

**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)*
- 5. 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 under Pending Business at the request of Commissioner. No motion is required.)*
  - A. Meeting Minutes from the August 24, 2017 Regular Meeting **Page 3**
- 6. REPORTS – State, Borough, Council, Staff**
- 7. PENDING BUSINESS**
- 8. NEW BUSINESS**
  - A. Welcome New Commissioners **Page 9**
  - B. Recommendation to Amend the Commission Bylaws to Change Commission Name, and Meeting Schedule **Page 23**
    1. Draft Amended Bylaws **Page 25**
  - C. Recommendation to Amend Homer City Code Title 2.78 to Reflect Changes to Name and Proceedings of the Commission **Page 31**
    1. Draft Ordinance 18-XX **Page 33**
- 9. INFORMATIONAL MATERIALS**
  - A. 2018 Commission Attendance at Council Meetings **Page 37**
  - B. Letter to AMCO from City Council re: Onsite Consumption dated October 13, 2017 **Page 39**
  - C. Proposed Regulations and Amendments to State Regulations from the November AMCO Meetings includes Public Comments **Page 43**
  - D. Shared Revenue as of November 30, 2017 **Page 155**
- 10. COMMENTS OF THE AUDIENCE**
- 11. COMMENTS OF THE STAFF**
- 12. COMMENTS OF THE COMMISSION**
- 13. ADJOURNMENT THE NEXT REGULAR MEETING IS THURSDAY, JANUARY 25, 2018** at 5:30pm in the **COWLES COUNCIL CHAMBERS** located at City Hall 491 E. Pioneer Avenue, Homer Alaska



Session 17-03, a Regular Meeting of the Cannabis Advisory Commission was called to order by Chair Don Stead at 5:30 p.m. on August 24, 2017 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HARRIS, LEWIS, ROBL, STEAD, CRANE

ABSENT: COMMISSIONERS REYNOLDS (EXCUSED), COMMISSIONERS GAROUTTE & GAROUTTE

STAFF: CITY PLANNER ABOUD  
DEPUTY CITY CLERK KRAUSE

### **APPROVAL OF AGENDA**

Chair Stead requested a motion to approve the agenda.

LEWIS/ROBL – MOVED THE AMEND THE AGENDA TO INCLUDE THE FOLLOWING INFORMATIONAL MATERIALS, ITEM D, REGULATION PROJECTS, ONSITE CONSUMPTION, QUALITY CONTROL, WASTE DISPOSAL, LOCAL GOVERNMENT JURISDICTION, TIMING OF PUBLIC OBJECTIONS, NOTIFICATION OF CRIME ON PREMISES (UNAUTHORIZED ACCESS), ADVERTISEMENT, KIEF AND TESTING TRIM FOR COMMENT AND RECOMMENDATION UNDER NEW BUSINESS.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENT**

### **VISITORS/PRESENTATIONS**

### **RECONSIDERATION**

### **ADOPTION OF CONSENT AGENDA**

A. Meeting Minutes for the April 27, 2017 Regular Meeting

Chair Stead called for adoption of the Consent agenda containing the minutes from the April 27, 2017 regular meeting.

LEWIS/ROBL – SO MOVED.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **REPORTS**

## **PUBLIC HEARINGS**

## **PENDING BUSINESS**

## **NEW BUSINESS**

### A. Welcome New Commissioners

Commissioner Grant Garoutte was not present.

### B. Cannabis on the Spit – Recommendation to Council to Amend the Regulations to allow Cannabis Operations on the Spit

City Planner Abboud briefly clarified that the memorandum in the packet was referring to city owned land when saying that the city would not approve cannabis related businesses and that was advice received from the City Attorney. Private owners are allowed.

Additional discussion on the lack of support from the current City Council a recommendation to reconsider zoning for cannabis on the spit might receive and the responsibility and job of this commission ensued.

HARRIS/LEWIS - MOVED TO FORWARD A RECOMMENDATION IN SUPPORT OF CANNABIS BUSINESSES ON THE SPIT AND THAT CITY COUNCIL REVIEW HOMER CITY CODE TOWARDS THAT GOAL.

Discussion ensued on reasons for prohibiting businesses on the spit, it is not the City's responsibility to govern how, when or what the public does with the merchandise as long as it was purchased legally; it was noted that the US Coast Guard still enforces the regulations against marijuana on vessels and if there was a business in town a passenger could purchase it there and they would have no control over what happened after that it was further noted that there were private property owners on the spit that were interested but were unable to have commercial cannabis since it is not zoned.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. Proposed Regulations Open for Comment as provided in the Supplemental Packet

a. Notice of Proposed Changes in the regulations of the Marijuana Control Board to Marijuana Plant Count, Testing of Marijuana and Reporting of testing Equipment Failure

There was no comment or recommendation from the Commission on these proposed regulations.

b. Notice of Proposed Changes on Financial Interest in Marijuana Businesses and Restrictions on Advertising of Marijuana, Marijuana Products and Marijuana Businesses in the Regulations of the Marijuana Control Board

There was no comment or recommendation from the Commission on these proposed regulations.

c. Notice of Proposed Changes to the Regulations of the Marijuana Control Board regarding the addition of an Onsite Marijuana Consumption Endorsement to the Retail Marijuana License

ROBL/HARRIS – MOVED TO FORWARD A RECOMMENDATION TO COUNCIL OPPOSING ONSITE CONSUMPTION OF MARIJUANA BY SMOKING.

Commissioner Robl explained that he conducted extensive research speaking with industry professionals and currently there are no known filtration systems that prohibit or reduce the exposure risks of second hand smoke that would impact first responders. He further noted that in confined spaces and if smoking of a product is allowed it would create a situation that would more than likely impair officers to the degree that they would have to be relieved of duty making it necessary to bring back off duty staff creating more impacts to the budget. This is beside the fact that the impaired officer would not be allowed back on duty until he was totally cleared. He also cited the safety issues to first responders in impeding the ability to perform their jobs whether police or emergency personnel.

Further discussion ensued on the time requirement for an officer to be removed from active duty ensued, use of smokeless ashtrays, the density of the smoke and if vaping has the same effect.

HARRIS/LEWIS – MOVED TO INCLUDE IN THE MOTION THAT VAPING OF CANNABIS PRODUCTS WOULD BE ALLOWED ONSITE.

There was no discussion.

VOTE. (Amendment) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Stead inquired if there was any additional discussion on the motion as amended. Hearing none call for the vote.

VOTE. (Main) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

d. Notice of Proposed changes on Local Government Jurisdiction Notification and Public Objection Process in the regulations of the Marijuana Control Board

There was no comment or recommendation from the Commission on these proposed regulations.

e. Notice of Proposed changes on the Disposal of Marijuana Waste, Quality Control of Marijuana, and reporting Unauthorized Access to a Licensed Marijuana Facility in the regulations of the Marijuana Control Board

There was no comment or recommendation from the Commission on these proposed regulations.

### **INFORMATIONAL MATERIALS**

A. 2017 Meeting Schedule and Packet Processing Deadlines

B. 2017 Commission Attendance at Council Meetings

C. Adopted Regulations in Final Process

D. Regulations Projects:

- Revocation of Handlers Permit and Transportation
- Onsite Consumption
- Advertising Requirements – Space Planning and Layout – Labeling and Packaging
- Quality Control
- Waste Disposal
- Plant Count for New Cultivars
- Direct or Indirect Financial Interest
- Local Government Authority
- Timing of Public Objections
- Notify AMCO of Crime on Licensed Premises
- Promotional Activities and Advertisement
- Kief and testing Trim

There was a brief discussion on what exactly “Kief” was; City Planner Abboud was unable to explain precisely and a member of the audience was able to provide clarification on the term for the commission at the behest of the commission.

- Recreation or Youth Center Definition
- Testing Equipment Failure Notification

E. Alaska Dispatch Articles Related to Cannabis

- Marijuana Tax Revenue Jumps to Over \$500,000 in June dated August 1, 2017
- Is the Marijuana Industry Actually making Money for Alaska? Dated August 11, 2017

F. Articles Submitted by Commissioner Request

- National Conference of State Legislatures Urges De-Scheduling of Marijuana, dated August 7, 2017
  - Banking and Financial Regulations of Marijuana Resolution (NCSL)
  - Georgia Lawmaker Delivers Cannabis Oil While Dodging Felony Charges, nbcnews.com, dated April 28, 2017
  - Recreational Cannabis – Minimizing the Health Risks from Legalization, New England Journal of Medicine, Perspective, dated February 23, 2017
  - Meet the Senators and Congressmen who Support Marijuana Legalization, The Washington Post, Workblog by Christopher Ingraham, dated September 29, 2016
  - Jamaican Study of Pregnant Mothers Shows that Marijuana Doesn’t Harm Newborns, by Jay Smoker, Janelle Stone, dated June 2, 2011, www.weedblog.com
- G. Resolution 2017-251(S), Anchorage, Alaska Supporting Onsite Consumption in Licensed Retail Establishments
- H. Cannabis Operations Initiated within City Limits
- I. Cannabis Operations under Review within City Limits
- J. Marijuana Shared Revenue Tracking as of July 25, 2017

**COMMENTS OF THE AUDIENCE**

**COMMENTS OF STAFF**

**COMMENTS OF THE COMMISSION**

Commissioners Robl, Harris, Stead and Crane had no comments.

Commissioner Lewis was not going to commented but at the urging of the Chair since this was his last meeting he commented it has been fun.

**ADJOURN**

There being no further business to come before the Commission, Chair Stead adjourned the meeting at 6:05 p.m. The next regular meeting is scheduled for THURSDAY, DECEMBER 14, 2017 at 5:30 p.m. in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

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Renee Krause, CMC, Deputy City Clerk I

Approved: \_\_\_\_\_





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Attachment 4 Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

[mayor@ci.homer.ak.us](mailto:mayor@ci.homer.ak.us)  
(p) 907-235-3130  
(f) 907-235-3143

### Memorandum 17-131

TO: HOMER CITY COUNCIL

FROM: BRYAN ZAK, MAYOR

DATE: OCTOBER 25, 2017

SUBJECT: APPOINTMENTS OF DONNA ADERHOLD AND SHELLY ERICKSON TO THE CANNABIS ADVISORY COMMISSION, CLARK FAIR TO THE LIBRARY ADVISORY BOARD, DEBORAH BROWN TO THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION AND REAPPOINTMENT OF DEB LOWNEY TO THE PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION

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Donna Aderhold and Shelly Erickson are appointed to the Cannabis Advisory Commission to fill the City Councilmember seats vacated by David Lewis and Catriona Reynolds. The appointments will expire with their term.

Clark Fair is appointed to the Library Advisory Board to fill the seat vacated by Susan Braund. His term will expire in 2019.

Deborah Brown is appointed to the Economic Development Advisory Commission to fill the seat vacated by Rachel Lord. Her term will expire in 2019.

Deb Lowney is re-appointed to the Parks, Art, Recreation and Culture Advisory Commission. Her term will expire in 2020.

#### RECOMMENDATION:

Confirm the appointment of Donna Aderhold and Shelly Erickson to the Cannabis Advisory Commission, Clark Fair to the Library Advisory Board, Deborah Brown to the Economic Development Advisory Commission, and re-appointment of Deb Lowney to the Parks, Art, Recreation and Culture Advisory Commission.

Fiscal Note: N/A





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

[mayor@ci.homer.ak.us](mailto:mayor@ci.homer.ak.us)

(p) 907-235-3130

(f) 907-235-3143

October 31, 2017

Donna Aderhold  
353 Grubstake Avenue  
Homer, AK 99603

Dear Donna,

Congratulations! Council confirmed/approved your appointment to the Cannabis Advisory Commission during their Regular Meeting of October 30, 2017 via Memorandum 17-131.

Currently on file is your 2017 Public Official Conflict of Interest Disclosure Statement. You do not need to provide any further documents.

Thank you for your willingness to serve the City of Homer on the Cannabis Advisory Commission. Let's see what else the future holds in store for us!

Your term will expire with office.

Cordially,

Bryan Zak, Mayor

Enc: Memorandum 17-131  
Certificate of Appointment  
HCC 2.78 Cannabis Advisory Commission  
Commission Bylaws

Cc: Cannabis Advisory Commission

# City of Homer

Homer, Alaska

Mayor's Certificate of Appointment

Greetings

Be It Known That

## *Donna Aderhold*

Has been appointed to

serve as

**“Commissioner”**

on the

**“Cannabis Advisory Commission”**

*This appointment is made because of your dedication to the cause of good government, your contributions to your community and your willingness to serve your fellow man.*

*In Witness whereof I hereunto set my hand  
this 30th of October, 2017*



*Bryan Zak*  
Bryan Zak, Mayor

Attest:

*Melissa Jacobsen*  
Melissa Jacobsen, MMC, City Clerk



CITY OF HOMER  
APPLICATION TO SERVE ON ADVISORY BODY  
COMMISSION, BOARD, COMMITTEE, TASK FORCE

CITY CLERK'S OFFICE  
CITY OF HOMER  
491 E. PIONEER AVE  
HOMER, AK 99603  
PH. 907-235-3130  
FAX 907-235-3143  
clerk@cityofhomer-ak.gov

The information below provides some basic background for the Mayor and Council  
This information is public and will be included in the Council Information packet

Name: Donna Aderhold Date: 10/10/17

Physical Address: 353 Grubstake Ave., Homer 99603

Mailing Address: 353 Grubstake Ave., Homer 99603

Phone #: \_\_\_\_\_ Cell #: 907-244-4388 Work #: \_\_\_\_\_

Email Address: donnaaderhold@ci.homer.ak.us

The above information will be published in the City Directory and within the city web pages if you are appointed  
by the Mayor and your appointment is confirmed by the City Council

Please indicate the advisory body that you are interested in serving on by marking with an X.  
You may select more than one.

<input type="checkbox"/> ADVISORY PLANNING COMMISSION 1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 PM WORKSESSION PRIOR TO EACH MEETING AT 5:30 PM	<input type="checkbox"/> ECONOMIC DEVELOPMENT ADVISORY COMMISSION 2ND TUESDAY OF THE MONTH AT 6:00 PM
<input type="checkbox"/> PARKS ART RECREATION & CULTURE ADVISORY COMMISSION 3RD THURSDAY OF THE MONTH AT 5:30 PM	<input checked="" type="checkbox"/> CANNABIS ADVISORY COMMISSION 4TH THURSDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PORT & HARBOR ADVISORY COMMISSION 3RD WEDNESDAY OF THE MONTH OCT-APRIL AT 5:00 PM MAY - SEPT AT 6:00 PM	<input type="checkbox"/> LIBRARY ADVISORY BOARD 1ST TUESDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PUBLIC ARTS COMMITTEE 2ND THURSDAY OF THE MONTH AT 5:00 P.M. FEB, MAY, AUGUST & NOVEMBER WORKSESSIONS PRIOR AT 4:00 PM	<input type="checkbox"/> OTHER - PLEASE INDICATE _____
<input type="checkbox"/> CITY COUNCIL 2ND & 4TH MONDAY OF THE MONTH SPECIAL MEETINGS & WORKSESSIONS AT 4:00 PM COMMITTEE OF THE WHOLE AT 5:00 PM REGULAR MEETING AT 6:00 PM	

I have been a resident of the city for 9 years. I have been a resident of the area for 9 years.  
I am presently employed at JHT, Inc. (contractor to NOAA)

Please list any special training, education or background you may have which is related to your choice of advisory body.

