

**NOTICE OF MEETING
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. AGENDA APPROVAL**
- 3. PUBLIC COMMENT UPON MATTERS ALREADY ON THE AGENDA** *(The Public may comment on any item on the agenda with the exception of items shown under Public Hearings. The standard time limit is 3 minutes.)*
- 4. VISITORS/PRESENTATIONS** *(20 Minutes Scheduled for Presentation and Q & A)*
 - A. Ryan Walker, Red Run Cannabis Company
- 5. RECONSIDERATION**
- 6. ADOPTION OF CONSENT AGENDA** *(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of Commissioner.)*
 - A. Meeting Minutes from the October 27, 2016 Regular Meeting **Page 3**
- 7. REPORTS - State, Borough, Council, Staff**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
- 10. NEW BUSINESS**
 - A. Marijuana Seeds **Page 5**
 - B. Declaring a Vacancy on the Commission **Page 7**
 - C. Amending the Bylaws to Reflect the Frequency of Meetings **Page 9**
 - D. Distances - Churches and Schools **Page 13**
- 11. INFORMATIONAL MATERIALS**
 - A. 2017 Meeting Schedule and Packet Processing Deadlines **Page 15**
 1. Resolution 16-124, Establishing the Regular 2017 Meeting Schedule **Page 17**
 - B. 2017 Commission Attendance at Council Meetings **Page 21**
 - C. New Regulations - State of Alaska **Page 23**
 - D. Industry News Items from Various Sources
 1. Press Release - Director Franklin Stepping Down **Page 39**
 2. Alaska Collects first Full Month of Tax Revenues **Page 41**
 3. Amounts Collected in the First Few Days of Sales **Page 43**
- 11. COMMENTS OF THE AUDIENCE**
- 12. COMMENTS OF THE STAFF**
- 13. COMMENTS OF THE CHAIR**
- 14. COMMENTS OF THE COMMISSION**
- 15. ADJOURNMENT THE NEXT REGULAR MEETING IS THURSDAY, APRIL 27, 2017 at 5:30pm in the COWLES COUNCIL CHAMBERS located at City Hall 491 E. Pioneer Avenue, Homer Alaska**

Session 16-08, a Regular Meeting of the Cannabis Advisory Commission was called to order by Chair Tim Clark at 5:35 p.m. on October 27, 2016 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HARRIS, REYNOLDS, CLARK, LEWIS AND YOUNG

ABSENT: COMMISSIONERS ROBL, STEAD, SARNO (EXCUSED); CARROLL

STAFF: DEPUTY CITY CLERK KRAUSE

APPROVAL OF AGENDA

Chair Clark requested a motion to approve the agenda.

LEWIS/YOUNG - MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT

VISITORS/PRESENTATIONS

RECONSIDERATION

ADOPTION OF CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Commissioner.)

A. Meeting Minutes for the August 25, 2016 Regular Meeting

Chair Clark called for adoption of the Consent agenda.

YOUNG/HARRIS - MOVED TO ADOPT THE CONSENT AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REPORTS

PUBLIC HEARINGS

PENDING BUSINESS

NEW BUSINESS

A. Review and Approval of the 2017 Regular Meeting Schedule

Chair Clark introduced the item into the record and requested a motion.

LEWIS/YOUNG - MOVED TO APPROVE THE 2017 REGULAR MEETING SCHEDULE.

Commissioner Reynolds noted that there is a recommendation from Staff to reduce the meetings to quarterly beginning next year and that a special meeting could be schedule to take care of business if needed. The meetings would be January, April, August and December

VOTE. YES. YOUNG, LEWIS, REYNOLDS, CLARK, HARRIS.

Motion carried.

INFORMATIONAL MATERIALS

A. 2016 Meeting Schedule and Packet Processing Deadlines

Chair Clark noted that Staff has requested the commission to consider cancelling the remaining meetings for 2016.

A brief discussion on changes being made to existing code ensued and once clarification and assurance was provided Commissioner Harris was agreeable.

LEWIS/YOUNG - MOVED TO CANCEL THE REMAINING MEETINGS FOR 2016.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. 2016 Commission Attendance at Council Meetings

C. City of Sitka Dedicates Marijuana Fees to Student Travel

D. Alaska's Recreational Cannabis Market Just Weeks from Debut

There was a brief discussion on having a testing lab on the Peninsula or in Homer was entertained by the Commissioners present.

COMMENTS OF THE AUDIENCE

COMMENTS OF STAFF

COMMENTS OF THE CHAIR

Chair Clark commented that this was the way to have a meeting.

COMMENTS OF THE COMMISSION

Commissioner Harris, Young, Reynolds and Lewis offered no comments.

