

**HB68 Technical Issues that Create**

**Administrability Problems for the Licensing Authority**

- Licensing authority would need at least 6 months time, not 3 months, to process the initial application (including background investigation and financial audit of applications) in order to make an application determination (CO almost did not make their 11 month time frame)
- Cash flow and accounting concerns:
  - Initial application fee should be set by statute, in the bill, rather than by administrative rule, in order to provide immediate cash flow revenue source (the subsequent renewal application fee may be set by administrative rule)
  - Should be an annual license renewal period rather than two years so that cash flow to the general fund each year does not create cash flow problems for ongoing operational costs
  - Reducing the total fund balance at the end of each fiscal year causes operational cash flow problems...if there is no funding in the bank to pay costs on July 1<sup>st</sup> each year, how do you operate?
  - May need an additional start-up to implement program prior to funding source being received including a restricted appropriation for equipment and computer software system
  - May need clarification of fiscal accounting that allows other functions in the licensing authority to provide internal services and access the state special revenue funds to cover those costs
- The appropriation in the bill should match the fiscal note
- The role of tribal governments in exercising land-use authority to regulate growers/producers should be recognized to prevent potential gaps in authority between tribal and local government that result in unregulated areas in the state
- May need to address financial interest concerns about license value and the ability, or not, to transfer a financial interest in a license
- May need additional detail about reporting requirements to the licensing authority