As a city councilmember I respond to recommendations from the Cannabis Advisory  
Commission

Have you ever served on a similar advisory body? If so please list when, where and how long:

Homer City Council, 2 years; Homer ADA Compliance Committee, 1.5 years; Kachemak Heritage

Land Trust Board of Directors, 6 years; KBNERR Community Council, 8 years

Why are you interested in serving on the selected advisory body?

I am interested in filling one of the two seats available for city council members.

Please list any current memberships or organizations you belong to related to your selection(s):

Homer City Council

Please answer the following only if you are applying for the Advisory Planning Commission:  
Have you ever developed real property other than a personal residence, if so briefly explain:

Please answer if your are applying for the Port & Harbor Advisory Commission:

Do you use the Homer Port and/or Harbor on a regular basis?

Yes  No  What is your primary use? Commercial  Recreational

Please include any additional information that may assist the Mayor in his/her decision making:

When you have completed the application please review and return to the City Clerk's Office. You may also email this to [clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov) or fax to 907-235-3143. Thank you for applying!



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

### Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

[mayor@ci.homer.ak.us](mailto:mayor@ci.homer.ak.us)

(p) 907-235-3130

(f) 907-235-3143

October 31, 2017

Shelly Erickson  
P.O. Box 3695  
Homer, AK 99603

Dear Shelly,

Congratulations! Council confirmed/approved your appointment to the Cannabis Advisory Commission during their Regular Meeting of October 30, 2017 via Memorandum 17-131.

Currently on file is your 2017 Public Official Conflict of Interest Disclosure Statement. You do not need to provide any further documents.

Thank you for your willingness to serve the City of Homer on the Cannabis Advisory Commission. Let's see what else the future holds in store for us!

Your term will expire with office.

Cordially,

Bryan Zak, Mayor

Enc: Memorandum 17-131  
Certificate of Appointment  
HCC 2.78 Cannabis Advisory Commission  
Commission Bylaws

Cc: Cannabis Advisory Commission

# City of Homer

Homer, Alaska

Mayor's Certificate of Appointment

Greetings

Be It Known That

*Shelly Erickson*

Has been appointed to

serve as

**“Commissioner”**

on the

**“Cannabis Advisory Commission”**

*This appointment is made because of your dedication to the cause of good government, your contributions to your community and your willingness to serve your fellow man.*



*In Witness whereof I hereunto set my hand  
this 30th of October, 2017*

*Bryan Zak*  
\_\_\_\_\_  
Bryan Zak, Mayor

Attest:

*Melissa Jacobsen*  
\_\_\_\_\_  
Melissa Jacobsen, MMC, City Clerk





CITY OF HOMER  
APPLICATION TO SERVE ON ADVISORY BODY  
COMMISSION, BOARD, COMMITTEE, TASK FORCE

Attachment 4  
CITY CLERK'S OFFICE  
CITY OF HOMER  
491 E. PIONEER AVE  
HOMER, AK 99603  
PH. 907-235-3130  
FAX 907-235-3143  
clerk@cityofhomer-ak.gov

The information below provides some basic background for the Mayor and Council  
This information is public and will be included in the Council Information packet

OCT 16 2017 AM 11:14 PK

Name: Shelly Erickson Date: 10/16/17

Physical Address: 4453 E Hill Rd

Mailing Address: Box 3695 Homer

Phone #: \_\_\_\_\_ Cell #: 399-4700 Work #: \_\_\_\_\_

Email Address: shellyhro31@gmail.com

The above information will be published in the City Directory and within the city web pages if you are appointed by the Mayor and your appointment is confirmed by the City Council

Please indicate the advisory body that you are interested in serving on by marking with an X.  
You may select more than one.

<input type="checkbox"/> ADVISORY PLANNING COMMISSION 1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 PM WORKSESSION PRIOR TO EACH MEETING AT 5:30 PM	<input type="checkbox"/> ECONOMIC DEVELOPMENT ADVISORY COMMISSION 2ND TUESDAY OF THE MONTH AT 6:00 PM
<input type="checkbox"/> PARKS ART RECREATION & CULTURE ADVISORY COMMISSION 3RD THURSDAY OF THE MONTH AT 5:30 PM	<input checked="" type="checkbox"/> CANNABIS ADVISORY COMMISSION 4TH THURSDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PORT & HARBOR ADVISORY COMMISSION 3RD WEDNESDAY OF THE MONTH OCT-APRIL AT 5:00 PM MAY - SEPT AT 6:00 PM	<input type="checkbox"/> LIBRARY ADVISORY BOARD 1ST TUESDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PUBLIC ARTS COMMITTEE 2ND THURSDAY OF THE MONTH AT 5:00 P.M. FEB, MAY, AUGUST & NOVEMBER WORKSESSIONS PRIOR AT 4:00 PM	<input type="checkbox"/> OTHER - PLEASE INDICATE _____
<input type="checkbox"/> CITY COUNCIL 2ND & 4TH MONDAY OF THE MONTH SPECIAL MEETINGS & WORKSESSIONS AT 4:00 PM COMMITTEE OF THE WHOLE AT 5:00 PM REGULAR MEETING AT 6:00 PM	

I have been a resident of the city for 1959 years. I have been a resident of the area for \_\_\_\_ years.

I am presently employed at Self employed

Please list any special training, education or background you may have which is related to your choice of advisory body.

planning Commission  
Economic Commission

Have you ever served on a similar advisory body? If so please list when, where and how long:

Why are you interested in serving on the selected advisory body?

filling Council seats

Please list any current memberships or organizations you belong to related to your selection(s):

non users ☺

Please answer the following only if you are applying for the Advisory Planning Commission:  
Have you ever developed real property other than a personal residence, if so briefly explain:

Please answer if your are applying for the Port & Harbor Advisory Commission:  
Do you use the Homer Port and/or Harbor on a regular basis?

Yes  No  What is your primary use? Commercial  Recreational

Please include any additional information that may assist the Mayor in his/her decision making:

When you have completed the application please review and return to the City Clerk's Office. You may also email this to clerk@cityofhomer-ak.gov or fax to 907-235-3143. Thank you for applying!



## City of Homer

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### Office of the Mayor

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(p) 907-235-3130

(f) 907-235-3143

## Memorandum 17-139

TO: HOMER CITY COUNCIL  
FROM: BRYAN ZAK, MAYOR  
DATE: NOVEMBER 21, 2017  
SUBJECT: APPOINTMENT OF SARA WOLTJEN TO THE CANNABIS ADVISORY COMMISSION

---

Sara Woltjen is appointed to the Cannabis Advisory Commission to fill the seat vacated by Tim Clark. Her term will expire in 2019.

#### RECOMMENDATION:

Confirm the appointment of Sara Woltjen to the Cannabis Advisory Commission.

Fiscal Note: N/A



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

[mayor@ci.homer.ak.us](mailto:mayor@ci.homer.ak.us)  
(p) 907-235-3130  
(f) 907-235-3143

November 28, 2017

Sara Woltjen  
54695 East End Road  
Homer, AK 99603

Dear Sara,

Congratulations! Council confirmed/approved your appointment to the Cannabis Advisory Commission during their Regular Meeting of November 27, 2017 via Memorandum 17-139.

Included is the 2017 Public Official Conflict of Interest Disclosure Statement. Please complete this document and return it to the Clerk's office. This form will be retained in the Clerk's office. It is a public document and may be requested by any member of the public. In the event the Public Official Conflict of Interest Disclosure Statement is requested by a member of the public, you will be notified of the requestor's name.

Also included is the Code of Ethics as outlined in Homer City Code 1.18. This provides important guidelines in your role as a commissioner as to conduct and conflicts of interest.

Thank you for your willingness to serve the City of Homer on the Cannabis Advisory Commission. There certainly are exciting times ahead.

Your term will expire May 1, 2019.

Cordially,

Donna Aderhold, Mayor Pro Tempore

- Enc: Memorandum 17-139
- Certificate of Appointment
- 2017 Public Official Conflict of Interest Disclosure Statement
- Robert's Rules of Order Handbook
- HCC 2.78 Cannabis Advisory Commission
- HCC 1.18 Conflicts of Interest, Partiality, and Code of Ethics

Cc: Cannabis Advisory Commission

# City of Homer

Homer, Alaska

Mayor's Certificate of Appointment

Greetings

Be It Known That

# *Sara Woltjen*

Has been appointed to  
serve as

**“Commissioner”**

on the

**“Cannabis Advisory Commission”**

*This appointment is made because of your dedication to the cause of good government, your contributions to your community and your willingness to serve your fellow man.*

*In Witness whereof I hereunto set my hand  
this 28<sup>th</sup> of November, 2017*



A handwritten signature in blue ink, which appears to read "Donna", is written over a horizontal line.

Donna Aderhold, Mayor Pro Tempore

Attest:

A handwritten signature in blue ink, which appears to read "Melissa Jacobsen", is written over a horizontal line.

Melissa Jacobsen, MMC, City Clerk

**Melissa Jacobsen**

---

**From:** Application for Appointment to an Advisory Body <clerk@cityofhomer-ak.gov>  
**Sent:** Tuesday, November 14, 2017 8:12 PM  
**To:** Department Clerk  
**Subject:** \*\* Application for Appointment \*\*

Submitted on Tuesday, November 14, 2017 - 8:11pm Submitted by anonymous user: 146.71.66.177 Submitted values are:

==Applicant Information==

Name: Sara Woltjen  
Physical Address: 54695 east end road  
Mailing Address: Same  
Email: Sarawoltjen@gmail.com  
Phone: 9073998750

==Advisory Bodies==

Advisory Bodies: Cannabis Advisory Commission 4th Thursday of the month at 5:30 p.m.

==Residency & Experience==

I have been a resident of the city for: Not currently  
I have been a resident of the area for : 25 years

Special Training & Education: Manage the SPH Specialty Clinic.

Prior Service : Board member of Kachemak Conservation Society for one year.

Why are you interested? I have excellent organizational and critical thinking skills and I think I would be fair-minded in trying to do what's best for the community Other memberships: No.

Additional related information:

Finish: When you have completed this application please review all the information and hit the submit button. Thank you for applying!

The results of this submission may be viewed at:

<https://linkprotect.cudasvc.com/url?a=https://www.cityofhomer-ak.gov/node/9051/submission/12507&c=E,1,TRCx87gcZGkELOYraxmSDXDIG3Fx5MhiZyEApKSxkAO9n7NJMlAlAlgkS9qvfMuUusRicipi0DB7fOYjBSe0ziKCG4fUaTjMdE2af0cUhLuloRQpkkw,,&typo=1>



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Attachment 4  
Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

## MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CELRK

DATE: DECEMBER 6, 2017

SUBJECT: RECOMMENDATION TO AMEND THE COMMISSION BYLAWS TO CHANGE COMMISSION NAME AND MEETING SCHEDULE

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It was brought to the attention of the Clerk's Office that when the meeting schedule for the commission was amended to quarterly meetings in 2016 the bylaws and city code were not updated.

It was also mentioned that it would create consistency to follow the State of Alaska guidelines and most if not all governmental entities in referencing cannabis as marijuana in all materials and regulations.

The proposed amendments to the commission bylaws must be brought forward at one meeting and approved at a second meeting by motion.

The commission is requested to review the proposed amendments and make a motion to have for final approval at the next meeting of the commission in January.

The city code revisions are under separate memorandum.

Recommendation

Move to recommend changes to the commission bylaws be on the next meeting agenda for approval.





**CANNABIS MARIJUANA ADVISORY COMMISSION  
BYLAWS**

1 The ~~Cannabis~~ **Marijuana** Advisory Commission is established with those powers and duties as set  
2 forth in 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~~ **Marijuana** Advisory Commission membership will consist of nine members; five  
9 members of the public, two members may be residents from outside the city limits, and preference  
10 shall be given to city resident applicants; Two Council members, one member of the Homer Advisory  
11 Planning Commission, who shall be nominated by the Mayor and confirmed by the Council, and the  
12 Chief of 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~~ **quarterly** meetings of the Commission and permanent records or  
16 minutes shall be kept of the proceedings. The minutes will record the vote of each member upon  
17 every question. Every decision shall be filed in the office of the City Clerk and shall be public record  
18 open to inspection.

19  
20 **HISTORY**

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

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 **quarterly** on the fourth Thursday of the month **January, April,**  
38 **and August** at 5:30 p.m., **and** ~~with the exception of November the commission will meet on the last~~

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39 ~~Monday and~~ December the commission will meet on the third Thursday of the month at 5:30 p.m.  
 40 due to the holidays.

41 2. Items will be added to the agenda upon request of staff, the Commission or a  
 42 Commissioner. Agenda deadline is the Wednesday of the week preceding the meeting date at 12:00  
 43 p.m.

44 3. Removing items from the published agenda will be by consensus of the Commission. No items  
 45 may be added.

46 4. Commissioners will give the Clerk's Office or Chair a minimum of a two week notice or as soon  
 47 as possible regarding their potential absence from a meeting.

48

49 **COMMITTEES**

50 1. The commission shall submit a request for approval to City Council to form special  
 51 committees. Committee membership shall include at least two Commissioners. The commission will  
 52 submit in memorandum form to Council the reason for establishing a committee, the task(s) assigned  
 53 to the committee and the expected term for the committee plus a list of persons to be appointed to  
 54 the committee such as Council members, department personnel, or number of public in specific  
 55 sectors or with special experience preferred.

56 2. One committee member shall be appointed as Chair and work with the City Clerk's Office to  
 57 create the agenda and schedule of meetings so they may be advertised in accordance with Alaska  
 58 State Law and Homer City Code.

59 3. One committee member shall be appointed and responsible for furnishing summary notes of  
 60 all Committee meetings to the City Clerk's **office**.

61 4. Committees shall meet in accordance with Commission bylaws and Robert's Rules.

62 5. Committees will make a progress report at all commission meetings.

63 6. No committee shall have other than advisory powers.

64 7. Per Robert's Rules and the resolution creating the committee as established by City Council  
 65 upon giving final report the committee is disbanded.

66 8. All meetings are to be conducted in City Hall where they may be recorded.

67

68 **COMMISSION MEETING PUBLIC COMMENT/TESTIMONY AND AUDIENCE COMMENT TIME LIMITS**

69 1. The Chair shall note for the audience's benefit that there is a three minute time limit each  
 70 time there is a place in the agenda for public comment/testimony or audience comments.

71 2. Any individual wishing to address the Commission shall adhere to a three minute time limit. It  
 72 is the responsibility of the Chair to announce under Public Comments, public testimony on public  
 73 hearing items and Audience Comments that there is a 3 minute time limit.

74 3. Time limits may be adjusted by the 2 minutes up or down with the concurrence of the body in  
 75 special circumstances only such as agenda content and public attendance.

76

77 **SPECIAL MEETINGS**

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- 78 1. Called by Chair or majority of the Commission only when required to complete time sensitive  
 79 business of the commission, at the request of **Staff**, City Administration or City Council.

80

81 **DUTIES AND POWERS OF THE OFFICERS**

- 82 1. A Chair and Vice-Chair shall be selected annually (May meeting) from among the appointed  
 83 members.  
 84 2. The Chair shall preside at all meetings of the Commission, call special meetings in accordance  
 85 with the by-laws, sign documents of the Commission, sees that all actions and notices are properly  
 86 taken, and summarize the findings of the Commission for the official record.  
 87 3. The Vice-Chair shall perform all duties and be subject to all responsibilities of the Chair in  
 88 his/her absence, disability or disqualification of office.  
 89 4. The Vice-Chair will succeed the Chair if he/she vacates the office before the term is completed,  
 90 to complete the unexpired term. A new Vice-Chair shall be elected at the next regular meeting.

