Kevin Meyer Lieutenant Governor State Capitol Juneau, Alaska 99811 907.465.3520 WWW.LTGOV.ALASKA.GOV



530 West 7th Ave, Suite 1700 Anchorage, Alaska 99501 907.269.7460 LT.GOVERNOR@ALASKA.GOV

## OFFICE OF THE LIEUTENANT GOVERNOR ALASKA

#### MEMORANDUM

TO:

Amy Demboski

Department of Commerce Community and Economic Development

FROM:

April Simpson, Office of the Lieutenant Governor

465.4081

DATE:

February 24, 2020

RE:

Filed Permanent Regulations: Marijuana Control Board

Marijuana Control Board regulations re: suspension or revocation of marijuana handler

permit (3 AAC 306.812)

Attorney General File:

2019200637

Regulation Filed:

2/24/2020

Effective Date:

3/25/2020

Print:

233, April 2020

cc with enclosures:

Harry Hale, Department of Law

Judy Herndon, LexisNexis

Jane Sawyer, Regulations Specialist

#### ORDER CERTIFYING THE CHANGES TO REGULATIONS OF MARIJUANA CONTROL BOARD

The attached one page of regulations, dealing with handler permit revocation, is certified to be a correct copy of the regulation changes that the Marijuana Control Board adopted at its January 24, 2020, meeting, under the authority of AS 17.38.121 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

Although no public comments were received, the Marijuana Control Board paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes described in this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: 1-31-2020

FILING CERTIFICATION

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on

February 24th, 2020 at 2:19 P.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

Effective:

Register:

March 25, 2020. 233, April 2020.

3 AAC 306.812 is repealed and readopted to read:

**3 AAC 306.812. Suspension or revocation of marijuana handler permit.** (a) The board may suspend or revoke a permit issued under 3 AAC 306.700, or impose a civil fine if the board finds that a marijuana handler permit holder acted in violation of a statute, regulation, or municipal ordinance.

- (b) The director may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the requested action to the permit holder. A licensee may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the requested action to the director and the permit holder. The director shall bring the request to the board at the next available meeting.
- (c) Refore a proceeding to revoke a permit issued under 3 AAC 306.700, the board shall provide electronic notice to the Rolder of the permit at the electronic mail address provided by the holder's the permit application. That a request to take action on the permit holder in his or her permit application.
- (d) The director shall maintain a list of persons with a suspended, revoked, or expired permit which shall be made available to licensees and the public.
- (e) A person may appeal the board's decision to suspend or revoke their permit in accordance with AS 44.62.390 44.62.560.
- (f) Notwithstanding the requirements of (a) (e) of this section, the director may suspend a permit issued under 3 AAC 306.700 if the permit holder's check is returned for insufficient funds, until such time as the permit fee and any associated bank fee is paid. (Eff. 5/23/2018, Register 226; am 3 /25/2020, Register 233)

 Authority:
 AS 17.38.010
 AS 17.38.121
 AS 17.38.200

 AS 17.38.070
 AS 17.38.150
 AS 17.38.900

### **MEMORANDUM**

### State of Alaska Department of Law

The Honorable Kevin Meyer

Lieutenant Governor

Date: February 14, 2020

File No.:

Tel. No.: 465-3600

2019200637

Susan R. Pollard SW

Chief Assistant Attorney General

and Regulations Attorney

Legislation and Regulations Section

Re: Marijuana Control Board regulations re: suspension or revocation of marijuana handler permit (3 AAC

306.812)

Steven C. Weaver Senior Assistant Attorney General Legislation and Regulations Section

The Department of Law has reviewed the attached regulations of the Marijuana Control Board against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Marijuana Control Board after the close of the public comment period. The regulations expand the procedures for suspension or revocation of a marijuana handler permit.

The August 4, 2019 public notice and the January 31, 2020 certification of adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

We have made some technical corrections to conform the regulations in accordance with AS 44.62.125. The corrections are shown on the attached copy of the regulations.

#### **SCW**

cc w/enc:

Glen Klinkhart, Interim Director

Marijuana Control Board

Department of Commerce, Community, and Economic Development

Amy Demboski, Assistant Commissioner and Regulations Contact Department of Commerce, Community, and Economic Development

Jane Preston Sawyer, Regulations Specialist Alcohol and Marijuana Control Office Department of Commerce, Community, and Economic Development

Joan M. Wilson, Assistant Attorney General Commercial, Fair Business, and Child Support Section

#### **AFFIDAVIT OF BOARD ACTION**

I, Glen Klinkhart, Interim Director for the Marijuana Control Board, being duly sworn, state the following:

The attached motion dealing with handler permit revocation was passed by the Marijuana Control Board during its January 24, 2020, meeting.