ADJOURN

There being no further business to come before the Commission, Chair Clark adjourned the meeting at 5:53 p.m. The next regular meeting is scheduled for THURSDAY, JANUARY 26, 2017 at 5:30 p.m. in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

Renee Krause, CMC, Deputy City Clerk

Approved: _____



City of Homer

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MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION
FROM: RICK ABBOUD, CITY PLANNER
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JANUARY 19, 2017
SUBJECT: MARIJUANA SEEDS

Commissioner Lewis requested information from City Manager Koester regarding the legality of selling marijuana seeds. This question was referred to City Planner Abboud who provided the following response:

“My research indicates that marijuana seeds may be thought of the same as seedlings. The sale is illegal unless authorized by the federal government. While seeds do not have enough THC to be of much effect, there are trace amounts present. Since we have legalized the business of marijuana in Alaska, I conclude that seeds should be thought of as part of the regulated plant. The retail sale of seeds is expected to be done through licensed facilities to avoid legal scrutiny. This would not preclude the “gifting” of marijuana as allowed in state law.”

This brings up thoughts regarding the startup of a cultivation. I feel confident in my statement above. Obviously or maybe not so, people had to start somewhere. The State of Alaska makes note that, “After the initial inventory is established, the regulations prohibit personal use marijuana or any marijuana that was not grown in a licensed marijuana cultivation facility and tracked as such being entered into the tracking system”. I am not so sure that one may learn as much from what was said (noting that there is a legal disclaimer that the information is not to be interpreted as legal advice), as from what is not said.

RECOMMENDATION

Informational in Nature. No Action Requested.



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MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION
FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JANUARY 19, 2017
SUBJECT: DECLARING A VACANCY ON THE COMMISSION

This issue comes before the commission to determine the status of the seat held by Commissioner Carroll. She has failed to attend three consecutive meetings, August 25, 2016, September 22, 2016 and October 27, 2016, without notification to the Chair or Staff prior to said absences.

Deputy City Clerk Krause commenced to leave numerous voice mails and emails for Commissioner Carroll over the past six months. Emails were returned with unable to deliver messages. One last attempt was performing a google search and turning up the employer of Commissioner Carroll through a Homer News Article that she was featured in; a message was forwarded to Commissioner Carroll.

Commissioner Carroll is out of state and will not be attending the January 26, 2017.

Commissioner Carroll was informed of the action on the agenda for this meeting and responded that she was working and it was difficult to get away.

I also informed Commissioner Carroll that the commission approved cancelling the November and December 2016 meetings at the October meeting and moved meetings to a quarterly schedule so would not be meeting again until April. She responded that a quarterly schedule would make it easier to schedule the time from her employment and not put a burden on her employer with her absence/leaving early. She was still interested in maintaining her seat on the commission.

RECOMMENDATION

Make a motion to either allow Commissioner Carroll to retain her seat on the commission or declare the seat vacant due in accordance with the Bylaws, Vacancies 1.D. Misses three consecutive regular meetings unless excused.



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MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: JANUARY 19, 2017

SUBJECT: AMENDING THE BYLAWS TO REFLECT THE CHANGE IN MEETING FREQUENCY

At the October 27, 2016 regular meeting the commission determined that the work nd issues before the commission were not pressing or frequent enough to warrant meeting on a monthly schedule and approved a quarterly meeting schedule which City Council approved via Resolution 16-124 at the December 5, 2016 Council meeting.

This change is required to be shown in the bylaws of the commission necessitating the amendment.

The process is to present the change at one meeting and move to bring forward for a second reading and approval at the next regular meeting. This amendment will then go before City Council for approval.

Due to the nature of this commission's schedule the next meeting is April 27, 2017 and then the amendment will be forwarded for Council approval during the May 8, 2017 meeting.

RECOMMENDATION

Make a motion to amend the bylaws to reflect a quarterly meeting schedule of the 4th Thursday of January, April, August and the 2nd Thursday of December and add to the next meeting agenda for approval.

**CANNABIS ADVISORY COMMISSION
BYLAWS**

1 The Cannabis Advisory Commission is established with those powers and duties as set forth in
2 Chapter 2, Section 78, of the Homer Municipal Code.
3 The Commission is established to act in an advisory capacity to the City Manager and the City Council
4 and shall serve as the local regulatory authority for purposes of AS 17.38 within the City.
5 The Commission’s jurisdiction is limited to the area within the city boundaries except for those extra
6 territorial interests, such as trails and city properties, subject to city jurisdiction.

7
8 The Cannabis Advisory Commission membership will consist of nine members; five members of the
9 public, two members may be residents from outside the city limits, and preference shall be given to
10 city resident applicants; Two Council members, one member of the Homer Advisory Planning
11 Commission, who shall be nominated by the Mayor and confirmed by the Council, and the Chief of
12 Police.

13 Members will be appointed by the Mayor for three-year terms (except to complete terms) subject to
14 confirmation by the City Council.

15 There will be regular monthly meetings of the Commission and permanent records or minutes shall
16 be kept of the proceedings. The minutes will record the vote of each member upon every question.
17 Every decision shall be filed in the office of the City Clerk and shall be public record open to
18 inspection.

19
20 **HISTORY**

21 The By-laws were approved by the Cannabis Advisory Commission on July 23, 2015 and by the Homer
22 City Council on August 10, 2015, and shall be in effect and govern the procedures of the Commission.

