

Testimony on OLCC Budget  
Submitted by Groundworks Industries  
Geoff Sugerman, Chief Compliance Officer

As the Chief Compliance officer for Groundworks Industries, and our related brands called Serra, Electric Lettuce, Pruf Cultivar and Groundworks Workshop, I appear today to support the proposed OLCC budget request.

As someone who has worked for the past three years on all facets of licensing, compliance and rulemaking at the OLCC, I have been granted a unique experience to see the system operate.

1. The OLCC needs more staff to process applications, inspect facilities for compliance and have a more robust set of people able to seek out and stop any problems at all levels from grows to retail operations.
2. The IT systems at OLCC need significant work. For us, particularly in the area of renewals, the system is slow, redundant and is one of the driving factors slowing down both new and renewal licensure. In particular, the renewal platform needs revision and we are limited to make minimal adjustments to METRC due to funding issues.
3. We have an issue with non-payment of taxes that should be addressed either through the OLCC or the Department of Revenue. The tens of millions of dollars in unpaid taxes would be a significant boost to the revenues the state receives. In the interest of fairness, charging people for this retail tax and not sending it to the state is a particularly egregious form of theft.
4. We have underestimated every facet of this industry from Day 1. From the number of licensees and the tax benefits to the resources required to effectively run the program, we have fallen well short in our predictions. This session, you have the chance to reverse some of those shortcomings, and do so in a way that I believe will be at worst revenue neutral.

The staff at the OLCC continue to work incredibly hard. And so have the vast majority of licensees. In this upcoming budget our industry will generate \$251 million into state coffers. These numbers show what a successful start we have had. The problems we face are not insurmountable, and we want to be strong partners in that effort. We care greatly about making this program work effectively and compliantly, and we urge the committee to approve these funding requests to ensure we have a better path forward.

Thank you.