serve on the board because the industry is so diversified that no one person can know all aspects. She also stated support for the staggered appointment schedule because it would create consistency and momentum throughout the years.

[2:21:34 PM](#)

BRUCE SCHULTE, Spokesperson, Coalition for Responsible Cannabis Legislation, Anchorage, Alaska, testified in support of SB 60. He stated agreement with the previous testimony about the importance of having two knowledgeable people on the board representing the cannabis industry. He also suggested rewording the language on page 4, lines 8-9, to clarify that the powers and duties of the board relate to the commercial cultivation, manufacture, possession, and sale of marijuana in the state, because the personal component is not within the board's purview.

[2:23:53 PM](#)

CYNTHIA FRANKLIN, Director, Alcoholic Beverage Control (ABC) Board, Department of Commerce, Community and Economic Development (DCCED), introduced herself.

CHAIR COSTELLO asked where people with expertise in the cannabis industry might be found.

MS. FRANKLIN related her expectation that initially individuals who demonstrate enough experience to fill industry seats would be considered. These individuals could come from one of the already formed organizations like the Coalition for Responsible Cannabis Legislation or they could have previous experience with medical marijuana. She noted that the regulations and statutes relating to marijuana licenses may include an opportunity for individuals who have previously grown the plant in more than a personal amount to enter the legal commercial market. She didn't know that she or any members of the ABC Board would have input as to who is selected because governor appointment decisions are often made without input from an agency. She noted that she suggested that the staggered terms could perhaps accommodate a short-term fill for the industry seat. She further noted that the language in the bill provides that "not more than two people may be actively engaged in the marijuana industry" as opposed to the other designations which state "one person shall" come from each of the other sectors.

[2:28:13 PM](#)

SENATOR STEVENS asked if she had concerns with the language on page 4, lines 8-9, that doesn't clarify that the powers and duties of the board relate only to commercial regulation of the cannabis industry, not personal use.

MS. FRANKLIN replied that language mirrors Title 4 and she believes that's important because limiting the authority of the board to those individuals who have licenses would eliminate it as a resource for shutting down the black market.

CHAIR COSTELLO asked if she envisions a seat on the board that represents the safety of youth.

MS. FRANKLIN said she believes that some of the strongest candidates for the public health and public positions will be those who have experience in the public health arena as it relates to underage substance abuse.

CHAIR COSTELLO referenced the fiscal note and questioned the need for two boards.

MS. FRANKLIN replied her initial reaction was that a new board wasn't needed, but she has since changed her mind. Adding appropriate representation from the marijuana industry would result in a seven-member volunteer board that is dominated by industry. Adding two public members to get to an odd number for voting purposes would result in a nine-member volunteer board

that would be unwieldy to gather for the statutorily required meetings. After a lot of discussion and scrutiny of the two boards, the most sensible option appeared to be to create a Marijuana Control Board within the ABC Board agency and share the executive director and staff of the ABC Board.

[2:34:30 PM](#)

CHAIR COSTELLO asked if the bill diverges from the traditional structure of boards and commissions with regard to the role of the executive director.

MS. FRANKLIN agreed that it is unusual to consider the background and experience of the executive director in the composition of the board. She related that it was a compromise after two and one-half years of debate between members of the Title 4 stakeholders group about the size of the board. She offered her belief that it is an acknowledgement of the way that the board and agency work together. Because it is a volunteer board that meets just five times a year, much of the day-to-day work falls to the director and the director's background in bringing items to the board for its agenda has an influence.

MS. FRANKLIN advised that that valuable work was brought into the Marijuana Control Board bill because it resulted in a product that was supported not only by the industry but also the public health and public safety stakeholders who certainly have a role and interest in how marijuana will be regulated.

[2:37:21 PM](#)

CHAIR COSTELLO noted that she previously stated concern that this structure might give one applicant an advantage over another who is equally qualified if one had a background that filled the missing designation.

SENATOR GIESSEL asked for clarification about the number of times per year that the board will meet because the bill doesn't specify a number; it says the board will meet at the call of the chair.

[2:39:54 PM](#)

MS. FRANKLIN opined that the bill should mirror the language in Title 4 requiring the board to meet at least four times a year, once in each jurisdiction and at a call of the chair. She offered her expectation that the language would be included in a forthcoming amendment that would also have the missing sunset language.

SENATOR ELLIS asked her to comment on 1) the vigorous lobbying effort by the alcohol industry to move the ABC Board from the Department of Public Safety (DPS) to the Department of Commerce, Community and Economic Development (DCCED); 2) what's happened since then; and 3) if there is any practical import for marrying the marijuana board with the ABC Board and having it in DCCED rather than DPS.

MS. FRANKLIN stated that the Marijuana Control Board is located in DCCED because that is what the initiative and AS 17.38 directed. She wasn't with the agency in 2012 when the industry lobbied to relocate to DCCED, but she understands it had to do with the sense that having the agency in DPS created an adversarial relationship between the board and the industry. During her tenure she's observed that the board has a keen awareness of its role and is sensitive to the sentiments regarding public health and public safety, perhaps because of the controversy around that move.

SENATOR ELLIS thanked her for the explanation and acknowledged that it was logical that the new, legal marijuana industry would want to be in commerce rather than public safety. That's what the initiative said and the legislature is sorting out the details.

[2:45:35 PM](#)

CHAIR COSTELLO thanked Ms. Franklin for her expertise and ongoing efforts.

SENATOR MEYER recalled his tenure on the Anchorage Assembly in the 1990s and asked how often the ABC Board actually pulls a liquor license.

MS. FRANKLIN said that since September 2014 she's seen a number of suspensions and fines against licensees and a revocation in Kodiak. She pointed out that if a local government objects or protests the issuance, transfer, or retention of a license, the law under AS 4.11.490 says that the board shall uphold a local governing body's decision unless the board finds that the decision was arbitrary, capricious, and unreasonable. She cited a recent example to illustrate the board's commitment to react to public safety concerns. Last December the City of Nome protested the transfer of a beverage dispensary license stating that the reason was that Nome has too many liquor licenses. The ABC Board upheld the protest and killed the license.

SENATOR MEYER said he appreciates that and expects the same type of enforcement for marijuana licensees.

MS. FRANKLIN related that she's been a vocal advocate for making marijuana licenses nontransferable to avoid some of the less desirable effects of regulation of alcohol where people have a property interest in the license that leads to some undesirable outcomes at the board level.

SENATOR MEYER expressed concern that some marijuana licensees might try to sell things like spice or sell to minors and opined that if the law is enforced strictly the word will get out.

2:50:28 PM

CHAIR COSTELLO announced she would hold SB 60 in committee and keep public testimony open.

2:50:45 PM

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:50 p.m.