23 The duties and responsibilities of the Commission are:

- 24 A. Act in an advisory capacity to the City Manager and the City Council on regulatory issues in the
25 city. Consideration may include existing facilities, possible future developments and
26 recommendations on land use.
- 27 B. Consider any specific proposal, problem or project as directed by the City Council in regards
28 to cannabis.

29
30 **BY-LAWS**

- 31 A. To abide by existing Alaska State Law, Borough Code of Ordinance, where applicable, and
32 Homer Municipal Code.
- 33 B. To abide by Robert’s Rules of Order, current edition, in so far as this treatise is consistent with
34 Homer Municipal Code.

35
36 **REGULAR MEETINGS**

- 37 1. The commission will meet on the fourth Thursday of the month at 5:30 p.m. **January, April,**
38 **August** with the exception of ~~November the commission will meet on the last Monday and December~~
39 the commission will meet on the ~~third~~ **second** Thursday of the month due to the holidays.



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MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION
FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JANUARY 19, 2017
SUBJECT: DISTANCES – CHURCHES AND SCHOOLS

Chair Clark requested this item on the agenda to revisit the subject.

RECOMMENDATION

No Action required. Informational In Nature.

2017 MEETINGS
CANNABIS ADVISORY COMMISSION

Following are the regular meeting dates established for the Commission. All meetings will be in Council Chambers unless otherwise noted and start at 5:30 p.m.

<u>Meeting Date</u>	<u>Packet Deadline</u>
January 26, 2017	January 18, 2017
April 27, 2017	April 19, 2017
August 24, 2017	August 16, 2017
December 14, 2017	December 6, 2017

If a commissioner wishes to add an item on the agenda that would be relevant to the discussion/action of the commission please submit or drop off at the Clerk's Office no later than Noon on the packet deadline date.

Commissioners may email requests for information or materials that they would like in the packet to the clerk, Renee Krause at rkrause@ci.homer.ak.us or staff, Rick Abboud at rabboud@ci.homer.ak.us.

The Clerk will email a draft agenda to the Chair and Staff no later than 4:00 p.m. on the packet deadline day. The Chair and Staff are requested to return the approved agenda with any additions and corrections to the Clerk no later than 10:00 a.m. the following day so that the meeting packet can be produced and available for distribution no later than 3 p.m.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 16-124

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING THE 2017 REGULAR MEETING SCHEDULE FOR THE CITY COUNCIL, ECONOMIC DEVELOPMENT ADVISORY COMMISSION, LIBRARY ADVISORY BOARD, PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION, ADVISORY PLANNING COMMISSION, PORT AND HARBOR ADVISORY COMMISSION, AND CANNABIS ADVISORY COMMISSION.

WHEREAS, Pursuant to Homer City Code Section 1.14.020, the City Council annually sets the schedule for regular and some special meetings, noting the dates, times and places of the City Council, Advisory Commissions, and the Library Advisory Board meetings; and

WHEREAS, The public is informed of such meetings through notices located at the City Clerk's Office, Clerk's Calendar on KBBI, the City Clerk's Website, and postings at the Public Library; and

WHEREAS, HCC 1.14.020 - 040 states that meetings may be advertised in a local paper of general circulation at least three days before the date of the meeting and that special meetings should be advertised in the same manner or may be broadcast by local radio at least twice a day for three consecutive days or two consecutive days before the day of the meeting plus the day of the meeting; and

WHEREAS, HCC 1.14.010 notes that the notice of meetings applies to the City Council and all commissions, boards, committees, subcommittees, task forces and any sub-unit of the foregoing public bodies of the City, whether meeting in a formal or informal meeting; that the failure to give the notice provided for under this chapter does not invalidate or otherwise affect any action or decision of a public body of the City; however, this sentence does not change the consequences of failing to give the minimum notice required under State Statute; that notice will ordinarily be given by the City Clerk; and that the presiding officer or the person or persons calling a meeting are responsible for notifying the City Clerk of meetings in sufficient time for the Clerk to publish notice in a newspaper of general circulation in the City; and

WHEREAS, This Resolution does not preclude additional meetings such as emergency meetings, special meetings, worksessions, and the like; and

42 WHEREAS, Council adopted Resolution 06-144 on October 9, 2006 establishing the
 43 Regular Meeting site for all bodies to be the City Hall Cowles Council Chambers.
 44

45 NOW, THEREFORE, BE IT RESOLVED by the Homer City Council, that the 2017 meeting
 46 schedule is established for the City Council, Economic Development Advisory Commission,
 47 Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Advisory
 48 Planning Commission, and Port and Harbor Advisory Commission of the City of Homer,
 49 Alaska, as follows:
 50

51 Holidays - City Offices closed:

January 2**, New Year's Day, Monday	February 20*, Presidents' Day, the third Monday	March 27*, Seward's Day, last Monday	May 29*, Memorial Day, last Monday	July 4*, Independence Day, Tuesday	September 4*, Labor Day, first Monday
October 18*, Alaska Day, Wednesday	November 10**, Veterans Day, Friday	November 23* Thanksgiving Day, Thursday	November 24*, Friday, the day after Thanksgiving	December 25*, Christmas, Monday	

52
 53 *Indicates holidays - City offices closed.