91

92 **MOTIONS TO RECONSIDER**

- 93 1. Notice of reconsideration shall be given to the Chair, Vice-Chair, if the Chair is unavailable, or  
 94 the Clerk's Office within forty-eight hours from the time the original action was taken.  
 95 2. A member of Commission who voted on the prevailing side on any issue may move to  
 96 reconsider the Commission's action at the same meeting or at the next regular meeting of the body  
 97 provided the above 48-hour notice has been given.  
 98 3. Consideration is only for the original motion to which it applies.

99

100 **CONFLICT OF INTEREST**

- 101 1. A member or the Commission shall disqualify himself/herself from participating in any official  
 102 action in which he/she has a substantial financial interest.  
 103 2. Should the Commission member not move to disqualify himself/herself after it has been  
 104 established that he/she has a substantial financial interest, the Commission may move to disqualify  
 105 that member by a majority vote of the body.

106

107 **QUORUM; VOTING**

- 108 1. Five Commission members shall constitute a quorum.  
 109 2. ~~Five affirmative~~ **Majority votes of those present** votes are required for the passage of a  
 110 resolution or motion.  
 111 3. Voting will be by verbal vote, the order to be rotated. The final vote on each resolution or  
 112 motion is a recorded roll call vote.  
 113 4. The City Manager and Mayor shall serve as consulting members of the Commission but shall  
 114 have no vote.

115

116 **CONSENSUS**

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117 1. The Commission may, from time to time, express its opinion or preference concerning a  
 118 subject brought before it for consideration. Said statement, representing the will of the body and  
 119 meeting of the minds of the members, may be given by the presiding officer as the consensus of the  
 120 body as to that subject without taking a motion and roll call vote.

121

122 **ABSTENTIONS**

123 1. All Commission members present shall vote unless the Commission, for special reasons,  
 124 permits a member to abstain.

125 2. A motion to excuse a member from voting shall be made prior to the call for the question to be  
 126 voted upon.

127 3. A member of the Commission requesting to be excused from voting may make a brief, oral  
 128 statement of the reasons for the request and the question of granting permission to abstain shall be  
 129 taken without further debate.

130 4. A member may not explain a vote, may not discuss the question while the roll call vote is  
 131 being taken and may not change his/her vote thereafter.

132

133 **VACANCIES**

134 1. A Commission appointment is vacated under the following conditions and upon the  
 135 declaration of vacancy by the Commission.

136 2. The Commission shall declare a vacancy when the person appointed:

137 A. Fails to qualify to take office within 30 days after his/her appointment;

138 B. Resigns and the resignation is accepted;

139 C. Is physically or mentally unable to perform the duties of his/her office;

140 D. Misses three consecutive regular meetings unless excused; or

141 E. Is convicted of a felony or of an offense involving a violation of his/her oath of office.

142

143 **GENERAL ORDER OF BUSINESS**

144

145 NAME OF BODY

DATE OF MEETING

146 PHYSICAL LOCATION OF MEETING

DAY OF WEEK AND TIME OF MEETING HOMER, ALASKA

147

MEETING ROOM

148

NOTICE OF MEETING

149

REGULAR MEETING AGENDA

150 1. CALL TO ORDER

151 2. APPROVAL OF AGENDA

152 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA. (3 MINUTE TIME LIMIT)

153 4. RECONSIDERATION

154 5. APPROVAL OF MINUTES or CONSENT AGENDA.

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- 155 6. VISITORS (Chair set time limit not to exceed 20 minutes) (Public may not comment on the  
 156 visitor or the visitor's topic until audience comments.) No action may be taken at this time.  
 157 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS (Chair set time limit  
 158 not to exceed 5 minutes.)  
 159 8. PUBLIC HEARING (3 MINUTE TIME LIMITS)  
 160 9. PENDING BUSINESS  
 161 10. NEW BUSINESS  
 162 11. INFORMATIONAL MATERIALS (NO ACTION MAY BE TAKEN ON THESE MATTERS, THEY MAY BE  
 163 DISCUSSED ONLY).  
 164 12. COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)  
 165 13. COMMENTS OF THE CITY STAFF (not required) (Staff report may be at this time in the agenda.)  
 166 14. COMMENTS OF THE COUNCILMEMBER (If one is assigned)  
 167 15. COMMENTS OF THECHAIR  
 168 16. COMMENTS OF THE COMMISSION  
 169 17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR note any worksessions,  
 170 special meetings, committee meetings etc. All meetings scheduled to be held in the Homer City Hall  
 171 Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

172

173 **PROCEDURE FOR CONSIDERATION OF AGENDA ITEMS**

174 The following procedure will normally be observed pursuant to Robert's Rules:

- 175 1. A motion is made to discuss the item OR to approve the staff recommendation. The item may  
 176 then be discussed, amended or voted on.  
 177 2. If there are questions of staff or an appropriate audience member, a Commissioner may  
 178 request permission from the Chair to ask the question. The Chair, upon consensus approval, may  
 179 grant the request.

180

181 **BYLAWS AMENDED**

182 The bylaws may be amended at any meeting of the Commission by a majority plus one vote of the  
 183 members **present**, provided that notice of said proposed amendment is given to each member in  
 184 writing. The proposed amendment shall be introduced at one meeting and action shall be taken at  
 185 the next commission meeting.

186

187 **TELECONFERENCE MEETINGS**

- 188 1. The preferred procedure for Commission meeting is that all members be physically present at  
 189 the designated time and location within the City for the meeting. However, physical presence may be  
 190 waived by the Chair or Commission and a member may participate in a meeting by Teleconference  
 191 when it is not essential to the effective participation or the conduct of business at the meeting.

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192 A Commission member participating by teleconference shall be deemed to be present at the meeting  
193 for all purposes. In the event the Chair participates telephonically, the Vice-Chair shall run the  
194 meeting.

195

196 2. Teleconference procedures.

197 A. A Commission member who cannot be physically present for a regularly scheduled  
198 meeting shall notify the City Clerk’s Office at least five days prior to the scheduled time for the  
199 meeting of his/her intent to appear by telephonic means of communication.

200 B. The Clerk shall notify the Commission members three days prior to the scheduled  
201 time for the Commission meeting of Commission members intending to appear by teleconference.

202 C. The means used to facilitate a teleconference meeting of the Commission must  
203 enable each Commission member appearing telephonically to clearly hear all other Commission  
204 members and members of the public attending the meeting as well as be clearly heard by all other  
205 Commission members and members of the public.

206 D. The Clerk shall note in the attendance record all Commission members appearing  
207 telephonically.

208

209 **LEGISLATIVE HISTORY**

210 Cannabis Advisory Commission established by Ordinance 15-07(A)(S)(A)

211 **Amendments to the proceedings of the commission and references to “cannabis” changed to**  
212 **“marijuana” by Ordinance 17-XX date \_\_\_\_\_**



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CELRK

DATE: DECEMBER 6, 2017

SUBJECT: RECOMMENDATION TO AMEND HOMER CITY CODE TITLE 2.78 TO REFLECT  
CHANGES TO THE NAME AND PROCEEDINGS OF THE COMMISSION

---

As the commission is aware from the requested changes to the commission bylaws these changes are also required in Homer City Code Title 2.78, Cannabis Advisory Commission.

I have provided a draft ordinance on what these changes would look like for the Commission review. The commission can discuss recommended changes further if desired.

Upon approval from the commission this will then be forwarded to City Council for final approval. Since the changes require an ordinance City Council will introduce the ordinance at one meeting and finalize and approve at the next meeting, tentative Council dates are in February as the amendments to the bylaws are required to be presented at one meeting and approved at a second meeting.

It is suggested that a commissioner attend those meetings to answer any questions and support the commission's recommendations.

### Recommendation

Move to recommend Homer City Code Title 2.78 Cannabis Advisory Commission be amended to reflect quarterly commission meetings and that all references to cannabis be changed to marijuana to be consistent with the State of Alaska.





**CITY OF HOMER  
HOMER, ALASKA**

City Clerk/  
Cannabis Advisory Commission

**ORDINANCE 18-xx**

A ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
AMENDING TITLE 2.78, CANNABIS ADVISORY COMMISSION TO  
MODIFY REFERENCES OF CANNABIS TO THE COMMON NAME OF  
MARIJUANA WHERE FOUND AND AMENDING THE MONTHLY  
MEETING OBLIGATION TO A QUARTERLY MEETING SCHEDULE.

WHEREAS, Government entities, industry and the public generally refer to and know  
cannabis as marijuana; and

WHEREAS, Referencing and using the common name, Marijuana, in local regulations,  
correspondence and materials is consistent with Alaska Statutes, and will follow established  
industry guidelines, allow uniformity and simplicity; and

WHEREAS, Regulations have been established by the State of Alaska, and items for the  
commission to address and/or respond to are minimal and at this time the commission has  
not implemented additional regulations within the city, thus retaining the necessity to meet  
on a monthly schedule is not required; and

WHEREAS, Amending the meeting requirement to quarterly will not preclude additional  
meetings such as emergency meetings, special meetings, worksessions and the like to take  
action on items directed to the Commission from City Council or other sources.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Title 2.78 is amended to read as follows:

2. 78.010 Commission - Creation and membership.

a. There is created the City of Homer ~~Cannabis~~ **Marijuana** Advisory Commission, referred to in  
this chapter as the commission. The commission shall serve as the Local Regulatory Authority  
for purposes of AS 17.38.

b. The commission consists of nine members, as follows:

1. Five public members, at least three of whom shall be city residents, who shall be  
nominated by the Mayor and confirmed by the Council.

2. Two Council Members and one member of the Homer Advisory Planning Commission,  
who shall be nominated by the Mayor and confirmed by the Council.

45  
46 3. The Chief of Police.

47  
48 2.78.030 Proceedings of the Commission.  
49 The Commission shall meet ~~regularly once a month~~ **quarterly** for no more than two hours, and  
50 at the call of the Chairman. Permanent records or minutes shall be kept of the vote of each  
51 member upon every question. Every decision of finding shall immediately be filed in the office  
52 of the City Clerk, and shall be a public record open to inspection by any person. Every decision  
53 of finding shall be directed to the City Council at the earliest possible date.

54  
55 2.78.040 Duties and responsibilities of the Commission.  
56 It shall be the duty of the Commission to act in an advisory capacity to the City Manager  
57 and the City Council on the regulation of ~~cannabis~~ **marijuana** and operation of ~~cannabis~~  
58 **marijuana** facilities within the borders of the City of Homer. Further duties shall include but  
59 not be limited to:

- 60 a. Draft recommended laws and policies regulating ~~cannabis~~ **marijuana** and related facilities
- 61 within the City of Homer.
- 62 b. Provide information to the public regarding the regulation of ~~cannabis~~ **marijuana** within the
- 63 City and develop programs and/or materials to educate the public regarding actions and
- 64 regulations of ~~cannabis~~ **marijuana** in the City.
- 65 c. Supervise and monitor the implementation of laws and policies governing ~~cannabis~~
- 66 **marijuana** in the City.
- 67 d. Analyze the economic impact of ~~cannabis~~ **marijuana** regulation in the City.

68  
69 Section 2. This ordinance shall take effect upon its adoption.

70  
71 Section 3. This ordinance is of a permanent and general character and shall be included  
72 in the City Code.

73  
74 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this \_\_\_ day of \_\_\_\_\_, 2017.

75  
76 CITY OF HOMER

77  
78  
79 \_\_\_\_\_  
80 BRYAN ZAK, MAYOR

81  
82 ATTEST:  
83  
84  
85 \_\_\_\_\_  
86 MELISSA JACOBSEN, MMC, CITY CLERK  
87

88  
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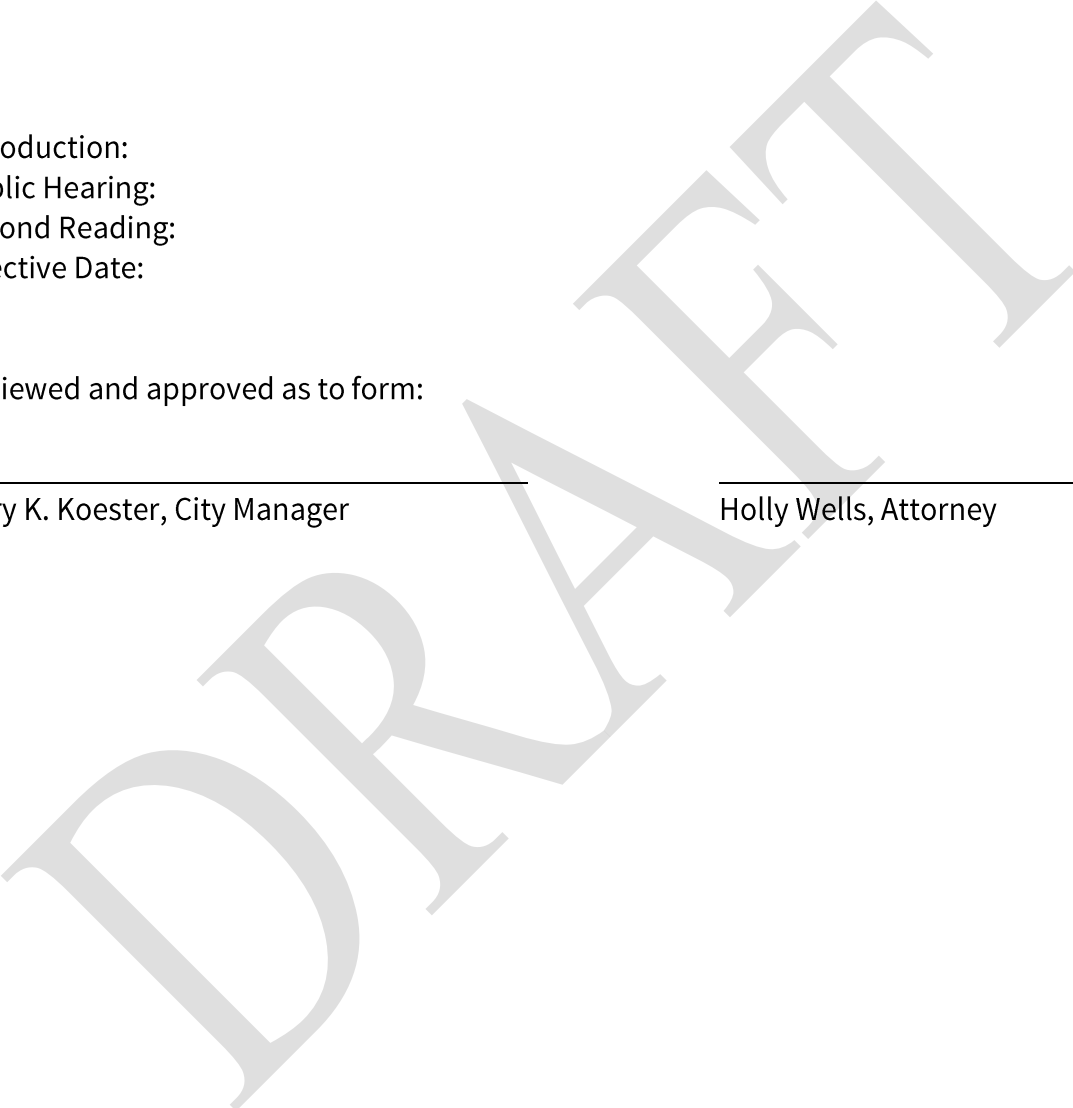
YES:  
NO:  
ABSTAIN:  
ABSENT:

Introduction:  
Public Hearing:  
Second Reading:  
Effective Date:

Reviewed and approved as to form:

\_\_\_\_\_  
Mary K. Koester, City Manager

\_\_\_\_\_  
Holly Wells, Attorney





**2018 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 2018 is as follows:

January 8, 22, 2018	optional	_____
February 12, 26 2018	CAC Meeting 01/25/18	_____
March 12, 27 2018	optional	_____
April 9, 23 2018	CAC Meeting 04/26/18	_____
May 14, 29 2018	optional	_____
June 11, 25 2018	optional	_____
July 23 2018	optional	_____
August 13, 27 2018	CAC Meeting 08/23/18	_____
September 10, 24 2018	optional	_____
October 8, 22, 2018	_____	_____
November 26, 2018	_____	_____
December 10, 2018	_____	_____

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.





# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Homer City Council

491 East Pioneer Avenue  
Homer, Alaska 99603

(p) 907-235-3130

(f) 907-235-3143

October 9, 2017

Marijuana Control Board  
Alcohol Marijuana Control Office  
550 W. 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Email: [amco.regs@alaska.gov](mailto:amco.regs@alaska.gov)

Chair Mlynarik and Board Members,

The City of Homer Cannabis Advisory Commission reviewed the current proposed changes to the regulations of the Marijuana Control Board and submitted their recommendation regarding onsite consumption to the Homer City Council for consideration.

After reviewing the information provided by the Commission and the Homer Police Department, the Homer City Council concurs with the Homer Cannabis Commission and supports the prohibition of the onsite consumption of smoking due to the hazardous effects of second hand smoke on emergency personnel that may have to respond to an establishment. However, we also recommend prohibiting onsite vaping and dabbing based on the lack of scientific studies of the effects of secondhand vapors on first responders.

Regards,

Bryan Zak, Mayor  
On behalf of the Homer City Council

Encl.

Memorandum from City of Homer Cannabis Advisory Commission







# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

## MEMORANDUM

TO: CITY COUNCIL AND MAYOR ZAK

FROM: CANNABIS ADVISORY COMMISSION

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: AUGUST 28, 2017

SUBJECT: RECOMMENDATION TO OPPOSE ONSITE CONSUMPTION OF MARIJUANA BY SMOKING

The State of Alaska Marijuana Control Board issued proposed regulations for Public Comment. Most of the proposed regulations or amendments were not commented on by the Commission. However, the Commission did comment on the proposed changes to the regulations regarding onsite consumption which generally include the following for retail establishments:

1. 3 AAC 306.370 proposes to allow retail marijuana licensees to apply for an onsite consumption endorsement if certain conditions are met.
2. 3 AAC 306.99 proposes to define “marijuana consumption area” and “retail marijuana store premises”

At the regular meeting of August 24, 2017 the Cannabis Advisory Commission reviewed the proposed regulations, discussed and made a recommendation to oppose allowing consumption by smoking of marijuana for the proposed onsite consumption regulations. Following is the excerpt from the minutes of that meeting reflecting the discussion on proposed regulations:

### *NEW BUSINESS*

#### *C. Proposed Regulations Open for Comment as provided in the Supplemental Packet*

##### *a. Notice of Proposed Changes in the regulations of the Marijuana Control Board to Marijuana Plant Count, Testing of Marijuana and Reporting of testing Equipment Failure*

*There was no comment or recommendation from the Commission on these proposed regulations.*

##### *b. Notice of Proposed Changes on Financial Interest in Marijuana Businesses and Restrictions on Advertising of Marijuana, Marijuana Products and Marijuana Businesses in the Regulations of the Marijuana Control Board*

*There was no comment or recommendation from the Commission on these proposed regulations.*

*c. Notice of Proposed Changes to the Regulations of the Marijuana Control Board regarding the addition of an Onsite Marijuana Consumption Endorsement to the Retail Marijuana License*

*ROBL/HARRIS – MOVED TO FORWARD A RECOMMENDATION TO COUNCIL OPPOSING ONSITE CONSUMPTION OF MARIJUANA BY SMOKING.*

*Commissioner Robl explained that he conducted extensive research speaking with industry professionals and currently there are no known filtration systems that prohibit or reduce the exposure risks of second hand smoke that would impact first responders. He further noted that in confined spaces and if smoking of a product is allowed it would create a situation that would more than likely impair officers to the degree that they would have to be relieved of duty making it necessary to bring back off duty staff creating more impacts to the budget. This is beside the fact that the impaired officer would not be allowed back on duty until he was totally cleared. He also cited the safety issues to first responders in impeding the ability to perform their jobs whether police or emergency personnel.*

*Further discussion ensued on the time requirement for an officer to be removed from active duty ensued, use of smokeless ashtrays, the density of the smoke and if vaping has the same effect.*

*HARRIS/LEWIS – MOVED TO INCLUDE IN THE MOTION THAT VAPING OF CANNABIS PRODUCTS WOULD BE ALLOWED ONSITE.*

*There was no discussion.*

*VOTE. (Amendment) NON-OBJECTION. UNANIMOUS CONSENT.*

*Motion carried.*

*Chair Stead inquired if there was any additional discussion on the motion as amended. Hearing none call for the vote.*

*VOTE. (Main) NON-OBJECTION. UNANIMOUS CONSENT.*

*Motion carried.*

#### **Recommendation**

Approve the recommendation to oppose smoking of marijuana onsite but allowing consumption of marijuana to include the method of vaping and forward the recommendation to the Marijuana Control Board before the stated deadline of October 27, 2017.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

## MEMORANDUM

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Quality Control;  
Waste Disposal; Notify AMCO of  
Crime on Premises

### Quality Control

**Summary:** This regulation allows licensed cultivators and product manufacturers to provide employees small samples for the purpose of quality control testing. Inventory of the provided samples must be documented and retained by the licensee, as must documentation from the employee on a form prescribed by the board.

**Public Comment:** Comment period 8/17/17 to 9/29/17. Public comments attached.

**Recommendation:** Adopt new subsection 3 AAC 306.460(d) and new section 3 AAC 306.557.

### Waste Disposal

**Summary:** This regulation limits the waste notification that licensees are required to send to the director to be required only when the amount of waste is more than one ounce. It places all authority to approve retests and allow extraction of failed test material to the director. It changes the definition of marijuana waste and requires notification of upcoming waste disposal to be in writing rather than through the tracking system.

**Public Comment:** Comment period 8/17/17 to 9/29/17. Public comments attached.

**Recommendation:** Due to upcoming changes to Metrc and the recent request from the Department of Law regarding the packaging and labeling regulations change relating to perishable products, the changes to 3 AAC 306.660 and 3 AAC 306.740 should be amended and put back out for public comment.

**Notify AMCO of Crime on Premises**

**Summary:** This regulation requires all licensees to report to the director any unauthorized access to the licensed premises, including the reporting of theft of money or marijuana or marijuana products.

**Public Comment:** Comment period 8/17/17 to 9/29/17. Public comments attached.

**Recommendation:** Adopt addition of new subsection 3 AAC 306.715(e).

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.460 is amended by adding a new subsection to read:

(d) A licensed marijuana cultivation facility may provide a sample of marijuana to an employee of the facility, that is in possession of a valid marijuana handler card for the purpose of quality control only if:

(1) samples provided to employees for quality control does not exceed a cumulative total of one ounce per 30-day period;

(2) each sample is registered and tracked using the marijuana inventory tracking system in accordance with 3 AAC 306.730;

(3) consumption of marijuana does not occur on the licensed premises;

(4) no sample is resold to another licensee or consumer;

(5) each employee who receives a marijuana sample for the purpose of quality control completes a quality control form prescribed by the board for each sample; and

(6) the licensee maintains copies of completed forms required under (5) of this subsection in accordance with 3 AAC 306.755.

(7) marijuana that leaves the licensed premises must be packaged in opaque, resealable, child-resistant packaging and clearly marked or labeled “For Quality Control” and the packaging must be designed or constructed to be significantly difficult for children under five years of age to open, but not normally difficult for adults to use properly. (Eff. \_\_/\_\_/\_\_\_\_.

Register\_\_\_\_)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS 17.38.070	AS 17.38.190	AS 17.38.900

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

3 AAC 306.557. **Quality Control sampling.** (a) A licensed marijuana product manufacturing facility may provide a sample of marijuana concentrate or other marijuana product to an employee of the facility, that is in possession of a valid marijuana handler card for the purpose of quality control only if:

(1) Samples provided to employees for quality control do not exceed a cumulative total set out in 3 AAC 306.355 in a 30-day period:

(2) each sample is registered and tracked using the marijuana inventory tracking system in accordance with 3 AAC 306.730;

(3) consumption of marijuana does not occur on the licensed premises;

(4) no sample is resold to another licensee or consumer;

(5) each employee who receives a marijuana sample for the purpose of quality control completes a quality control form prescribed by the board for each sample; and

(6) the marijuana cultivation facility licensee maintains copies of completed forms required under (5) of this subsection in accordance with 3 AAC 306.755.

(7) marijuana that leaves the licensed premises must be packaged in opaque, resealable, child-resistant packaging and clearly marked or labeled “For Quality Control” and the packaging must be designed or constructed to be significantly difficult for children under five years of age to open, but not normally difficult for adults to use properly. (Eff. \_\_/\_\_/\_\_\_\_.

Register\_\_\_\_)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS 17.38.070	AS 17.38.190	AS 17.38.900

**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; **and**

**(3) notify the director in writing within 24 hours if the amount destroyed totals more than one ounce.**

(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 **director** [BOARD] may approve a **written** request, **on a form prescribed by the board,** 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 **submits a written request on a form prescribed by the board** [PETITIONS] for a retest of marijuana or a marijuana product that failed a required test, the **director** [BOARD] 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.

- Authority: AS 17.38.010 AS 17.38.150 AS 17.38.200
- AS 17.38.070 AS 17.38.190 AS 17.38.900
- AS 17.38.121

3 AAC 306.715 is amended by adding a new subsection to read:

(e) A marijuana establishment will notify the Alcohol and Marijuana Control Office as soon as reasonably practical and in no case more than 24 hours after any unauthorized access to the premises or the establishment's knowledge of evidence or circumstances that reasonably indicate theft, diversion or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises. (Eff 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_, Register\_\_\_\_)

3 AAC 306.740 Waste Disposal is amended to read:

(a) A marijuana establishment shall store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation production, processing, testing, or retail sales, in compliance with applicable federal, state, and local statutes, ordinances, regulations, and other law

(b) Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves a marijuana establishment. Marijuana waste includes

(1) marijuana plant waste, including, [ROOTS] stalks, leaves, and stems that have not been processed with solvent;

(2) solid marijuana sample plant waste in the possession of a marijuana testing facility;

**(3) marijuana or marijuana product that has been deemed by the licensee unfit for sale or consumption;**

**(4) expired marijuana products; and**

**(5) other waste as determined by the board.**



(c) A marijuana establishment shall

(1) in the marijuana inventory tracking system required under 3 AAC 306.730, give the board notice not later than three days before making the waste unusable and disposing of it; however, the director may authorize immediate disposal on an emergency basis; and

(2) keep a record **through the inventory tracking system** of the final destination of marijuana waste made unusable; **and**

**(3) immediately notify the board in writing if requesting disposal of**

**(A) more than 1 gram of marijuana concentrate; or**

**(B) more than one ounce of marijuana or marijuana product.**

(d) Marijuana plant waste must be made unusable by grinding the marijuana plant waste and mixing it with at least an equal amount of other compostable or non-compostable materials.

A marijuana establishment may use another method to make marijuana waste unusable if the board approves the method in advance. Material that may be mixed with the marijuana waste includes

(1) compostable materials including food waste, yard waste, vegetable based grease or oils, or other wastes approved by the board when the mixed material can be used as compost feedstock or in another organic waste method such as an anaerobic digester with approval of any applicable local government entity; or

(2) non-compostable materials including paper waste, cardboard waste, plastic waste, oil, or other wastes approved by the board when the mixed material may be delivered to a permitted solid waste facility, incinerator, or other facility with approval of any applicable local government entity.

Register\_\_\_\_,\_\_\_\_2017 DEPARTMENT OF COMMERCE, COMMUNITY AND EC. DEV.

(e) If marijuana or a marijuana product is found by, or surrendered to, a law enforcement officer including a peace officer or an airport security officer, the officer may dispose of the marijuana or marijuana product as provided in this section or by any method that is allowed under any applicable local ordinance. (Eff. 2/21/2016. Register 217, am \_\_/\_\_/\_\_\_\_, Register\_\_\_\_)

- Authority: AS 17.38.010 AS 17.38.150 AS 17.38.200
- AS 17.38.070 AS 17.38.190 AS 17.38.900
- AS 17.38.121

Marijuana Control Board,

Marijuana Control Board proposed regulations-- changes to disposal of marijuana waste, quality control marijuana, and reporting unauthorized access to a licensed marijuana facility.

**Quality Control:**

I am in support of adding the quality control regulations to 3 AAC 306 and would like to see the Marijuana Retail Licenses given the same ability. I think that a quality control program is necessary for success from a business stand point. For any business to maintain high standards in the products that it provides there is a need to have some way to know their products are actually quality.

I think that the one ounce limit per month is sufficient to allow for quality control and to prevent diversion since it will be such small amount and tracked. Without any diversion, I can't see how this could affect the public's health or safety.

**Failed materials; retests:**

I support the changes made to the failed materials section. I think the changes up to clear up what happens if a test fails.

**Waste Disposal:**

In this section it is being added that we must keep record through the inventory system of the final destination of waste. I am unsure as to where in the tracking system there is a spot to record the final destination. Can it be added that once marijuana is mixed and rendered unusable it is no longer considered marijuana? A new applicant might not know this is the view of the board.

In a previous meeting the board voted not to include the roots as "marijuana." Would it be possible to see that added in this so that a new licensee will know that the roots don't need a 3 day quarantine?

Bailey Stuart

**From:** C. Barret Goodale  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comments Regarding Proposed Regulation Changes  
**Date:** Monday, August 21, 2017 4:49:53 PM

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AMCO,

Below are my comments regarding the proposed changes to the regulations. please see comments in RED.

