

SUPPLEMENTAL NOTICE OF PROPOSED REGULATIONS  
REGARDING MARIJUANA LICENSING, LOCAL OPTIONS, RETAIL STORES,  
CULTIVATION FACILITIES, PRODUCT MANUFACTURING FACILITIES, TESTING  
FACILITIES, OPERATING REQUIREMENTS, DEFINITIONS, ENFORCEMENT  
AND GENERAL PROVISIONS

MARIJUANA CONTROL BOARD

BRIEF DESCRIPTION

The Marijuana Control Board proposes to adopt regulations to implement the marijuana law which was voted on as Ballot Measure 2 in November 2014. These proposed regulations relate to marijuana licensing and fees, as well as local options for local governments to “opt out” of having certain kinds of marijuana establishments, rules for retail marijuana stores, cultivation facilities, product manufacturing facilities, and testing facilities, operating requirements for all marijuana establishments, enforcement provisions and general provisions including definitions.

The Marijuana Control Board proposes to adopt regulations in Title 3 of the Alaska Administrative Code, dealing with local option regulations, marijuana licensing and fees, as well as local options for local governments to “opt out” of having certain kinds of marijuana establishments, rules for retail marijuana stores, cultivation facilities, product manufacturing facilities, and testing facilities, operating requirements for all marijuana establishments, enforcement provisions, and general provisions including definitions, including the following:

(1) Article 1 – Licensing, Fees regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing when a marijuana establishment license is required, restrictions on licenses, conditions on licenses, rules regarding applications for a new license, application procedures, rules regarding petitioning for a license in an area with no local government, rules regarding applications for renewal of licenses, rules regarding reporting of changes in ownership of licenses, rules regarding application for transfers of licenses to another person, relocation of licensed premises not allowed, rules regarding criminal justice information and records, rules for protests by local governments, public participation in issuance of licenses, renewals and transfers, public hearings on protests or to ascertain the reaction of the public or local government to an application, procedure for action on license applications, denial of license applications, informal conferences with the director or the board, formal hearings, appeals, fees and refunds.

(2) Article 2 – Local Option regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing a local government's ability, by ordinance or popular vote, to opt out of allowing marijuana establishments to operate in their jurisdiction. The proposed local option regulations are modeled generally on the local option statutes for liquor licensed establishments in AS 04.11, except that the marijuana law, AS 17.38.900(4), defines “local government” as excluding villages. The proposed regulations include rules prescribing types of local options, a change of a local option, the removal of a local option, the procedures for a local option election, the prohibition of importation or purchase after a local option election, the effect on licenses of a restriction on sale, and notice of results of a local option election.

- (3) Article 3 – Marijuana Retail Stores regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing when a marijuana retail store license is required, marijuana retail store privileges, acts prohibited at a marijuana retail store, application for a marijuana retail store license, when a marijuana handler permit is required, restricted access area at a marijuana retail store, rules regarding a marijuana inventory tracking system, health and safety requirements for marijuana retail store, testing requirements for marijuana and marijuana products sold at marijuana retail store, rules regarding packaging and labeling of marijuana products sold at a retail store, identification requirements to prevent sale to persons under the age of 21, limits on quantity sold, and restrictions on advertising and signage relating to marijuana and marijuana products.

- (4) Article 4 – Marijuana Cultivation Facilities regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing when a marijuana cultivation facility license is required, types of marijuana cultivation facility licenses including standard marijuana cultivation facilities, limited marijuana cultivation facilities, and marijuana cultivation broker facilities, setting out privileges and prohibited acts for each type of marijuana cultivation facility, rules regarding applications for marijuana cultivation facility licenses, requirements for marijuana handlers' permits related to marijuana cultivation facilities, restricted access areas in marijuana cultivation facilities, rules regarding a marijuana inventory tracking system, health and safety requirements for marijuana cultivation facilities, general standards for cultivation and preparation of marijuana in cultivation facilities, rules regarding the prohibition of marijuana concentrate production at marijuana cultivation facilities, required laboratory testing for marijuana cultivation facilities, rules regarding promotional samples for marijuana cultivation facilities, rules regarding random sampling by the board or director, rules regarding the packaging of marijuana, rules regarding the labeling of marijuana and rules regarding the marijuana tax to be paid by marijuana cultivation facilities.

- (5) Article 5 – Marijuana Product Manufacturing Facilities regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing when a marijuana product manufacturing facility license is required, marijuana product manufacturing facility privileges, acts prohibited at a marijuana product manufacturing facility, rules for a marijuana concentrate manufacturing facility license, application for a marijuana product manufacturing facility license, rules regarding approval of concentrates and marijuana products, when a marijuana handler permit and food safety worker training is required, restricted access area and storage at a marijuana product manufacturing facility, rules regarding a marijuana inventory tracking system, health and safety standards for a marijuana product manufacturing facility, required laboratory testing for a marijuana product manufacturing facility, rules regarding production of marijuana concentrate, rules regarding potency limits per serving and transaction, rules regarding packaging of marijuana products, and rules regarding labeling of marijuana products.