54 **If on a Sunday, the following Monday is observed as the legal holiday; if on a Saturday, the
 55 preceding Friday is observed as the legal holiday pursuant to the City of Homer Personnel
 56 Rules and Regulations.
 57

58 CITY COUNCIL (CC)

January 9, 23	February 13, 27	March 13, 27	April 10, 24	May 8, ***30	June 12, 26
July 10**, 24	August 14, 28	September 11, 25	October 3 Election	October 9, 23 Oath of Office October 9*	Canvass Board October 6 or 9
November 7 Runoff Election	November 13**, 27	December 11****	December 18**** if needed		

59
 60 City Council's Regular Committee of the Whole Meetings at 5:00 p.m. to no later than 5:50
 61 p.m. prior to every Regular Meeting which are held the second and fourth Monday of each
 62 month at 6:00 p.m. Council will not conduct a First Regular Meeting in July or November.
 63 AML Annual Conference Week is tentatively scheduled for November 13 – 17, 2017.

64 *Tuesday meeting due to Memorial Day/Alaska Day.

65 **There will be no First Regular Meeting in July or November.

66 ***The City Council traditionally reschedules regular meetings that fall on holidays or High
 67 School Graduation days, for the following Tuesday.

68 **** The City Council traditionally cancels the last regular meeting in December and holds the
 69 first regular meeting and one to two Special Meetings as needed. Generally the second
 70 Special Meeting the third week of December, will not be held.

71

72 ECONOMIC DEVELOPMENT ADVISORY COMMISSION (EDC)

January 10	February 14	March 14	April 11	May 9	June 13
July 11	August 8	September 12	October 10	November 14	December 12

73

74 Economic Development Advisory Commission Regular Meetings are held on the second
 75 Tuesday of each Month at 6:00 p.m.

76

77 LIBRARY ADVISORY BOARD (LAB)

February 7	March 7	April 4	May 2	August 1
		October 3	November 7	December 5

78

79 Library Advisory Board Regular Meetings are held on the first Tuesday of the months of
 80 February, March, April, May, August, October, November, and December at 5:30 p.m.

81

82 PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION (PARCAC)

	February 16	March 16	April 20
May 18	June 15		August 17
September 21	October 19	November 16	

83

84 Parks Art Recreation and Culture Advisory Commission Regular Meetings are held on the third
 85 Thursday of each month at 5:30 p.m. with the exception of January, July, and December.

86

87 PLANNING COMMISSION (P/C)

January 4, 18	February 1, 15	March 1, 15	April 5, 19	May 3, 17	June 7, 21
July 19**	August 2, 16	September 6, 20	October 4, 17*	November 1**	December 6**

88

89 Advisory Planning Commission Regular Meetings are held on the first and third Wednesday of
 90 each month at 6:30 p.m. **There will be no First Regular Meeting in July or Second Regular
 91 Meetings in November and December. *Tuesday meeting due to Alaska Day Holiday.

92

93

94

95

96 PORT AND HARBOR ADVISORY COMMISSION (P/H)

January 25	February 22	March 22	April 26	May 24	June 28
July 26	August 23	September 27	October 25	November 15	December 13

97
98 Port and Harbor Advisory Commission Regular Meetings are held on the fourth Wednesday of
99 each month at 5:00 p.m., with the exception of May, June, July and August meetings that are
100 held at 6:00 p.m. The November meeting is scheduled for the third Wednesday and the
101 December meeting is scheduled for the second Wednesday of the month.

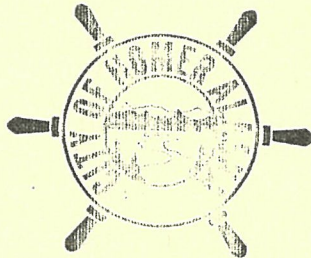
102
103 CANNABIS ADVISORY COMMISSION (CAC)

January 26	April 27			
August 24	December 14			

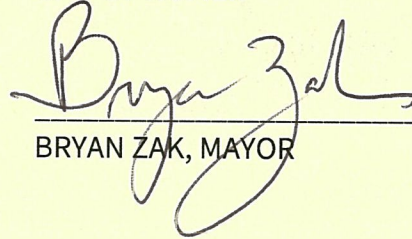
104
105 Cannabis Advisory Commission Regular Meetings are held on the fourth Thursday of each
106 month at 5:30 p.m. The November and December meetings are scheduled for the third
107 Thursday of the month. The meetings for 2017 are reduced to quarterly due to lack of
108 business pending. The December meeting is scheduled for the second Thursday.

109
110 PASSED AND ADOPTED by the Homer City Council this 5th day of December, 2016.

111
112 CITY OF HOMER




118
119
120
121


BRYAN ZAK, MAYOR

122 ATTEST:

123
124
125


JO JOHNSON, MMC, CITY CLERK

Fiscal Impact: Adverting of meetings in regular weekly meeting ad and advertising of any additional meetings.