Thank you,  
 C. Barret Goodale

3 AAC 306.740 Waste Disposal is amended to read:

(a) A marijuana establishment shall store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation production, processing, testing, or retail sales, in compliance with applicable federal, state, and local statutes, ordinances, regulations, and other law

(b) Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves a marijuana establishment. Marijuana waste includes

- (1) marijuana plant waste, including, stalks, leaves, and stems that have not been processed with solvent;
- (2) solid marijuana sample plant waste in the possession of a marijuana testing facility;
- (3) marijuana or marijuana product that has been deemed by the licensee unfit for sale or consumption;
- (4) expired marijuana products; and
- (5) other waste as determined by the board. Register\_\_\_\_\_,\_\_\_\_\_2017 DEPARTMENT OF COMMERCE, COMMUNITY AND EC. DEV. 5

(c) A marijuana establishment shall

(1) in the marijuana inventory tracking system required under 3 AAC 306.730, give the board notice not later than three days before making the waste unusable and disposing of it;

According to **3 AAC 306.740 section B Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves a marijuana establishment.** If we remove leaves, the intended purpose of said leaves where to photosynthesize and produce sugars to be used in the other developing portions of the plant. Therefore, upon the removal of the leaf from the plant it is immediately rendered unusable for its intended purpose. In such a case, how do we keep from rendering this "Waste" as usable for three days prior to it being destroyed in order to stay in compliance under 3 AAC 306.730? **METRC is our inventory tracking system. METRC does not have an option to report waste generated by a plant that is in the vegetative state. METRC does not have an option for reporting waste from flowering plants that are not harvested. This regulation is worded so that it is impossible to comply.** Furthermore, this regulation is in direct conflict of another regulation. 3 AAC 306.735 section 4 subsection B states that a "Marijuana" establishment should prevent attracting pests. Storing plant material that has been removed from a plant is in direct conflict with Integrated Pest Management (the most effective and ecologically sound form of pest management backed by the DEC). By storing detached plant material for three days an environment is created for bacteria and mold to grow and multiply. It is important to keep a facility free of damaged plant material to prevent unwanted organisms. This regulation is in direct conflict of GAP (Good Agricultural Practices). The top priority of regulations should be to protect the consumer, and this regulation is in direct opposition of that priority. **however, the director may authorize**

immediate disposal on an emergency basis; and

(2) keep a record through the inventory tracking system of the final destination of marijuana waste made unusable; **There is no option in METRC for reporting the final destination under the report waste function. This regulation is worded so that it is impossible to comply.** and

(3) immediately notify the board in writing if requesting disposal of (

A) more than 1 gram of marijuana concentrate; or

(B) more than one ounce of marijuana or marijuana product.

(d) Marijuana plant waste must be made unusable by grinding the marijuana plant waste and mixing it with at least an equal amount of other compostable or non-compostable materials. A marijuana establishment may use another method to make marijuana waste unusable if the board approves the method in advance. Material that may be mixed with the marijuana waste includes (1) compostable materials including food waste, yard waste, vegetable based grease or oils, or other wastes approved by the board when the mixed material can be used as compost feedstock or in another organic waste method such as an anaerobic digester with approval of any applicable local government entity; or (2) non-compostable materials including paper waste, cardboard waste, plastic waste, oil, or other wastes approved by the board when the mixed material may be delivered to a permitted solid waste facility, incinerator, or other facility with approval of any applicable local government entity.

**From:** steve@greatnortherncannabis.com  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comments on Proposed Regulations - Waste Disposal and Quality Control  
**Date:** Saturday, September 09, 2017 7:16:16 PM

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September 9, 2017

Marijuana Control Board

Peter Mlynarik, Chair

Mark Springer

Loren Jones

Brandon Emmett

Nicholas Miller

Alcohol & Marijuana Control Office

550 West Seventh Avenue, Suite 1600

Anchorage, Alaska 99501

RE: Proposed 3 AAC 306.460; 3 AAC 306.557; 3 AAC 306.660; 3 AAC 306.740; 3 AAC 306.715 –  
Waste Disposal, Quality Control

Dear Sirs:

Great Northern Cannabis, Incorporated (GNC) is an Alaska corporation with approximately 40 full- and part-time employees, and 25 Alaskan shareholders from a wide variety of backgrounds. We currently own and operate a cultivation facility and a retail store. We thank you for the opportunity to comment on the proposed regulations for waste disposal and quality control.

GNC supports the proposed regulations regarding quality control. While we concur that form retention described in 3 AAC 306.460 (d) (5) & (6) appropriately mirrors record retention requirements in 3 AAC 306.755, we think it affords the board an opportunity to revisit those requirements. Specifically, we think it appropriate to reduce on-premises retention from six to three months and archived retention from three to two years. We further think record retention should be revisited on a regular basis with an eye toward migrating all record retention to the inventory tracking system.

In general, GNC is also supportive of the regulatory changes related to waste disposal with the following caveats:

1. Because the inventory tracking system (METRC) is updated in real-time we do not support the added written notifications in 3 AAC 306.660 (a) (3) and 3 AAC 306.740 (c) (3). If such notification for the director and/or board is deemed to be in the public

interest then the inventory tracking system should be configured to provide such notification. Indeed, electronic notification would be more efficient in that a written notification submitted on a Friday evening may be received timely but not noted by staff until the following Monday.

2. We would respectfully request that 3 AAC 306.715 be modified to include local police departments as a proxy for AMCO. Depending on the nature of an incident and the level of required response it is easy to envision circumstances when law enforcement might be notified but an additional notification to AMCO might slip through the cracks for more than 24 hours. Given the potential level of disruption to business operations adding a possible AMCO enforcement action seems excessive.

Thank you again for the opportunity to comment on these proposed changes. We would be happy to answer questions and participate in any rule-drafting discussions.

Best regards,

Steve Brashear  
Chairman & CEO  
Great Northern Cannabis, Inc.

Marijuana Control Board,

Marijuana Control Board proposed regulations-- changes to disposal of marijuana waste, quality control marijuana, and reporting unauthorized access to a licensed marijuana facility.

**Quality Control:**

I am in support of adding the quality control regulations to 3 AAC 306 and would like to see the Marijuana Retail Licenses given the same ability. I think that a quality control program is necessary for success from a business stand point. For any business to maintain high standards in the products that it provides there is a need to have some way to know their products are actually quality.

I think that the one ounce limit per month is sufficient to allow for quality control and to prevent diversion since it will be such small amount and tracked. Without any diversion, I can't see how this could affect the public's health or safety.

**Failed materials; retests:**

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In a previous meeting the board voted not to include the roots as "marijuana." Would it be possible to see that added in this so that a new licensee will know that the roots don't need a 3 day quarantine?

Chris Farris



Marijuana Control Board,

Marijuana Control Board proposed regulations-- changes to disposal of marijuana waste, quality control marijuana, and reporting unauthorized access to a licensed marijuana facility.

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In a previous meeting the board voted not to include the roots as "marijuana." Would it be possible to see that added in this so that a new licensee will know that the roots don't need a 3 day quarantine?

Caleb Saunders

**Public comment from R.C. Tinderbox**

**3 AAC 306.460 and 3 AAC 306.557** new subsections allowing marijuana licensees to give small amounts of marijuana to employees for quality control testing.

(A) We feel this is a very important aspect of the cultivation process, our employees can let us know how the effects of the strain are, the quality of the flower, if it burns clean and if it is a strain we should continue to grow in our facility or start a new one.

**3 AAC 306.405(a) (8)** begin initial operations at the time of preliminary inspection with up to 12 mature, non-flowering plants, designated and used as mother plants; any number of immature plants; and any number of seeds.

(A) We feel this is the best for the initial inspection with one exception, the definition of the mature plant should at least be 36" in height, the reason for this is all plants have different growth structures, a lot of growers remove the lower portion of the plant because it does not get proper light penetration, thus reducing the amount of live foliage that is usable for taking clones, you would have a plant that was naked possibly up to 18" with no room for new growth.

**3 AAC 306.405(b) (6)** introduce marijuana or marijuana product, including plants and seeds onto the licensed premises from any outside source after the initial preliminary inspection, as acquired from another licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730.

(A) We feel this a direct conflict with AS 17.38.070 which reads: (b) Notwithstanding any other provision of law, the following acts, when performed by marijuana cultivation facility with a current, valid registration, or a person 21 year of age or older who is acting in his or her capacity as an owner, employee or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

**Sec. 17.38.070. Lawful operation of marijuana-related facilities.**

- (5) Receiving or purchasing marijuana from a marijuana cultivation facility; and
- (6) Receiving marijuana seeds or immature marijuana plants from a person 21 year of age or older.

**3 AAC 306.435 is amended to read:**

(a) A marijuana cultivation facility shall use a marijuana inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown or cultivated on the marijuana cultivation facility's premises are identified and tracked from the time the marijuana is marijuana cultivation facility shall assign a tracking number to each plant over eight inches tall. When harvested, bud and flowers, **kief**, clones or cuttings, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding five pounds. Each harvest batch must be given an inventory tracking number. Clones or cuttings must be limited to 50 or fewer plants and identified by a batch tracking number.

(A) We feel this is appropriate.

**3 AAC 306.455 (b) (1)** collect a random, homogenous sample for testing by segregating harvest marijuana into batches of individual strains of bud, flower, **leaf, trim, and kief**, then selecting a random sample from each batch in an amount required by the marijuana testing facility.

(A) We feel this is appropriate.

**3 AAC 306.470 (a)** is amended to add a new subsection and renumber subsequent sections:

a marijuana cultivation facility that repackages for sale leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345.

(A) We feel that if anything going to a retail store for the purpose of selling to the consumers, has to be tested, however we feel that this should not be the case if it is going to a manufacturing for processing, the cultivator already testes this and then the product gets tested again after final processing before it goes to the retail store and for that reason we feel the amended should read as follows: (a) a marijuana cultivation facility that repackages for sale leaf, trim, or any other usable part of the marijuana plant that is not flower or bud **to a retailer** must have the product independently tested for THC potency in accordance with 3 AAC 306.345.

**3 AAC 306.645 (b)(1)** is amended by adding a new subparagraph: (D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested for potency separately from marijuana flower.

(A) We feel that the same applies to this as **3 AAC 306.470 (a) language and should read as follows:** (D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested for potency separately from marijuana flower when **sold to a retail store**.

**3 AAC 306.670** is amended to add a new subsection to read:

(d) A marijuana testing facility shall notify the director in writing not later than 24 hours after a significant equipment malfunction or failure that prevents the completion of required marijuana or marijuana product testing. The licensee shall notify the director of any action the licensee intends to take to provide for re-testing or destruction of the marijuana or marijuana product.

(A) We feel that this is appropriate.

**3 AAC 306.990(a) is amended to read:**

(5) "immature" means a marijuana plant **18 inches or less in height**, with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers; and 3 AAC 306.990(a) is amended by adding a new subsection (11)  
(11) "mature" means a marijuana plant over 18 inches in height.

(A) We feel that a 36-inch height is more appropriate height as we mentioned in 3 AAC 306.405(a) the reason for this is all plants have different genetics and different growth structures, that make every plant different and unique in the way they grow for example a strain that grows like a vine or one that grows on a single stock, for this reason to limit the height to only 18-inches only is not realistic and can be problematic another reason would be a lot of growers remove the lower portion of the plant because it does not get proper light penetration, thus reducing the amount of live foliage that is usable for taking clones, you would have a plant that was naked possibly up to 18" with no room for new growth also a healthy happy plant can grow up to 1 to 2 inches per day.



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September 29, 2017

Marijuana Control Board  
Director McConnell  
*Sent Via Email*

**Re: Public Comment for November 2017 MCB Meeting**

Dear Honorable Members of the Marijuana Control Board & Director McConnell:

Thank you for considering my public comment for the regulation projects identified below.

**Quality Control**

I would urge the board to adopt this regulation language to allow cultivation and manufacturing licensees to give small samples of marijuana, concentrates and marijuana products to their employees for the purpose of quality control testing. This will allow employees to be more knowledgeable of the product they are selling. Breweries, distilleries, wineries, and restaurants all allow for their employees to try the products they are selling so that the employees can speak from experience as to what they are selling – small amounts for sampling purposes should be allowed.

**Direct or Indirect Financial Interest**

The exemption in the regulations to allow a landlord to receive a percentage of a marijuana establishment's earnings on a percentage based lease/rent agreement is the exact same language as provided for in the alcoholic beverages regulations, which provide for the identical exemption of percentage based rental arrangements from the prohibition of any persons who are not a licensee from having a financial interest in the liquor/marijuana license. According to the current Alcoholic Beverage Control regulations and statutes, at Section 04.11.450, titled Prohibited Financial

Interest, subsection (a) provides that:

*A person other than a licensee may not have a direct or indirect financial interest in the business for which a license is issued.*

*Id (emphasis added).* This is the same prohibition language in our marijuana regulations. In the same section at sub section (d), the alcoholic beverages regulations further state:

*For purposes of this section, a lessor under a graduated or percentage lease-rent agreement involving a premises licensed under this title does not hold a financial interest in the business.*

*Id (emphasis added).*

The exemption that Staff is attempting to remove is the same exact exemption that is specifically allowed for in the liquor regulations. The rationale when this current regulation project was presented to the control board was to address concerns that landlords could potentially control the marijuana business via this type of lease arrangement. This concern lacks validity for several reasons.

- First, the control board requires in all commercial marijuana applications that the leases that the licensees are subject to be made, in their entirety, part of the marijuana application. Second, in those leases, which are required to be disclosed, there must be provisions that the landlord agrees to comply with the regulations regarding visitor policies (which means a landlord may never enter the facility's restricted access areas without signing into the visitor log and must agree to never take possession of any marijuana, marijuana plants or products and must contact AMCO to address any products/plants/marijuana).
- Second, the leases also must provide for an agreement from landlord to comply with the marijuana regulations.
- Third, and most important, the licensees are **required to store at least 40 days of 24/7 video surveillance**. If AMCO is concerned about a particular licensee being controlled by a particular landlord, the appropriate avenue is to request the licensee to provide the past 40 days of video and then to see, in the footage, if the landlord is milling around the facility, acting as an owner or manager, directing sales, handling product, etc. Reviewing the footage is the perfect way to determine whether the concern of a landlord controlling a licensee's marijuana operations is valid – removing a regulation that many landowners have relied upon and invested hundreds of thousands based on this specific provision is not a narrowly tailored remedy – it will result in multiple lawsuits between licensees, landlords and this board. It is not an appropriate remedy to the control concern – reviewing the surveillance is the solution and its one of the reasons that licensees have had to invest in surveillance storage that holds 40 days – so that AMCO can properly look into concerns like this without de-stabilizing the entire segments of the industry by alternating the foundation of many business relationships that were properly built based on the written words of the regulations. Without some consistency and stability, no industry can grow in

a healthy and sustainable manner.

Moreover, there are additional factors why it makes sense to continue to allow for percentage based lease arrangements for marijuana licensees:

- All owners of the license need to be residents of Alaska that are eligible to receive a permanent fund dividend. A standard that narrows the eligibility for many land owners and warehouse owners in Alaska – as many of those folks are used to leasing their property to subcontractors of oil companies or leases to oil company directly, many of those property owners are “snow birds” or travel in a manner that they do not qualify for a PFD.
- The buildings that house these licenses are often older, and need extensive remodeling to meet and pass current code inspections. The reason newer buildings are often not utilized is because typically newer buildings still have a bank note attached to them and banks have (and continue) to threaten to accelerate the obligations of the note due to the activity of commercialized marijuana still being federally illegal. Therefore, these marijuana businesses are often (but not always) confined to older, rundown buildings that must be substantially upgraded to be used for a marijuana business.
- Consequently, the owners of these buildings have relied (potentially to their financial detriment) on the percentage based lease provision in the regulations to invest substantial funds to upgrade these buildings and provide some buildout of the facilities. In exchange, and for fair and just compensation, they have carefully negotiated percentage based lease arrangements with the marijuana businesses.
- The provision in the proposed regulation that would require landlords to be “licensees” is not a workable solution – the landlords are landlords, not owners of the licenses. Percentage based lease arrangements are common place in the commercial and retail property industry.