Date: 1-31-2020

Glen Klinkhart, Interim Director

at Anchorage, Alaska, on \_\_/ Subscribed and swor

Notary Public in and for the State of Alaska



# Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

#### Marijuana Control Board Meeting January 23-24, 2020 Excerpt from Unapproved Minutes

1. Handler Permit Revocation

**TAB 74** 

Status:

Adopted on September 13, 2019

**Potential Board Actions:** 

Reconsider; review minor amendments for consistency;

Readopt

Glen reviews. Motion to readopt: **5-0 passed** 

## NOTICE OF PROPOSED CHANGES ON HANDLER PERMIT REVOCATION IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD

The Marijuana Control Board proposes to adopt regulation changes in 3 AAC 306 of the Alaska Administrative Code, dealing with the revocation of marijuana handler permits, including the following:

3 AAC 306.812 is proposed to be repealed and readopted in order to expand the reasons for revoking a handler permit to violations of statute, regulation or municipal ordinance, and not just "violations of this chapter." The proposed regulation would allow a licensee to request that the board suspend a handler permit, require a list of suspended, revoked and expired permits to be maintained and published, and provide an appeal provision for individuals whose permit was revoked.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Alcohol and Marijuana Control Office at 550 West 7<sup>th</sup> Avenue, Suite 1600, Anchorage AK 99501. Additionally, the Marijuana Control Board will accept comments by electronic mail at <a href="mailto:amco.regs@alaska.gov">amco.regs@alaska.gov</a>. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received not later than 4:30 pm on September 5, 2019.

You may submit written questions relevant to the proposed action to the Alcohol and Marijuana Control Office at 550 West 7<sup>th</sup> Avenue, Suite 1600, Anchorage, AK 99501or to amco.regs@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. The Alcohol and Marijuana Control Office will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and AMCO website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Alcohol and Marijuana Control Office at <a href="mailto:amco.regs@alaska.gov">amco.regs@alaska.gov</a> or (907) 269-0350 not later than August 27, 2019, to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting the Alcohol and Marijuana Control Office at <a href="mailto:amco.regs@alaska.gov">amco.regs@alaska.gov</a> or (907) 269-0350.

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

**Statutory authority:** AS 17.38.010; AS 17.38.070; AS 17.38.121; AS 17.38.190; AS 17.38.200; AS 17.38.900

Statutes being implemented, interpreted, or made specific: AS 17.38.070; AS 17.38.200;

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

The Alcohol and Marijuana Control Office keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Marijuana Control Board notices of proposed regulation changes. To be added to or removed from the list, send a request to the Marijuana Control Board at amco.regs@alaska.gov, giving your name, and either your e-mail address or mailing address, as you prefer for receiving notices.

Date: July 30, 2019

Erika McConnell, Director Marijuana Control Board

Euha M'Connell

# ADDITIONAL REGULATION NOTICE INFORMATION (AS 44.62.190(d))

| 1. | Adopting agency: Marijuana Control Board  |              |               |   |    |  |
|----|---|--------------|---------------|---|----|--|
| 2, | General subject of regulation: Handler Permit Revocation                                    |              |               |   |    |  |
| 3. | Citation of regulation (may be grouped): 3 AAC 306.812                                      |              |               |   |    |  |
| 4. | Department of Law file number, if any: 2019200637   |              |               |   |    |  |
| 5. | Reason for the proposed action:   |              |               |   |    |  |
|    | ( ) Compliance with federal law or action (identify):                                       |              |               |   |    |  |
|    | ( ) Compliance with new or changed state statute  |              |               |   |    |  |
|    | ( ) Compliance with federal or state court decision (identify):                             |              |               |   |    |  |
|    | (x) Development of program standards  |              |               |   |    |  |
|    | ( ) Other (identify):   |              |               |   |    |  |
|    |   |              | 21            |   |    |  |
| 6. | Appropriation/Allocation: none  |              |               |   |    |  |
|    |   |              |               |   |    |  |
| 7. | Estimated annual cost to comply with the proposed action to:                                |              |               |   |    |  |
|    | A private person: none  |              |               |   |    |  |
|    | Another state agency: none  |              |               |   |    |  |
|    | A municipality: none  |              |               |   |    |  |
|    | 1 5   |              |               |   |    |  |
| 8. | Cost of implementation to the state agency and available funding (in thousands of dollars): |              |               |   |    |  |
|    |   | T. W. 1 XX   | G-1 4         |   |    |  |
|    |   | Initial Year | Subsequent    |   | 12 |  |
|    | 0 4' 0 - 4  | FY <u>20</u> |               |   |    |  |
|    | Operating Cost  | \$_0         |               |   |    |  |
|    | Capital Cost  | \$_0         | \$_0          |   |    |  |
|    | 1002 Federal receipts   | \$ 0         | \$ 0          |   |    |  |
|    | 1003 General fund match   | \$ 0         | \$ 0          |   |    |  |
|    | 1004 General fund   | \$_0         | \$_0          |   |    |  |
|    | 1005 General fund/  | ,            | 7             |   |    |  |
|    | program   | \$ 0         | \$ 0          |   |    |  |
|    | Other (identify)  | \$ 0         | \$_0          |   |    |  |
|    |   |              | · <del></del> | 9 |    |  |