2017 HOMER CITY COUNCIL MEETINGS
CANNABIS ADVISORY COMMISSION ATTENDANCE

It is the goal of the Commission to have a member speak regularly to the City Council at council meetings. There is a special place on the council’s agenda specifically for this. After Council approves the consent agenda and any scheduled visitors it is then time for staff reports, commission reports and borough reports. That is when you would stand and be recognized by the Mayor to approach and give a brief report on what the Commission is currently addressing, projects, events, etc. **A commissioner is scheduled to speak and has a choice at which council meeting they will attend. It is only required to attend one meeting during the month that you are assigned.** However, if your schedule permits please feel free to attend both meetings. Remember you cannot be heard if you do not speak.

The following Meeting Dates for City Council for 2017 is as follows:

February 13, 27 2017	CAC Meeting 01/26/17	_____
March 13, 28 2017	optional	_____
April 10, 24 2017	CAC Meeting 04/27/17	_____
May 8, 30 2017	optional	_____
June 12, 26 2017	optional	_____
July 24 2017	optional	_____
August 14, 28 2017	CAC Meeting 08/24/17	_____
September 11, 25 2017	optional	_____
October 9, 23 2017	optional	_____
November 27 2017	optional	_____
December 11, 2017	CAC Meeting 12/14/17	_____

Please review and if you will be unable to make the meeting you are tentatively scheduled for please Notify the Chair who may contact another commissioner or attend the meeting.

Rev. 01/17 - rk

3 AAC 306.250. Effect on licenses of restriction on sale

- (a) If a majority of the voters vote under 3 AAC 306.200(a) to prohibit sale of marijuana and marijuana products or the operation of marijuana establishments, or if the assembly or city council passes an ordinance to the same effect, the board will not issue, renew, or transfer to another person a license for a marijuana establishment with premises located within the boundary of the local government [OR IN THE UNINCORPORATED AREA WITHIN 10 MILES OF THE BOUNDARIES OF THE LOCAL GOVERNMENT].
- (b) A license for a marijuana establishment within the boundary of the local government [OR IN THE UNINCORPORATED AREA WITHIN 10 MILES OF THE BOUNDARY OF THE LOCAL GOVERNMENT] is void 90 days after the results of the election are certified, **or after the effective date of an ordinance to the same effect if the local government opted out by ordinance.**
- (c) A license that expires during the 90 days after the certification of a local option election, **or during the period of time between adoption or passage of an ordinance to the same effect and the effective date of that ordinance,** may be extended until it is void under this section, by payment of a prorated portion of the annual license fee.

Chapter 306. Marijuana Control Board

3 AAC 306.315. Application for retail marijuana store license

A person seeking a new retail marijuana store license must submit an application on a form the board prescribes, including the information required under [3 AAC 306.020](#) and

(1) a copy of **an active application for** a food safety permit [REQUIRED] under [18 AAC 31.020](#) **from the Department of Environmental Conservation or a municipality with authority delegated under AS 17.20.072 and 18 AAC 31.945**; and

(2) in the operating plan required under [3 AAC 306.020\(c\)](#), a description of the way marijuana and marijuana products at the retail marijuana store will be displayed and sold.

3 AAC 306.520. Application for marijuana product manufacturing facility license

An applicant for a marijuana product manufacturing facility license, including a marijuana concentrate manufacturing facility license, must file an application on a form the board prescribes, and provide the information required under [3 AAC 306.020](#) and

(1) a copy of **an active application for** a food safety permit [IF REQUIRED] under [18 AAC 31.020](#) from the Department of Environmental Conservation or a municipality with authority delegated under [AS 17.20.072](#) and [18 AAC 31.945](#);

3 AAC 306.040. Ownership change to be reported (a) A licensed marijuana establishment shall, not later than 10 days after an ownership change, report the change on a form prescribed by the board.

(b) If any change required to be reported under this section will result in a change in controlling interest of the marijuana establishment license, the marijuana establishment must file an application for transfer of license to another person under 3 AAC 306.045.

(c) Any individual reported under this section must submit the person's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information. The director will follow the procedure set forth in 3 AAC 306.055(b) for submitting the fingerprints of any individual added under this section.

(e) (d) In this section, "ownership change" means

(1) if the licensee is a partnership, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by any partners;

(2) if the licensee is a limited liability company, any change in the identity of the members, or in the ownership percentage held by any member; or

(3) if the licensee is a corporation, any sale of corporate stock to a person not currently an owner, or any change of the percentage ownership of an existing shareholder.

3 AAC 306.100(c) is amended as follows:

3 AAC 306.100. Fees; refund.

(c) The non-refundable fee to request board approval of a change in a licensed marijuana establishment's business name, **ownership**, licensed premises diagram, operating plan, or proposed new marijuana product is \$250. A change fee does not apply to an application for transfer of a license **or a transfer of controlling interest** to another person.

(New Section)

3 AAC 306.365. Required consumer notices for retail marijuana stores

(a) A retail marijuana store must post, in a conspicuous location visible to customers, the following notices:

(1) “Consumption of marijuana in public is prohibited by law.”

(2) “Transportation or carriage of marijuana or marijuana products on Alaska waterways, including cruise ships, or by air carrier is prohibited by federal law.”