Both licensees and building owners have already relied on the current regulation language when they negotiated the terms of their leases and formed their business models. Many businesses have already been operating under these types of agreements and many more are knee deep in the process of trying to get their establishments operational. The point is, so many people have formed their business models around this exemption in the regulation and if you simply just do away with it what will they be left with? How is this industry supposed to get anywhere when the base keeps changing? I understand the director and the board are concerned for the potential that a landlord “be in a position to exert influence on the facility’s operations in a manner that is expected to be limited to licensees”, but licensees are already required to certify via MJ-09: Statement of Financial Interest that no one other than a proposed licensee has a direct or indirect financial interest in the marijuana business – which is to be signed in front of a notary.

If you do decide to remove this language from the regulations, I would urge you to give grandfather rights to those that have already been approved by you – given the ability to investigate (via pulling surveillance footage) the validity of the concern of a potential controlling landlord issue, any actions by the board to negate this exemption in its entirety is likely to be found as overly broad,

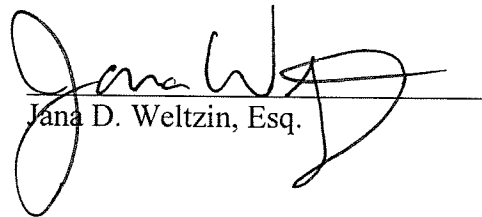
and arbitrary and capricious.

**Restriction on Advertising**

Please see my attached correspondence dated August 25, 2016 which outlines a more encompassing advertisement regulation scheme (regulation of direct text marketing, social media, etc) that is more applicable in today's type of advertisement. My August 25<sup>th</sup> correspondence also indicates the need for a revocation or suspension of persons' marijuana handlers' cards that are misusing them.

Thank you for your continued hard work, dedication and commitment to the success of this newly regulated industry.

Respectfully submitted for your consideration,

  
Jana D. Weltzin, Esq.





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Main Office 907-231-3750  
jana@jdwcounsel.com

August 25, 2017

Marijuana Control Board  
Director McConnell  
*Sent via Email*

**Re: Public Testimony Submitted for September 2017 MCB**

Dear Esteemed MCB Members & Director McConnell:

Please consider the following issues and concerns during your MCB September 2017 meeting. Thank you for your service to the state and Industry.

Since the July meeting, our office has been receiving new requests from AMCO staff that we have never gotten before in previous incomplete letters/correspondence from the AMCO office. These new requests are said to be “board decisions”, yet as I recall them, these matters were either comments or concerns expressed during discussions amongst the board members by an individual board member(s) – but the general banter back and forth did not result in a motion and a subsequent vote by the board, drawing some type of action or conclusion. The examples below were merely discussions, as opposed to “decisions” made by/voted on by the board as a whole or “deliberations” on specific motions.

AS 17.38.111 and AS 17.38.121 - clearly contemplates the board acting as a whole when making any decisions, approvals or denials as well as the board training manual posted on AMCO’s website. In fact, it is clear in the board training manual posted on AMCO’s website that there is a clear delineation from just board discussions, to board debates once a motion is actually formally made. On page 21 of the Marijuana Control Board Orientation Manual, dated July 2, 2015, the manual articulates the following:

**Taking Part in Debate**

*Debate and discussion are not the same.* Discussion is general and does not necessarily lead to closure of an issue. It is the method used

for less formal meetings and work sessions. Debate occurs after a motion has been made, and formal board or commission actions are required. Board discussion is **not a formal request for action**, so members should take care to make a motion in order to propose an actionable item--particularly one that involves a fiscal matter, policy change, or staff response.

Emphasis added, page 21.

Some examples of new requests received from the AMCO office labeled as “board decisions” are:

- Requests in incomplete letters from examiners requiring that a sample of the “actual label” to be used for retailers and cultivators – as I recall the discussion the board had at the July meeting (I don’t yet have access to the meeting minutes) an individual board member, voiced concern that the board did not require a sample of and did not ever lay eyes on the logos and labels that retailers and cultivators will use and some of the other board members agreed that was true and the discussion moved on to another topic, no vote or official “decision” was made regarding this matter, yet it is now being required by AMCO for new applications. Therefore, we have received several incomplete applications stating that the application is incomplete because no sample logo or actual label was provided.
- Another example, was an incomplete response that stated that the board has decided that a licensed premises must be contiguous. The incomplete response required that for this particular applicant license to be compliant with the regulations, even though it was all located enclosed in buildings on one single address, the site would need to be fully enclosed by a fence, or obtain a separate license for each building on the addressed site. I don’t recall the board considering a motion to make this a formal policy, I only recall the discussion of it and members voicing their varying opinions (again, the meeting minutes are not yet available to refer to).

#### Items Delegated to Director and or Chief of Enforcement

I believe last meeting in July, we discussed some items to be delegated to the director &/or chief of enforcement such as change in licensed premises diagrams, operating plan changes, and perhaps other delegations that I cannot specifically recall. It may be helpful for industry participants, AMCO staff, and MCB members if there was a list of currently approved decisions that have been delegated to the Director so that the industry can better plan for their business modifications and know if a change is possible within weeks via Director delegation or whether that business would necessarily need to wait until the next MCB meeting to implement the proposed change.

#### Persistence of misuse of Marijuana Handler Permits

The misrepresentation by some persons holding MHP and putting themselves out to the public as licensed to conduct illegal activity is continuing. Currently, there is no tool enforcement can use to revoke or suspend MHP holders who are using the permits to undermine the legal market. We must have a mechanism to combat this misuse. I understand it may not be the most popular

proposal made, but I believe we must give enforcement a tool to revoke MHP holders who are utilizing their permits in a manner that puts the public's health and safety at risk and undermines the taxed, regulated and tested market. I have drafted some suggested regulatory language for the boards consideration:

306.700. is Amended by adding:

(F) MCB shall require the following to be disclosed by an applicant for a MHP:

(1) Has been convicted of a felony in the state and either

(a) less than 5 years has elapsed from time of conviction; or

(b) person is currently on probation or parole for that felony.

(2) Has within 2 years, before submitting an application, been convicted of a class A misdemeanor crime in the state involving a controlled substance other than a Schedule VI controlled substance; or

(3) Has within 2 years before submitting an application, been convicted of a class A misdemeanor in the state relating to selling, furnishing, or distributing marijuana.

(G) If Chief of Enforcement or the Director deems it is in the best interest of Public Health and safety to deny a MHP based on required disclosures above, then it shall do so and applicant may appeal denial to MCB within seven (7) business days of notice of denial. MCB shall set a special hearing to consider the denial and provide the applicant an opportunity to appeal denial to the MCB. MCB shall determine whether to sustain the denial in the interest of public health & safety, or to overturn the denial and grant the applicant a MHP.

Add in new section

3 AAC.306.XXX

(a) MCB may suspend or revoke MHP issued under this chapter if:

(1) If the board becomes aware that a permit applicant did not disclose required disclosures under 3 AAC.306.700(f) (1) or (2) or (3).

(b) The Director, Chief of Enforcement, or MCB may revoke or suspend a permit issued under this chapter, refuse to renew a permit, or impose a civil fine if a MHP Holder is taking actions to undermined the legal commercial market, misrepresent themselves to the public, use MHP in a manner that is not in the best interest of Public Health and Safety, or an applicant for a MHP misrepresented themselves on background check, affidavit, declaration signed statement, under AS 17.38, 17.37 or this chapter.

#### Change of Ownership Final Form

There is still no actual transfer of ownership application, just the MJ-17a: Temporary Report of Change in Ownership. All the transfer requests this Board has seen have not actually been dealt

with – AMCO staff is, to the best of our understanding, compiling a list of persons who have requested a transfer, but the actual transfer hasn't been handled because the transfer form has yet to be finalized. Many persons who were licensees that transferred their interest are concerned about the possibility of the continuing liability that stems from the operation of the license to the licensee. Additionally, there is concern for new investors who have purchased a piece of an entity that owns a license, and technically are not considered legal licensees.

Our request is for the Board to direct AMCO staff to finalize the transfer of ownership mechanism and complete the transfer requests in final form for the Board's review and approval.

#### Reiterating the Lack of Clarity in Advertising Regulations

Lack of clarity as to whom the advertising regulations apply to, what the terms mean as there are limited definitions provided in the regulations and clarity as to what types of mediums are allowed for advertisement has had a chilling effect on the industry's commercial speech. I propose creating a set of regulations in Article 7 – Operating Requirements for All Marijuana Establishments – and address advertisement holistically for all license types as follows:

#### \*Proposed Advertisement Regulations\*

##### **Advertising - Purpose and Application of Rules**

- (1) Marijuana Control Board serves the interests of the citizens of Alaska by regulating and prohibiting advertising marijuana items in a manner:
  - (a) That is attractive to minors;
  - (b) That promotes excessive use;
  - (c) That promotes activity that is illegal under Alaska law; or
  - (d) That otherwise presents a significant risk to public health and safety.
- (2) The Control Board also serves the interests of Alaskans by allowing advertising for the purpose of informing the public of the availability and characteristics of marijuana.
- (3) All marijuana advertising by a licensee must conform to these rules.

##### **Advertising Restrictions**

- (1) Marijuana advertising may not:
  - (a) Contain statements that are deceptive, false, or misleading;
  - (b) Contain any content that can reasonably be considered to target individuals under the age of 21, including but not limited to images of minors, cartoon characters, toys, or similar images and items typically marketed towards minors, or references to products that are commonly associated with minors or marketed by minors;
  - (c) Specifically encourages the transportation of marijuana items across state lines;
  - (d) Assert that marijuana items are safe because they are regulated by the Control Board or otherwise make claims that any government agency endorses or supports marijuana;
  - (e) Make claims that recreational marijuana has curative or therapeutic effects;
  - (f) Display consumption of marijuana items;
  - (g) Contain material that encourages the use of marijuana *because of its intoxicating effect*; or
  - (h) Contain material that encourages excessive or rapid consumption.
- (2) A licensee may not make any deceptive, false, or misleading assertions or statements on any

informational material, any sign, or any document provided to a consumer.

(3) A licensee must include the following statement on all print, billboard, television, radio and internet advertising in font size legible to the viewer:

(a) "Do not operate a vehicle or machinery under the influence of this drug".

(b) "For use only by adults twenty-one years of age and older."

(c) "Keep out of the reach of children."

(4) A licensee may not engage in advertising via marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature.

### **Advertising - Definitions**

(1) "Advertising" is publicizing the trade name of a licensee together with words or symbols referring to marijuana or publicizing the brand name of marijuana or a marijuana product.

(2) "Billboard" means a large outdoor advertising structure.

(3) "Handbill" is a flyer, leaflet, or sheet that advertises marijuana.

(4) "Radio" means a system for transmitting sound without visual images, and includes broadcast, cable, on-demand, satellite, or internet programming. Radio includes any audio programming downloaded or streamed via the internet.

(5) "Television" means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. Television includes any video programming downloaded or streamed via the internet.

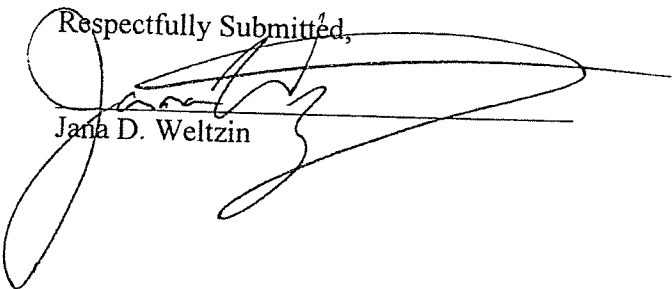
(6) "Internet" means an electronic communications network that connects computer networks and organizational computer facilities around the world.

### Work session sometime?

Is it possible to arrange a publicly noticed work session with the board and the public? In the Marijuana Control Board Orientation Manual it contemplates in several sections (page 16 and page 21) that work sessions may be used to discuss proposed regulations or for a less formal type of meeting that doesn't necessarily lead to a closure of an issue. Since the start of the MCB formation I do not think we have ever utilized the work session tool. I think it would be helpful for the Board and staff to see some of the end product/packaging/labeling of these facilities and get a chance to ask how this is all playing out in the real world to industry participants and even local government officials too. It will help build trust, communication and mutual understanding amongst industry participants, the public and Staff/MCB. Some of the confusion in this process I think comes from it being so theoretical (as it was from the start) but now there's real tangible outcomes that may be helpful for the board to see – and also gratifying too to see these concepts put into play and how the growth of the industry is effecting the business owners, local government and public.

Lastly, and most importantly, this industry is moving fast – in the cannabis industry, life is like dog years, one year feels like seven, there's so much work on both ends and so much uncertainty and we all need to understand the pressures both the industry and

regulators are under to make this industry safe and free from federal intervention. I know that my office sees this the most, but for anyone else that reads this letter, the staff, enforcement officers, and the director at AMCO are not regular government employees. They are emailing at 7AM and sometimes late into the night past 9pm – to say they are working hard is a complete understatement. I am so impressed by their dedication, commitment to their responsibilities, thoroughness and organizational skill, and their incredible effort they've expended on this industry which has undoubtedly dipped into their personal lives, taking time away from their families and their individual "me time". Thank you to them for playing a huge role, if not the biggest role, in this industry's success to date.

Respectfully Submitted,  
  
Jana D. Weltzin



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

## MEMORANDUM

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Streamline  
Edibles Testing

**Summary:** Some types of edibles are baked goods made with some form of marijuana concentrate. As each batch of concentrate may have a different potency, the amount of concentrate to add to the recipe for an edible product in order to result in edibles with 5mg of THC per serving could vary. Some manufacturing licensees prepare large quantities of ingredients for a production lot, but bake a test batch first, in order to confirm that the resulting edibles have the correct amount of THC. If the results fail required testing, they would like to test a second batch after adjusting the recipe, rather than having to destroy all the ingredients. Under current regulations, retesting is only permitted to validate test results (3 AAC 306.660(c)).

**Recommendation:** Put out for public comment. Alternately, the board could wrap this issue into the recommended comprehensive look at the testing section.

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3 AAC 306.360 is amended by adding a new subsection to read:

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 **requests** [PETITIONS FOR] a retest of marijuana or a marijuana product that failed a required test, the board or director may **approve** [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.

**(d) If an edible marijuana product fails a required test based on potency results, the product manufacturer must notify the board, and;**

**(1) may apply for a retest without destroying the production batch if the remainder of the production batch can be altered and a detailed plan to alter the recipe is provided to the board.**

**(2) the product manufacturer shall pay all costs of a retest.**





THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Commerce, Community,  
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## MEMORANDUM

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Plant Count for  
New Cultivators; Testing Kief and  
Trim Separately; Reporting Test  
Equipment Failure

### Plant Count for New Cultivators

**Summary:** The board opened a regulations project in April to put into regulations your determination on what type of plant/seed inventory a new cultivation facility could start with, after which all marijuana would need to be created from existing stock and tracked in the seed-to-sale inventory tracking system.

While the definition of “mature” and “immature” in the proposal may not be the scientific meaning of those words as applied to marijuana plants, the intent as used in the regulations is to cover both the height/age of the plant and in the case of immature plants, the lack of flowers.

**Public Comment:** Comment period 8/15/17 to 9/22/17. Public comments attached.

**Recommendation:** Adopt the changes to 3 AAC 306.405(a), the new subsection 3 AAC 306.405(b), and the changes to 3 AAC 306.990(a).