- (6) Article 6 – Marijuana Testing Facility regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing when a marijuana testing facility license is required, marijuana testing facility privileges and acts prohibited

at a marijuana testing facility, application for a marijuana testing facility license, approval of a marijuana testing facility, rules regarding a proficiency testing program for a marijuana testing facility, requirement of a scientific director, rules regarding testing methodologies, a standard operating procedure manual, laboratory testing of marijuana and marijuana products, and a chain of custody, rules regarding a marijuana inventory tracking system, rules regarding retests and disposition of failed material, rules regarding supplemental marijuana quality testing, rules regarding reporting and verification and rules regarding records retention by a marijuana testing facility.

- (7) Article 7 – Operating Requirements for All Marijuana Establishments regulations are proposed as follows:

The proposed regulations consist of a series of provisions regarding marijuana handler permits, establishing licensed premises and alteration of licensed premises, restricted access areas, security alarm systems and lock standards, video surveillance, inspection of licensed premises, rules regarding a marijuana inventory tracking system, health and safety standards, waste disposal, standardized scales, transportation, and business records.

- (8) Article 8 – Enforcement and Civil Penalties regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing rules regarding inspection and investigation, notices of violation, suspension and revocation of licenses, suspension and revocation based on an act of an employee, procedure for action on license suspension or revocation, summary suspension to protect public health, safety or welfare, seizure of marijuana or marijuana product, rules regarding hearings, rules regarding civil fines, rules regarding rights of appeal, and rules regarding surrender or destruction of licenses.

- (9) Article 9 – General Provisions regulations are proposed as follows:

The proposed regulations consist of a series of provisions establishing general provisions including prohibition of marijuana clubs, rules establishing that marijuana establishment applications are public records, rules regarding refusal to sell marijuana, rules regarding the exercise of a licensee's authority, rules regarding the death of a licensee and definitions for the following terms: affiliate, assisting, delivering, flowering, immature, personal cultivation, possess, registration, transport or transfer, adulterated food or drink product, agent, batch or harvest batch, bud and flower, business day, CBN, CBD, CBDA, clones or cuttings, compensation, concentrate, consumer, contaminant, controlling interest, distribute, edible and edible marijuana product, extraction or marijuana extraction, homogenous, individual, in-house testing, licensed, licensee, licensed premises, lot or production lot, marijuana, marijuana cultivation facility, marijuana, marijuana cultivation facility, marijuana plant, marijuana product, marijuana product manufacturing facility, peace officer, person, process or processing, propagate, recreation or youth center, retail marijuana store, square feet under cultivation, THC, THCA, and transaction.

This is a SUPPLEMENTAL NOTICE adding to notices of proposed regulations that were issued on August 12, 2015, July 8, 2015, and May 21, 2015 with respect to proposed regulations under Department of Law file numbers JU2015200372 , JU2015200509, and JU2015200669 and any related notices; and incorporate by reference the previous content of those notices. This SUPPLEMENTAL NOTICE is being issued because the Marijuana Control Board is extending the public comment period to solicit comments on the three projects for which the proposed regulations are presented as a single consolidated draft.

You may comment on the proposed regulations, including the potential costs to private persons of complying with the proposed regulations, by submitting written comments to John Calder, Marijuana Control Board at 550 W. 7<sup>th</sup> Ave, Suite 1600, Anchorage, AK 99501. Additionally, the Marijuana Control Board will accept comments by electronic mail at [john.calder@alaska.gov](mailto:john.calder@alaska.gov). Comments may also be submitted through the Alaska Online Public Notice System, by accessing this notice on the system and using the "comment" link. Indicate the article and section number to which each comment refers. The comments must be received no later than 4:30 p.m. on November 11, 2015.

You may submit written questions relevant to the proposed regulations to John Calder by email and physical address. Please do not submit questions through the Alaska Online Public Notice System. The questions must be received at least 10 days before the end of the public comment period, by November 1 at 4:30 p.m. The Marijuana Control Board will aggregate its response to substantially similar questions and make the questions and response available on the Marijuana Control Board website. The Marijuana Control Board may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you previously submitted comments on any of the proposed regulations, you need not resubmit them for the board to consider those comments when meeting to adopt the final regulations. New comments on updated provisions of the proposed regulations are welcome, as well as additional comments on unchanged provisions of the proposed regulations.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact John Calder at (907) 269-0350 no later than November 1, 2015 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulations are available through the electronic link to the complete text on the Alaska Online Public Notice System, on the Alcoholic Beverage Control Board website at <https://www.commerce.alaska.gov/web/abc/> and by contacting John Calder at 550 W. 7<sup>th</sup> Ste 1600, Anchorage, AK 99501.

After the public comment period ends, the Marijuana Control Board will either adopt the proposed regulations or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulations may be different from that of the proposed regulations. **You should comment during the time allowed if your interests could be affected.**

**Statutory Authority:** AS 17.38.090

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 17.38

**Fiscal Information:** The proposed regulations are not expected to require an increased appropriation.

DATE: October 2, 2015

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Cynthia A. Franklin, Director  
Marijuana Control Board