(3) “Transportation or shipment of marijuana or marijuana products outside the state of Alaska is prohibited by federal law.”

(4) “Possession or use of marijuana or marijuana products on federal property is prohibited by federal law.”

(b) Notification signs required under (a) of this section must be at least 11 inches by 14 inches in size. Lettering must be at least one-half inch in height and in contrasting colors.

Chapter 306. Marijuana Control Board

(New Section)

3 AAC 306.365. Required consumer notices for retail marijuana stores

(a) A retail marijuana store must post, in a conspicuous location visible to customers, the following notices:

(1) “Consumption of marijuana in public is prohibited by law.”

(2) “Transportation or carriage of marijuana or marijuana products on Alaska waterways, including cruise ships, or by air carrier is prohibited by federal law.”

(3) “Transportation or shipment of marijuana or marijuana products outside the state of Alaska is prohibited by federal law.”

(b) Notification signs required under (a) of this section must be at least 11 inches by 14 inches in size. Lettering must be at least one-half inch in height and in contrasting colors.

Chapter 306. Marijuana Control Board

Words in **boldface and underlined** indicate language to be added

Words [CAPITALIZED AND BRACKETED] indicate language being deleted

3 AAC 306.645. Laboratory testing of marijuana and marijuana products. (a) A marijuana testing facility shall use the general body of required laboratory tests as set out in this section for marijuana plant material, an extract or concentrate of marijuana, and an edible marijuana products. Required tests may include potency analysis, moisture content, foreign matter inspection, microbial screening, pesticide, other chemical residue, and metals screening, and residual solvents levels. A marijuana testing facility shall establish a schedule of fees and sample size required for each test it offers.

(b) The tests required for each marijuana type or marijuana product, are as follows:

(1) potency testing is required on marijuana bud and flower, marijuana concentrate, and a marijuana product, as follows:

(A) the required cannabinoid potency test must at least determine the concentration of THC, THCA, CBD, CBDA and CBN cannabinoids; a marijuana testing facility may test and report results for any additional cannabinoid if the test is conducted in compliance with a validated method;

(B) a marijuana testing facility shall report potency test results as follows:

(i) for a potency test on marijuana and marijuana concentrate, marijuana testing facility shall list for each required cannabinoid a single percentage concentration that represents an average of all samples within the test batch; alternatively, the sum of THC and THCA may be reported as total THC;

the sum of CBD and CBDA may be reported as total CBD;

(ii) for a potency test on a marijuana product, whether conducted on each individual production lot or using process validation, marijuana testing facility shall list for each cannabinoid the total number of milligrams contained within a single retail marijuana product unit for sale;

(iii) for testing whether the THC content is homogenous, the marijuana testing facility shall report the THC content of each single serving in a multi-unit package; the reported content must be within 20 percent of the manufacturer’s target; for example, in a 25 milligrams total THC package with five servings, each serving must contain between four and six milligrams of THC;

(C) the marijuana testing facility shall determine an edible marijuana product to have failed potency testing if

(i) an individually packaged edible retail marijuana product contained within a test lot is determined to have more than [50] **60** milligrams of THC within it; or

(ii) the THC content of an edible marijuana product is not homogenous;

(2) microbial testing for the listed substances on the listed marijuana products is required as follows:

Substance	Acceptable Limits Per Gram	Product to be Tested
– <i>Shiga</i> -toxin producing <i>Escherichia coli</i> (STEC)- Bacteria	less than 1 colony forming unit (CFU/g)	flower; retail marijuana Products; water- and food-based concentrates
<i>Salmonella</i> species – bacteria	less than 1 colony forming unit (CFU/g)	
<i>Aspergillus fumigatus</i> , <i>Aspergillus flavus</i> , <i>Aspergillus niger</i> - fungus	less than 1 colony forming unit (CFU/g)	

(3) testing for the listed residual solvents and metals on the listed marijuana products is required as follows:

Substance	Acceptable Limits Per Gram	Product to be Tested
Butanes	less than 800 parts per million (PPM)	solvent-based concentrates
Heptanes	less than 500 parts per million (PPM)	
Benzene	less than [.025] <u>1</u> parts per million (PPM)	
Toluene	less than 1 parts per million (PPM)	
Hexane	less than 10 parts per million (PPM)	
Total Xylenes (meta-xylenes, para-xylenes, or ortho-xylenes)	less than 1 parts per million (PPM)	

3 AAC 306.660. Failed materials, retests. (a) If a sample tested by a marijuana testing facility does not pass the required tests based on the standards set out in 3 AAC 306.645, the marijuana establishment that provided the sample shall

(1) dispose of the entire harvest batch or production lot from which the sample was taken; and

(2) document the disposal of the sample using the marijuana establishment’s marijuana inventory tracking system.

(b) If a sample of marijuana fails a required test, any marijuana plant trim, leaf, and other usable material from the same plants automatically fail the required test. The board **or Director** may approve a request to allow a batch of marijuana that fails a required test to be used to make a carbon dioxide or solvent-based extract. After processing, the carbon dioxide or solvent-based extract must pass all required tests.