### Testing Kief and Trim Separately

**Summary:** Current regulations do not require leaf and trim, which may be of a lower potency, or kief, which may be of a higher potency, to be tested independently from flower or bud. This regulation proposes to require separate testing for those parts of the plant, and also clarifies that kief is a derivative of the marijuana plant and may be produced by the cultivator, and would not have to be “created” or packaged by a product manufacturer.

**Public Comment:** Comment period 8/15/17 to 9/22/17. Public comments attached.

**Recommendation:** There is not clarity as to the intent of this regulation. Would each harvest batch be required to have three tests: 1) bud/flower; 2) leaf trim; 3) kief? I recommend that the board do more work on this project to clarify the intent and ensure the proposed language meets that intent, and not adopt the changes to 3 AAC 306.435, changes to 3 AAC 306.455(b)(1), the new subsection 3 AAC 306.470(a), the repeal of 3 AAC 306.555(d)(1), and the new subparagraph 3 AAC 306.645(b)(1).

**Reporting Test Equipment Failure**

**Summary:** This draft regulation requires any licensed testing facility that experiences a significant equipment malfunction or failure to report within 24 hours to the Alcohol and Marijuana Control Office director. Reporting requirements also include a contingency plan for completing suites of tests and destruction of test samples.

**Public Comment:** Comment period 8/15/17 to 9/22/17. Public comments attached.

**Recommendation:** Adopt the added subsection 3 AAC 306.670(d).

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.405(a) is amended by adding a new subsection to read:

(8) begin initial operations at the time of preliminary inspection with up to 12 mature, non-flowering plants, designated and used as mother plants; any number of immature plants; and any number of seeds. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.405(b) is amended by adding a new subsection to read:

(6) introduce marijuana or marijuana product, including plants and seeds, onto the licensed premises from any outside source after the initial preliminary inspection, except as acquired from another licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.435 is amended to read:

(a) A marijuana cultivation facility shall use a marijuana inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown or cultivated on the marijuana cultivation facility's premises is identified and tracked from the time the marijuana is

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propagated through transfer to another licensed marijuana establishment or destruction. The marijuana cultivation facility shall assign a tracking number to each plant over eight inches tall. When harvested, bud and flowers, **kief**, clones or cuttings, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding five pounds. Each harvest batch must be given an inventory tracking number. Clones or cuttings must be limited to 50 or fewer plants and identified by a batch tracking number. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.455 (b) (1) is amended to read:

(1) collect a random, homogenous sample for testing by segregating harvest marijuana into batches of individual strains of bud, flower, **leaf, trim, and kief**, then selecting a random sample from each batch in an amount required by the marijuana testing facility. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.470 (a) is amended to add a new subsection and renumber subsequent sections:

(a) a marijuana cultivation facility that repackages for sale leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

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**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.555(d)(1) is repealed:

(1) repealed \_\_/\_\_/\_\_\_\_;

(Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.645 (b)(1) is amended by adding a new subparagraph:

(D) Marijuana leaf, trim, kief and other parts of the marijuana plant

must be tested for potency separately from marijuana flower. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.670 is amended to add a new subsection to read:

(d) A marijuana testing facility shall notify the director in writing not later than 24 hours after a significant equipment malfunction or failure that prevents the completion of required marijuana or marijuana product testing. The licensee shall notify the director of any action the licensee intends to take to provide for re-testing or destruction of the marijuana or marijuana product. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

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**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.990(a) is amended to read:

(5) "immature" means a marijuana plant **18 inches or less in height**, with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers; (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121

3 AAC 306.990(a) is amended by adding a new subsection (11)

(11) "mature" means a marijuana plant over 18 inches in height. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200  
AS 17.38.070 AS 17.38.190 AS 17.38.900  
AS 17.38.121



*September 20, 2017*

*Dear Alaska Marijuana Control Board and Staff:*

*Please accept the following public comment to this proposed draft:*

<https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=108982>

*We **oppose** this regulations project in whole as there are changes here that would only serve to further inhibit, complicate and burden the industry.*

*There are items here that are agreeable, but not enough to garner approval of the packet as a whole.*

*Specific comment is below each proposed change in red.*

*Please include this comment in the board packets for the next MCB meeting as appropriate.*

(1) 3 AAC 306.405 adds new subsections to address plant counts for marijuana cultivation facilities.

3 AAC 306.405(a) is amended by adding a new subsection to read:

(8) begin initial operations at the time of preliminary inspection with up to 12 mature, non-flowering plants, designated and used as mother plants; any number of immature plants; and any number of seeds.

**Approve. This section (8) has been added and is consistent with the rest of the regulations.**

A standard marijuana cultivation facility that obtains any other marijuana establishment license shall

(6) introduce marijuana or marijuana product, including plants and seeds, onto the licensed premises from any outside source after the initial preliminary inspection, except as acquired from another

licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730

Disapprove. This is confusing. It's almost as though you meant to write "shall not" instead of "shall." As it reads now, it says that we shall introduce other plants and seeds from outside sources, but not through other cultivations, and accounted for in the system. That's the opposite of what we currently have, and can't be what was meant.

(2) 3 AAC 306.435 adds "kief" to the list of marijuana that may be combined in harvest packages.

Approve. This seems logical. If people want to purchase kief as an individual product, then they should be able to do so.

(3) 3 AAC 306.455 adds leaf, trim, and kief to random harvest samples for required testing.

Disapprove. This is a disaster. Kief will have much higher THC content, but cannot be added easily to the sample to be tested. On the other hand, sugar leaves (which are trim) have much less THC, so that's going to pull THC #s down, which will be bad for the industry compared to where the numbers are today. However, cultivations can manipulate their THC % by adding a bunch of kief and some popcorn buds (as part of their "trim") and only a couple of sugar leaves. This doesn't solve a problem, it only creates complications and new problems.

(4) 3 AAC 306.470 adds a new subsection requiring leaf, trim and other non-flower part of the marijuana plant to be independently tested for THC potency.

3 AAC 306.470 (a) is amended to add a new subsection and renumber subsequent sections: (a) a marijuana cultivation facility that repackages for sale leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345.

Disapprove. If people are putting the trim into prerolls, those are a dying product so they are likely to go away altogether as a consequence of the free market. In the beginning, when bud was scarce and there were no manufacturing companies, they were a necessity in order to use the whole plant and to meet demand. At this point, prerolls made from sugar leaves don't make sense because they're probably going to be made from the popcorn buds. If it's not a non-issue already, it will be in the next 2-3 months as all the summer crops are harvested and we have more flower than people can handle.

If there are still people doing this, we would say it's too expensive to test the trim, which would price them out of the market anyway and into concentrates, where it belongs.

(5) 3 AAC 306.555(d)(1) is proposed to be repealed.

3 AAC 306.555. Production of marijuana concentrate

(d) A marijuana product manufacturing facility may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create (1) kief;

Disapprove. By repealing this section, are you saying that we can make kief any way we want to? This is how you make it. We are confused as to the purpose of this since you are also proposing



that we package it as its own product.

(6) 3 AAC 306.645 is proposed to add requirements for potency testing.

3 AAC 306.645 (b)(1) is amended by adding a new subparagraph:

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:

(D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested for potency separately from marijuana flower.

This needs to be rewritten for clarity:

Approve. If the kief is sold as its own product, then it should follow the rest of the regulations in that it needs to be tested separately. Since it takes 4 g of flower for a test, this may become a non-issue as well because kief is a byproduct, and if 4 g are also required for testing, it may price the item out of the market.

Disapprove. The sugar leaves and trim that are put into concentrate should not be tested first because it is burdensome to the facility and serves no purpose since the concentrate will be tested before sale.

(7) 3 AAC 306.670 is proposed to change reporting requirements for marijuana testing facilities.

(d) A marijuana testing facility shall notify the director in writing not later than 24 hours after a significant equipment malfunction or failure that prevents the completion of required marijuana or marijuana product testing. The licensee shall notify the director of any action the licensee intends to take to provide for re-testing or destruction of the marijuana or marijuana product.

Disapprove. This seems logical that if there is a significant equipment malfunction, all parties involved (AMCO and the backlog of licensees waiting for their tests) should be notified within 24 hours so the other licensees can transport their product to another testing facility if it's going to take a long time to fix. However, we don't see the licensees as part of this regulation, only AMCO. Also, the testing facility doesn't have the right to destroy a cultivator's or manufacturer's product if it hasn't been tested.

(8) 3 AAC 306.990 is proposed to amend definitions of marijuana plant maturity.

3 AAC 306.990(a) is amended to read: (5) "immature" means a marijuana plant 18 inches or less in height, with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers;

Previous definition: (5) "immature" means a marijuana plant with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers;

Disapprove. This implies that plants under 18" are not allowed to go into the bloom cycle, and it would be against regulations to do so. This decision should be left to the individual growers, not the MCB, who, for the most part, have little to no experience growing.

*Please let us know if we can clarify further or add any detail to this comment.*

*Respectfully Submitted,*

*The Executive Board and Membership of the Alaska Marijuana Industry Association*

**From:** Doug A Anderson  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comment on testing for trim.  
**Date:** Sunday, September 10, 2017 9:01:43 PM

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### 306.645 Public comment on Testing for trim

Proposed language for 306.645(b)(1) regarding testing for trim and kief should NOT require additional testing for trim or kief unless it is intended to be sold as a product to the final consumer.

Lab testing is expensive. Requiring trim/kief to be tested would double or even triple the testing requirements for each batch. This is an unnecessary financial burden to those selling these products only to a processor. Once a processor receives trim from a tested batch, they extract the cannabinoids and create an entirely new product intended for sale to the consumer which is already required to be tested for THC potency, making any previous test results for that trim or kief irrelevant.

However, the consumer should absolutely know the potency of each product for sale at a retail establishment. Any final product at retail should be tested for THC potency. Therefore, you should consider the following amendments:

3AAC 306.645 (b)(1) is amended to read:

**(1) Potency testing is required on any marijuana bud, flower, kief, and leaf and trim product that is *intended to be sold, unprocessed, to a retail facility.***

3AAC 306.645 (b)(1) is amended by adding a new subparagraph:

**(D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested separately from marijuana flower *only if they are intended to be sold, unprocessed, to a retail facility.***

3AAC 306.470(a)

**(a) A marijuana cultivation facility that repackages for sale *directly to a retail facility* any *unprocessed* leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345**

As a limited cultivator, I have chosen not to sell trim or kief to retail as I sell it all to a manufacturer for processing. I should not be required to have trim or kief separately tested for THC potency when the trim or kief is being sold to a processor and being manufactured into an entirely new, tested product before going to retail. It would be financially devastating to my small business to have to pay triple the testing fee for irrelevant testing results.

Thank You. Doug Anderson Odin's Wagon Kasilof Alaska License number 10034

From: Doug A Anderson  
 To: [CED AMCO REGS \(CED sponsored\)](#)  
 Date: Sunday, September 10, 2017 9:11:01 PM

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## Introduction of seeds or immature plants

3AAC 306.405(c) is being amended to disallow the introduction of marijuana plants and seeds after the preliminary inspection unless acquired by a licensed cultivator. Not only would this devastate the industry here in Alaska as new strains are what drives the success of the industry, but it is in direct contradiction with state law and the rights given in AS 17.38.070(b)(6). It would be like limiting a bakery to 10 ingredients, forever.

AS 17.38.070(b(6)) Lawful operations of marijuana-related facilities - cultivation

17.38.070

(b) Notwithstanding any other provision of law, the following acts, when performed by a

marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee or agent of a marijuana cultivation facility, **are lawful** and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(1) Cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing marijuana;

(2) Delivering or transferring marijuana to a marijuana testing facility;

(3) Receiving marijuana from a marijuana testing facility;

(4) Delivering, distributing, or selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store;

**(5) Receiving or purchasing marijuana from a marijuana cultivation facility; and**

**(6) Receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.**

## **Sec. 17.38.020. Personal use of marijuana.**

Notwithstanding any other provision of law, except as otherwise provided in this chapter, the following acts, by persons 21 years of age or older, are lawful and shall not be a criminal or civil offense under Alaska law or the law of any political subdivision of Alaska or be a basis for seizure or forfeiture of assets under Alaska

law:

(a) Possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana;

(b) Possessing, growing, processing, or transporting no more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown;

**(c) Transferring one ounce or less of marijuana and up to six immature marijuana plants to a person who is 21 years of age or older without remuneration;**

(d) Consumption of marijuana, except that nothing in this chapter shall permit the consumption of marijuana in public; and

(e) Assisting another person who is 21 years of age or older in any of the acts described in paragraphs (a) through (d) of this section.

The voters of Alaska voted AS 17.38 into law, and it is AMCO's duty to implement that law according to state statute. AS 17.38.070(b)(6) explicitly allows licensed cultivators to obtain seeds or immature plants from anyone 21 years of age or older. There is no other interpretation.

The proposed definitions of "immature" and "mature" are incorrect. The Marijuana Control Board must use terminology that is accurate for regulating Marijuana.

An immature marijuana plant can be any size, as the scientific occurrence that makes it technically mature is when it has entered the flowering stage, typically controlled with light deprivation. An "autoflowering" plant does not need a change in light cycle to begin flowering, it is triggered automatically by age of the plant, usually 21-28 days from seed. A marijuana plant can be 8 inches or 800 inches tall before the light cycle is changed to trigger the flower stage, or an autoflower begins to flower, indicating maturity.

"Immature" should mean any plant of any size that has not yet entered the flowering stage.

"Mature" should mean any plant of any size that has begun to show bud sites, either automatically or triggered by light deprivation.

Doug Anderson Odin's Wagon Kasiloff license number 10034

**Marijuana Control Board,**

**Marijuana Control Board proposed regulations—Changes to marijuana plant count, testing of marijuana, and reporting of testing equipment failure**

**Marijuana Plant Count:**

I am in support of the addition of the initial plant counts being added to the regulations. This will allow new applicants to know what is expected of them before beginning the application process. I am however opposed to the addition of how our industry will be expected to introduce new genetics of marijuana to an already licenses facility. I believe that if this was added to our regulations it would only hinder the marijuana industry. I believe the only time a regulation should be put in place that could hinder the marijuana industry is when it is needed to protect the health and/or safety of the public. I can't imagine how a new strain entering the market could offer any harm to the public.

I would also like to note that receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older is part of the Lawful operations of a marijuana-related facility as set out in 17.38.070 (b)(6). It is my understanding that the addition of 3 AAC 306.405(b) would be contradicting the statute that governs 3 AAC 306.

3 AAC 306.405(b) is amended by adding a new subsection to read:  
 (6) introduce marijuana or marijuana product, including plants and seeds, onto the licensed premises from any outside source after the initial preliminary inspection, except as acquired from another licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730.

**Sec. 17.38.070. Lawful operation of marijuana-related facilities.**

(b)Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(6)receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.

**Testing of Marijuana (leaf, kief, trim):**

I am in support of the addition of leaf, kief and trim being tested separately if it is to be sold as a stand-alone product to the end consumer. I believe this will help protect the health and safety of the public and keeps to the standard of only tested product going out the retail stores.

Bailey Stuart

**From:** zack bell  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** 306.645 Public comment on Testing for trim  
**Date:** Monday, September 11, 2017 10:18:37 AM

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Dear AMCO Board,

Regarding 306.645 Public comment on Testing for trim

Proposed language for 306.645(b)(1) regarding testing for trim and kief should NOT require additional testing for trim or kief unless it is intended to be sold as a product to the final consumer.