The name of the contact person for the regulation:

9.

|     | Name: Jededian Smith  |   |  |  |  |
|-----|---|---|--|--|--|
|     | Title: Local Government Specialist Address: 550 West 7 <sup>th</sup> Ave. Suite 1600, Anchorage, AK 99501 |   |  |  |  |
|     |   |   |  |  |  |
|     | Telephone: (907) 334-2195   |   |  |  |  |
|     | E-mail address: Jedediah.smith@alaska.gov   |   |  |  |  |
|     |   |   |  |  |  |
| 10. | The origin of the proposed action:  |   |  |  |  |
|     |   |   |  |  |  |
|     | Staff of state agency   |   |  |  |  |
|     | Federal government  |   |  |  |  |
|     | General public  |   |  |  |  |
|     | Petition for regulation change <sup>7</sup>   |   |  |  |  |
|     | x Other (identify): Marijuana Control Board   | _ |  |  |  |
|     |   |   |  |  |  |
|     | 1.4.1.0   |   |  |  |  |
|     | Edediah tinit   |   |  |  |  |
| 11. | Date: July 30, 2019 Prepared by:  |   |  |  |  |
|     |   |   |  |  |  |
|     | Name (printed): <u>Jedediah Smith</u>   |   |  |  |  |
|     | Title (printed): Local Government Specialist  |   |  |  |  |
|     | Telephone: (907) 334-2195   |   |  |  |  |
|     |   | _ |  |  |  |

# ANCHORAGE DAILY NEWS

### AFFIDAVIT OF PUBLICATION

Account #: 270221 Order #: 1441206

Cost: \$318.74

SEP 0 9 2019

AMCO

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Leilisi Misa being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaApril 3

August 4, 2019

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed Subscribed and sworn to before me this 5 day of SUP

Notary Public in and for The State of Alaska. Third Division Anchorage, Alaska MY COMMISSION EXPIRES

NOTICE OF PROPOSED CHANGES ON HANDLER PERMIT

IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD
The Marijuana Control Board proposes to adopt regulation changes in 3 AAC 306 of the Alaska Administrative Code, dealing with the revocation of marijuana handler permits, including the following:
3 AAC 306.812 is proposed to be repealed and readopted in order to expand the reasons for revoking a handler permit to violations of to expand the reasons for revoking a handler permit to violations of statute, regulation or municipal ordinance, and not just "violations of this chapter." The proposed regulation would allow a licensee to request that the board suspend a handler permit, require a list of suspended, revoked and expired permits to be maintained and published, and provide an appeal provision for individuals whose permit was revoked.

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A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting the Alcohol and Marijuana Control Office at amco.regs@alaska.gov or (907) 269-0350.

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The Alcohol and Marijuana Control Office keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all

## AFFIDAVIT OF NOTICE OF PROPOSED REGULATION AND FURNISHING OF ADDITIONAL INFORMATION

I, Erika McConnell, Director of the Marijuana Control Board, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 3 AAC 306.812 regarding revocation of marijuana handler permits has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;

- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

| Date: 10/1/19  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | Eucha M. Connell                             |  |  |  |  |
|  | Erika McConnell, Director                    |  |  |  |  |
|  | Marijuana Control Board                      |  |  |  |  |
|  | - ( 1  |  |  |  |  |
| Subscribed and sworn to before me at Anchorage, Alaska, on |  |  |  |  |  |
| *********  | (date)                                       |  |  |  |  |
| voires   |  |  |  |  |  |
| ane Sk   | Jane Saur                                    |  |  |  |  |
|  | Notary Public in and for the State of Alaska |  |  |  |  |
| and the state of   | M  |  |  |  |  |

#### AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Erika McConnell, Director of the Marijuana Control Board, being duly sworn, state the following:

The Marijuana Control Board did not receive any factual or other substantive information that was submitted in writing or orally as public comment and that was relevant to the accuracy, coverage, or other aspect of the Marijuana Control Board regulation on revocation of marijuana handler permits.

Date: 10/1/19

Erika McConnell, Director Marijuana Control Board

Guila M. Connell

Subscribed and sworn to before me at Anchorage, Alaska on \_\_\_\_

10/1/19



Notary Public in and for the State of Alaska