(c) If a marijuana cultivation facility or a marijuana product manufacturing facility petitions for a retest of marijuana or a marijuana product that failed a required test, the board **or** **Director** may authorize a retest to validate the test results. The marijuana cultivation facility or a marijuana product manufacturing facility shall pay all costs of a retest.

Chapter 306. Marijuana Control Board

Words in **boldface and underlined** indicate language to be added

Words [CAPITALIZED AND BRACKETED] indicate language being deleted

3 AAC 306.365. Onsite consumption endorsement for retail marijuana stores. (a)

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.

(b) An application for a new or renewal onsite consumption endorsement must include

(1) the name of the applicant and DBA and license number of the retail marijuana store requesting the endorsement, along with the applicant's state business license number issued under AS 43.70;

(2) the applicant's operating plan, in a format the board prescribes, describing to the board's satisfaction the marijuana retail store's plans for

(A) security;

(B) ventilation. **Ventilation plans for consumption that includes**

inhaling must be signed and approved by a licensed mechanical engineer;

(C) isolation of the marijuana consumption area from other areas of the retail marijuana store;

(D) disposal or child resistant packaging of unconsumed marijuana; and

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

(3) 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 area(s) of the marijuana

retail store.

(4) An application for a new on-site consumption endorsement must meet the requirements of 3 AAC 306.025(b) and include in that notice the license number of the retail marijuana establishment requesting the endorsement.

(c) The non-refundable fee for a new or renewal onsite consumption endorsement is \$1000.

(d) A retail marijuana store that is issued an onsite consumption endorsement under this section is authorized to sell marijuana and marijuana product to patrons for consumption on the licensed premises in an area separated from the remainder of the premises by a secure door and containing a separate ventilation system. The holder of a marijuana retail store onsite consumption endorsement may sell for consumption on the premises

(1) marijuana bud or flower in quantities not to exceed one gram to any one person in a single transaction;

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

(3) marijuana concentrates intended for inhalation in quantities not to exceed .25 grams to any one person in a single transaction;

(4) food or beverages not containing marijuana;

(e) The retail marijuana store holding an onsite consumption endorsement under this chapter must

- (1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with their operating plan and 3 AAC 306.740;
- (2) maintain a ventilation system that directs air from the onsite consumption area to the outside of the building through a filtration system adequate to reduce odor;
- (3) restrict access to the onsite consumption area to persons not less than 21 years of age;
- (4) monitor patrons for overconsumption;
- (5) provide written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the onsite consumption area at no cost to patrons ; and
- (6) assure that consumers purchasing marijuana or marijuana product sold for consumption in the marijuana consumption area have access to the label for that marijuana or marijuana product as required in 3 AAC 306.345.

(f) The holder of a marijuana retail store onsite consumption endorsement may not

- (1) allow any employee or agent to consume marijuana or marijuana product during the course of a work shift;
- (2) allow intoxicated or drunken persons to enter or to remain on premises;
- (3) sell, give or barter marijuana or marijuana product to an intoxicated or drunken person;
- (4) allow a person to consume marijuana or marijuana product not purchased for consumption in the consumption endorsement area licensed retail facility;

(5) allow a person to introduce marijuana or marijuana products onto the premises of a retail marijuana store which was obtained off of the licensed premises

(6) offer or deliver, as a marketing device to the general public, free marijuana or marijuana product to a patron;

(7) deliver marijuana or marijuana product to a person already possessing 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 3 AAC 306.365(f)(5) – 3 AAC 306.365(f)(10) of this section.

(g) A person may remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided packaging is resealed for removal from the premises by the consumer.

(h) Local governments retain a right to protest the issuance or renewal of individual retail marijuana store onsite consumption endorsements that is separate from the right to protest the

issuance of retail marijuana store licenses. 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.

(i) A local government may recommend that the board approve an application with a condition or conditions for a new or renewal onsite consumption endorsement. The board will impose a condition or conditions recommended by a local government unless the board finds any of the recommended conditions 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.

(j) 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)

(27) “marijuana consumption area” means an area within a retail marijuana store premises, where marijuana and marijuana products may be consumed.

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



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STATE OF ALASKA

DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT

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Alcohol and Marijuana Control Office Begins Search for New Director

December 8, 2016 ANCHORAGE— Cynthia Franklin, director of the Alcohol and Marijuana Control Office (AMCO), announced this week that she is moving to a position with the Alaska Department of Law. Chris Hladick, commissioner of the Department of Commerce, Community and Economic Development, anticipates appointing a new AMCO director by early January.

“Director Franklin has been an invaluable asset to the Alcohol and Marijuana Control Office,” said Commissioner Chris Hladick. “Her leadership over the past two years leaves the staff and boards well positioned to continue the high-quality work Alaskans have come to expect. Best of luck, Cndy— my sincere thanks for your ongoing service to the people of Alaska.”

