

3 AAC 306 is amended by adding a new section to read:

3 AAC 306.370. Onsite consumption endorsement for retail marijuana stores.

(a) A licensed retail marijuana store with an approved onsite consumption endorsement is authorized to

(1) sell marijuana and marijuana product, excluding marijuana concentrates, to patrons for consumption on the licensed premises only in an area designated as the marijuana consumption area and separated from the remainder of the premises, either by being in a separate building or by a secure door and having a separate ventilation system;

(2) sell for consumption on the premises

(A) marijuana bud or flower in quantities not to exceed one gram to any one person in a single transaction, unless prohibited by local ordinance or state law;

(B) edible marijuana products in quantities not to exceed 10 mg of THC to any one person in a single transaction; and

(C) food or beverages not containing marijuana or alcohol; and

(3) allow a person to remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided it is packaged in accordance with 3 AAC 306.345.

(b) A licensed retail marijuana store with an approved onsite consumption endorsement may not

(1) sell marijuana concentrate for consumption in the marijuana consumption area;

(2) allow any licensee, employee, or agent of a licensee to consume marijuana or marijuana product, including marijuana concentrate, during the course of a work shift;

(3) allow a person to consume tobacco or tobacco products in the marijuana consumption area;

(4) allow intoxicated or drunken persons to enter or to remain in the marijuana consumption area;

(5) sell, give, or barter marijuana or marijuana product to an intoxicated or drunken person;

(6) allow a person to bring into or consume in the marijuana consumption area any marijuana or marijuana product that was not purchased at the licensed retail marijuana store;

(7) deliver marijuana or marijuana product to a person already known to be in possession of marijuana or marijuana product that was purchased for consumption on the premises;

(8) sell, offer to sell, or deliver marijuana or marijuana product at a price less than the price regularly charged for the marijuana or marijuana product during the same calendar week;

(9) sell, offer to sell, or deliver an unlimited amount of marijuana or marijuana product during a set period of time for a fixed price;

(10) sell, offer to sell, or deliver marijuana or marijuana product on any one day at prices less than those charged the general public on that day;

(11) encourage or permit an organized game or contest on the licensed premises that involves consuming marijuana or marijuana product or the awarding of marijuana or marijuana product as prizes; or

(12) advertise or promote in any way, either on or off the premises, a practice prohibited under this section.

(c) An applicant for an onsite consumption endorsement must file an application on a form the board prescribes, including the documents and endorsement fee set out in this section, which must include

(1) the applicant's operating plan, in a format the board prescribes, describing the retail marijuana store's plan for

(A) security, in addition to what is required for a retail marijuana store, including:

- (i) doors and locks;
- (ii) windows;
- (iii) measures to prevent diversion; and
- (iv) measures to prohibit access to persons under the age of 21;

(B) ventilation. If consumption by inhalation is to be permitted, ventilation plans must be

- (i) signed and approved by a licensed mechanical engineer;
- (ii) sufficient to remove visible smoke; and
- (iii) consistent with all applicable building codes and ordinances;

(C) isolation of the marijuana consumption area from other areas of the retail marijuana store. The marijuana consumption area must

- (i) include a smoke-free area for employees monitoring the marijuana consumption area; and
- (ii) be entirely outdoors in a designated smoking area or separated from other retail areas by a wall with a secure door;

(D) unconsumed marijuana, by disposal or by packaging in accordance with 3 AAC 306.345; and

(E) preventing introduction into the marijuana consumption area of marijuana or marijuana products not sold by the retail marijuana store; and

(2) a detailed premises diagram showing the location of

(A) serving area or areas;

(B) ventilation exhaust points, if applicable;

(C) doors, windows, or other exits;

(D) access control points; and

(E) adequate separation from non-consumption areas of the retail marijuana store and consistent with 3 AAC 306.370(a)(1).

(d) An application for a new onsite consumption endorsement must meet the requirements of 3 AAC 306.025(b) and include in that notice the license number of the retail marijuana store requesting the endorsement.

(e) The non-refundable fee for a new or renewal onsite consumption endorsement is \$1,000.

(f) The retail marijuana store holding an onsite consumption endorsement under this chapter shall

(1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with the operating plan and 3 AAC 306.740;

(2) maintain a ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system adequate to reduce odor;

- (3) include in the security plan how the licensee intends to restrict access to the marijuana consumption area to persons under the age of 21;
- (4) monitor patrons for overconsumption;
- (5) display all warning signs required under 3 AAC 360.360 within the marijuana consumption area, visible to all consumers;
- (6) provide written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the marijuana consumption area at no cost to patrons; and
- (7) label all marijuana or marijuana product sold for consumption on the premises as required in 3 AAC 306.345.

(g) The right of local governments to protest the issuance or renewal of individual retail marijuana store onsite consumption endorsements is separate from the right to protest the issuance of a retail marijuana store license. Not later than 60 days after the director sends notice of an application for a new or renewal onsite consumption endorsement, a local government may protest the application by sending the director and the applicant a written protest and the reasons for the protest. The director may not accept a protest received after the 60-day period. If a local government protests an application for a new or renewal onsite consumption endorsement, the board will deny the application unless the board finds that the protest is arbitrary, capricious and unreasonable.

(h) A local government may recommend that the board approve an application for a new or renewal onsite consumption endorsement with conditions. The board will impose a condition recommended by a local government unless the board finds the recommended condition to be arbitrary, capricious and unreasonable. If the board imposes a condition recommended by a local

government, the local government will assume responsibility for monitoring compliance with the condition unless the board provides otherwise.

(i) The holder of an onsite consumption endorsement must apply for renewal annually at the time of renewal of the underlying retail marijuana store license.

3 AAC 306.990 (b) is amended to add the following subsections:

(27) “marijuana consumption area” means a designated area within the licensed premises of a retail marijuana store that holds a valid onsite consumption endorsement, where marijuana and marijuana products, excluding marijuana concentrates, may be consumed.

(28) “retail marijuana store premises” means an area encompassing both the retail marijuana store and any marijuana consumption area.