

Les Helgeson

April 17, 2017

TO: Joint Committee on Marijuana Regulation

RE: SB 56 -23

Co-Chairs Burdick and Lininger, Members of the Committee,

For the record my name is Les Helgeson. My wife and I are the managers of Green Hills LLC. I am here in support of the -23 amendment to SB 56.

Having the ability to produce concentrates as specified in the amendment would provide a strong financial incentive for OMMP growers and others to enter the OLCC system. As such it would necessarily have a positive impact on diversion, as well.

The cost of OLCC licensure is skewed against micro-producers, who are forced to pay a disproportionate share of their investment into security systems. The production and sale of concentrates from what is otherwise treated as waste material would help offset this disparity.

Furthermore, the costs involved with obtaining an OLCC processor license for the purposes of producing concentrates is prohibitive. In addition to the \$5,000 license itself, the costs of meeting OSHA standards, etc. for safely processing extracts is not relevant to producing concentrates, since safety issues are minimal to non-existent.

The process of making concentrates as per -23 is akin to trimming flower - in this case we effectively "trim the trim" itself leaving intact trichomes and minimal plant material. These trichomes are physically knocked off of the leafy trim and collected without the use of solvents or other potentially unsafe procedures. It is relatively labor intensive and the process doesn't lend itself to mass production as is the case with extracts and certain other concentrates.

Micro-producers also face disproportionate transportation costs since many if not most live in rural parts of the state. Again, such a disparity would be compensated for if we could produce high quality specialty products for the market that aren't otherwise readily available.

Finally, I would like to thank Rep. Gomberg and his staff for working on this amendment. The goal is to incentivize the OLCC system while helping to minimize diversion and its impact upon our small business environment.

Thank you and I would be happy to address any questions you may have.