Ms. Franklin was appointed as the director of the Alcoholic Beverage Control Board in September 2014. Two months later, recreational marijuana was legalized and the responsibility of creating regulations for the new industry also came under her direction via the Marijuana Control Board. From the challenging task of creating a regulatory structure for the brand new industry to issuing the first licenses and inspecting the first retail shops, the AMCO team under Ms. Franklin’s leadership has accomplished numerous successes, always taking into account the health and safety of Alaskans while doing its part to facilitate the success of the new industry.

The Alcohol and Marijuana Control Office, along with the Division of Banking and Securities, the Division of Corporations, Business and Professional Licensing, the Division of Insurance, and the Regulatory Commission of Alaska, is an agency housed within the Alaska State Department of Commerce, Community and Economic Development tasked with protecting consumers in Alaska. For additional information about the agency, please visit commerce.alaska.gov/web/amco. For additional information about the Department of Commerce, Community and Economic Development and its other agencies, please visit commerce.alaska.gov.

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Alaska collects first full month of marijuana tax revenue

Author: **Laurel Andrews**

Updated: 3 hours ago

Published 15 hours ago



Marijuana retailer Herbal Outfitters opened its doors to customer for the first time in Valdez on Oct. 29, 2016. (Marc Lester / ADN archive 2016)

The state of Alaska has received its batch of cannabis tax revenue from the first full month of retail marijuana sales.

In November, seven marijuana cultivators paid \$81,100 to the Alaska Department of Revenue's Tax Division, division director Ken Alper wrote in an email.

About 98 pounds of marijuana bud and 10 pounds of trim — the leaves and stems — were sold wholesale, Alper wrote. Under Alaska law, cultivators pay the state's tax. Bud is taxed at \$50 per ounce, and other parts of the plant, like the stems and leaves, are taxed at \$15 per ounce.

Most of the taxes were paid in cash, and a few were paid with check, Alper wrote.

The numbers represent the first full month of Alaska's cannabis sales, with five stores operating statewide by the end of November — two in Fairbanks, one in Valdez, one in Juneau, and one on the Kenai Peninsula.

by the end of November — two in Fairbanks, one in Valdez, one in Juneau, and one on the Kenai Peninsula.

From Oct. 29, when the first store opened, to Dec. 6, total cannabis retail sales were \$750,581.59, James Hoelscher, enforcement supervisor with the Alcohol and Marijuana Control Office, told the Marijuana Control Board during its December meeting.

The first tax revenue hit the state treasury in November. Four cannabis growers generated \$10,400 in tax revenue. Three retail stores opened in the final days of October.

Two more stores, one in Juneau and another on the Kenai Peninsula — opened in November. In December, Anchorage saw its first sales, with three stores opening during the month; another store has also opened in Fairbanks. On New Year's Eve, Sitka's first store, Weed Dudes, opened.

Half of the tax revenue will go to the state's general fund. The other half has been appropriated to programs aimed at reducing repeat criminal offenders.

State taxes are due at the end of the following month, so November taxes were due at the end of December.

Here's how much Alaska made in taxes from the first few days of legal pot

Author: [Laurel Andrews](#)

Updated: December 1, 2016

Published December 1, 2016



Marijuana dries on racks at Greatland Ganja on Sept. 21. (Marc Lester / Alaska Dispatch News)

Alaska's first-ever revenue from commercial marijuana taxes has hit the state treasury.

Four cannabis growers paid a total of \$10,400 to the Alaska Department of Revenue's Tax Division for the month of October, said division director Ken Alper.

"This was the first delivery to the first couple of stores that happened to be open during the month of October," Alper said. "We're going to obviously see an upward trend."

Only a few stores opened in Alaska in October, and only for the final days of the month.

Herbal Outfitters in Valdez was the first store to open to the public, on Saturday, Oct. 29. In Fairbanks, Frozen Budz and Pakalolo Supply Co. followed soon after, with both stores opening on Oct. 31.

Herbal Outfitters sold marijuana from Greatland Ganja and Green Rush Gardens, two growers located on the Kenai Peninsula. Frozen Budz sold marijuana from Greatland Ganja and Subsistence Products, a

the Kenai Peninsula. Frozen Budz sold marijuana from Greatland Ganja and Subsistence Products, a Fairbanks cultivator. And Pakalolo sold marijuana from its own cultivation facility.

Under Alaska law, cultivators pay the state's tax. Bud is taxed at \$50 per ounce, and other parts of the plant, like the stems and leaves, are taxed at \$15 per ounce.

Most of the tax revenue came from taxed marijuana bud, with a small portion coming from other parts of the plant, although Alper wasn't sure the exact number. Roughly speaking, cultivators paid taxes on about 13 pounds of marijuana in those first days of legal sales.

State taxes are due at the end of the following month, so October taxes were due at the end of November. The first full month of taxes will be reported after Dec. 31, when November's taxes are due.

Two more stores — one in Juneau and another **on the Kenai Peninsula** — opened in November. The Juneau store, Rainforest Farms, also has its own cultivation facility. Red Run Cannabis, in Kenai, was selling Greatland Ganja-grown products when it opened just before Thanksgiving.

Half of the tax revenue will go to the state's general fund; the other half has been appropriated to programs aimed at reducing repeat criminal offenders.