Lab testing is expensive. Requiring trim/kief to be tested would double or even triple the testing requirements for each batch. This is an unnecessary financial burden to those selling these products only to a processor. Once a processor receives trim from a tested batch, they extract the cannabinoids and create an entirely new product intended for sale to the consumer which is already required to be tested for THC potency, making any previous test results for that trim or kief irrelevant. However, the consumer should absolutely know the potency of each product for sale at a retail establishment. Any final product at retail should be tested for THC potency. Therefore, you should consider the following amendments:

3AAC 306.645 (b)(1) is amended to read:

**(1) Potency testing is required on any marijuana bud, flower, kief, and leaf and trim product that is *intended to be sold, unprocessed, to a retail facility.***

3AAC 306.645 (b)(1) is amended by adding a new subparagraph:

**(D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested separately from marijuana flower *only if they are intended to be sold, unprocessed, to a retail facility.***

3AAC 306.470(a)

**(a) A marijuana cultivation facility that repackages for sale *directly to a retail facility* any *unprocessed* leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345**  
As a limited cultivator, I have chosen not to sell trim or kief to retail as I sell it all to a manufacturer for processing. I should not be required to have trim or kief separately tested for THC potency when the trim or kief is being sold to a processor and being manufactured into an entirely new, tested product before going to retail. It would be financially devastating to my small business to have to pay triple the testing fee for irrelevant testing results.

Zachary Bell

Odin's Wagon  
Kasilof Alaska

License number 10034



**From:** [steve@greatnortherncannabis.com](mailto:steve@greatnortherncannabis.com)  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comments on Proposed Regulations: Marijuana Plant Count, Testing of Marijuana, and Reporting of Testing Equipment Failure  
**Date:** Saturday, September 09, 2017 7:22:29 PM

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September 9, 2017

Marijuana Control Board

Peter Mlynarik, Chair

Mark Springer

Loren Jones

Brandon Emmett

Nicholas Miller

Alcohol & Marijuana Control Office

550 West Seventh Avenue, Suite 1600

Anchorage, Alaska 99501

RE: Proposed 3 AAC 306.405 3 AAC 306.435; 3 AAC 306.455; 3 AAC 306.470; 3 AAC 306.555; 3 AAC 306.645; 3 AAC 306.670; 3 AAC 306.99 – marijuana plant count, testing of marijuana, and reporting of testing equipment failure

Dear Sirs:

Great Northern Cannabis, Incorporated (GNC) is an Alaska corporation with approximately 40 full- and part-time employees, and 25 Alaskan shareholders from a wide variety of backgrounds. We currently own and operate a cultivation facility and a retail store. We thank you for the opportunity to comment on the proposed regulations for marijuana plant count, testing of marijuana and reporting of testing equipment failure.

GNC suggests the following changes to proposed 3 AAC 306.455 (b) (1):

1. Delete the reference to leaf, as it is not a saleable product in raw form.
2. Consider moving kief testing to 3 AAC 306.550. To be saleable kief must be processed (pressed) which, from our understanding of the AMCO regulations, requires a manufacturing license. Presuming our understanding is correct we feel kief testing should be located with laboratory testing.
3. Delete the reference to trim. While trim is different from bud and flower, this is commonly known. If it is found to be in the public interest to ensure consumers know they are purchasing raw products (e.g. pre-rolls) containing trim, then a labeling requirement to that effect would be more appropriate.

GNC opposes the proposed changes to 3 AAC 306.990 (a). While we understand the desire to

simplify the standard for maturity there are many different variables and strain characteristics that determine maturity which a height measurement fails to capture. Some strains grow long and tall in the vegetative state, some strains grow short and bushy. If a plant doesn't receive sufficient light concentration it can stretch upwards well beyond 18 inches yet still be far from mature. Conversely, a plant can be trained by manipulating the main stem and the offshoots so that it will be shorter than 18 inches at harvest, or full maturity. The existing "no visible crystals, buds or flowers" is better suited to define maturity.

Thank you again for the opportunity to comment on these proposed changes. We would be happy to answer questions and participate in any rule-drafting discussions.

Best regards

Steve Brashear  
Chairman & CEO  
Great Northern Cannabis, Inc.

**Marijuana Control Board,**

**Marijuana Control Board proposed regulations—Changes to marijuana plant count, testing of marijuana, and reporting of testing equipment failure**

**Marijuana Plant Count:**

I am in support of the addition of the initial plant counts being added to the regulations. This will allow new applicants to know what is expected of them before beginning the application process. I am however opposed to the addition of how our industry will be expected to introduce new genetics of marijuana to an already licenses facility. I believe that if this was added to our regulations it would only hinder the marijuana industry. I believe the only time a regulation should be put in place that could hinder the marijuana industry is when it is needed to protect the health and/or safety of the public. I can't imagine how a new strain entering the market could offer any harm to the public.

I would also like to note that receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older is part of the Lawful operations of a marijuana-related facility as set out in 17.38.070 (b)(6). It is my understanding that the addition of 3 AAC 306.405(b) would be contradicting the statute that governs 3 AAC 306.

3 AAC 306.405(b) is amended by adding a new subsection to read:  
 (6) introduce marijuana or marijuana product, including plants and seeds, onto the licensed premises from any outside source after the initial preliminary inspection, except as acquired from another licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730.

**Sec. 17.38.070. Lawful operation of marijuana-related facilities.**

(b)Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(6)receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.

**Testing of Marijuana (leaf, kief, trim):**

I am in support of the addition of leaf, kief and trim being tested separately if it is to be sold as a stand-alone product to the end consumer. I believe this will help protect the health and safety of the public and keeps to the standard of only tested product going out the retail stores.

Caleb Saunders

**From:** Siretha Criss  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Regulations  
**Date:** Sunday, September 03, 2017 11:59:48 AM

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Dear AMCO,

Please do not change the regulations regarding seeds or immature plants entering a licensed cultivation after the initial inspection.

Introduction of seeds or immature plants

3AAC 306.405(c) is being amended to disallow the introduction of marijuana plants and seeds after the preliminary inspection unless acquired by a licensed cultivator. Not only would this devastate the industry here in Alaska as new strains are what drives the success of the industry, but it is in direct contradiction with state law and the rights given in AS 17.38.070 (b)(6).

The voters of Alaska voted AS 17.38 into law, and it is AMCO's duty to implement that law according to state statute. AS 17.38.070(b)(6) explicitly allows licensed cultivators to obtain seeds or immature plants from anyone 21 years of age or older. There is no other interpretation.

The proposed definitions of "immature" and "mature" are incorrect. The Marijuana Control Board must use terminology that is accurate for regulating Marijuana.

An immature marijuana plant can be any size, as the scientific occurrence that makes it technically mature is when it has entered the flowering stage, typically controlled with light deprivation. An "autoflowering" plant does not need a change in light cycle to begin flowering, it is triggered automatically by age of the plant, usually 21-28 days from seed. A marijuana plant can be 8 inches or 800 inches tall before the light cycle is changed to trigger the flower stage, or an autoflower begins to flower, indicating maturity.

"Immature" should mean any plant of any size that has not yet entered the flowering stage.

"Mature" should mean any plant of any size that has begun to show bud sites, either automatically or triggered by light deprivation. Thank you.

Sincerely,  
Siretha Criss

**From:** Buddy Crowder  
**To:** [CED AMCO REGS \(CED sponsored\); McConnell, Erika B \(CED\)](#)  
**Subject:** Public Comment regarding 3 AAC 306.455(b)(1), 3 AAC 306.470(a), and 3 AAC 306.645(b)(1)  
**Date:** Thursday, September 21, 2017 7:51:09 PM

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Dear Marijuana Control Board,

As a hopeful future concentrates manufacturer, I am in support of amending 3 AAC 306.455(b)(1), 3 AAC 306.470(a), 3 AAC 306.645(b)(1) regarding leaf, trim, and kief.

This is a regulated industry that depends on good quality control. I know that some cultivators bag the trim they sell and tag it so that it can be traced back to its source, so additional testing is not needed, but not sure all cultivators do. Some cultivators may have problems keeping their inventory straight. Tracing the trim back to its source before we as manufacturers purchase the material could be trying and time intensive.

Leaf, trim, and Kiefer are different from the flower or bud material. The THC potency of the trim is significantly less than the flower or bud material. Quality control would dictate we know what it is for our manufacturing process.

As a concentrates manufacturer, we create a brand new product from the trim that will also be tested for potency and quality. As Alaska's industry evolves, pesticides in the trim will become an issue. Any pesticides present in the trim will ruin the product as they get concentrated in the extraction process. Since trim is different from flower, testing it separately will ensure that the concentrates manufacturer can avoid purchasing trim that has pesticides present. We may be able to visually tell if the trim is good quality from a potency perspective, but it is impossible for a buyer of trim to see if pesticides are present. Testing is the only way to know.

I have been in contact with the CEO of an extraction company who also is a cultivator. They operate in both Washington and Oregon. In Oregon, the testing of trim is mandatory and in Washington it is not. I wanted to know their opinion on this issue. The CEO stated that the required testing in Oregon has helped standardize their purchasing since they can trust what they are buying. In Washington, it's more labor and time intensive because they insist that the cultivators get their trim tested. He stated that testing is a good thing.

I believe this regulated industry wants to ensure safe products are made and sold to the consumer. Testing of trim separately from flower helps ensure that happens by allowing a manufacturer to know what they are purchasing before they process it.

Thank you for your time.

Respectfully,  
Buddy Crowder  
Herban Extracts  
[Buddy@907maryjane.com](mailto:Buddy@907maryjane.com)

**From:** Paul Disdier  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** testing cannabis leaf, timing kief  
**Date:** Friday, September 22, 2017 2:06:42 PM

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To the Marijuana Control Board,

As The Fireweed Factory LLC entity (license #10266) in Juneau, we are opposed to the proposed regulation changes to 3AAC 306.455 covered in the Notice dealing with plant count, testing of marijuana and reporting of testing equipment failure regarding the addition of "leaf, trim and kief to random harvest samples for required testing."

We specifically oppose the regulation change under 3 AAC 306.455 as written because it unnecessarily requires that ALL leaf, trim and kief would require testing irregardless of how it might be sold or may be processed later. The new requirement would lead to unnecessary and expensive duplicate testing. When leaf, or kief trim is sold to another licensed establishment to be used in their manufactured products, their products are tested. If extracted or made into edibles, additional testing would be unnecessary. The testing of unaltered trim etc. would only be necessary and make sense when sold directly to a consumer or used in products to be sold that contain trim.

Thank for your time and efforts.

Paul V. Disdier

**Marijuana Control Board,**

**Marijuana Control Board proposed regulations—Changes to marijuana plant count, testing of marijuana, and reporting of testing equipment failure**

**Marijuana Plant Count:**

I am in support of the addition of the initial plant counts being added to the regulations. This will allow new applicants to know what is expected of them before beginning the application process. I am however opposed to the addition of how our industry will be expected to introduce new genetics of marijuana to an already licenses facility. I believe that if this was added to our regulations it would only hinder the marijuana industry. I believe the only time a regulation should be put in place that could hinder the marijuana industry is when it is needed to protect the health and/or safety of the public. I can't imagine how a new strain entering the market could offer any harm to the public.

I would also like to note that receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older is part of the Lawful operations of a marijuana-related facility as set out in 17.38.070 (b)(6). It is my understanding that the addition of 3 AAC 306.405(b) would be contradicting the statute that governs 3 AAC 306.

3 AAC 306.405(b) is amended by adding a new subsection to read:  
 (6) introduce marijuana or marijuana product, including plants and seeds, onto the licensed premises from any outside source after the initial preliminary inspection, except as acquired from another licensed cultivation facility and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730.

**Sec. 17.38.070. Lawful operation of marijuana-related facilities.**

(b)Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(6)receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.

**Testing of Marijuana (leaf, kief, trim):**

I am in support of the addition of leaf, kief and trim being tested separately if it is to be sold as a stand-alone product to the end consumer. I believe this will help protect the health and safety of the public and keeps to the standard of only tested product going out the retail stores.

Chris Farris

**From:** Wyoming  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Introduction of seeds or immature plants  
**Date:** Monday, September 11, 2017 8:02:27 PM

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### Comments on Introduction of seeds or immature plants

3AAC 306.405(c) is being amended to disallow the introduction of marijuana plants and seeds after the preliminary inspection unless acquired by a licensed cultivator. Not only would this devastate the industry here in Alaska as new strains are what drives the success of the industry, but it is in direct contradiction with state law and the rights given in AS 17.38.070(b)(6). It would be like limiting a bakery to 10 ingredients, forever.

AS 17.38.070(b(6)) Lawful operations of marijuana-related facilities - cultivation

17.38.070

(b) Notwithstanding any other provision of law, the following acts, when performed by a

marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee or agent of a marijuana cultivation facility, **are lawful** and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(1) Cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing marijuana;

(2) Delivering or transferring marijuana to a marijuana testing facility;

(3) Receiving marijuana from a marijuana testing facility;

(4) Delivering, distributing, or selling marijuana to a marijuana cultivation facility, a

marijuana product manufacturing facility, or a retail marijuana store;

**(5) Receiving or purchasing marijuana from a marijuana cultivation facility; and**

**(6) Receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.**

### **Sec. 17.38.020. Personal use of marijuana.**

Notwithstanding any other provision of law, except as otherwise provided in this



chapter, the following acts, by persons 21 years of age or older, are lawful and shall not be a criminal or civil offense under Alaska law or the law of any political subdivision of Alaska or be a basis for seizure or forfeiture of assets under Alaska law:

- (a) Possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana;
- (b) Possessing, growing, processing, or transporting no more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown;
- (c) Transferring one ounce or less of marijuana and up to six immature marijuana plants to a person who is 21 years of age or older without remuneration;**
- (d) Consumption of marijuana, except that nothing in this chapter shall permit the consumption of marijuana in public; and
- (e) Assisting another person who is 21 years of age or older in any of the acts described in paragraphs (a) through (d) of this section.

The voters of Alaska voted AS 17.38 into law, and it is AMCO's duty to implement that law according to state statute. AS 17.38.070(b)(6) explicitly allows licensed cultivators to obtain seeds or immature plants from anyone 21 years of age or older. There is no other interpretation.

The proposed definitions of "immature" and "mature" are incorrect. The Marijuana Control Board must use terminology that is accurate for regulating Marijuana.

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"Immature" should mean any plant of any size that has not yet entered the flowering stage.

"Mature" should mean any plant of any size that has begun to show bud sites, either automatically or triggered by light deprivation.

Dan harris Odin's Wagon Kasiloff license number 10034

Sent from my iPhone

**From:** Chris and Ember Haynes  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** AS 17.38.070 (b) (6)  
**Date:** Sunday, September 03, 2017 3:38:18 PM

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Dear AMCO Board,

I'm writing to you today to discuss my concern about your stance on seeds. As someone who is familiar , and understands Cannabis Botany, I feel like I am qualified to speak to this matter.

When Proposition 2 was first voted on, under Sec. 17.38.090. Rule making, (A) ,it clearly states:

“Such regulations shall not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable”

Proposition 2 also is very clear in its wording regarding seeds, and how a facility is to acquire them, both for commercial facilities, and for personal use for people over 21.

The below Section is right from Proposition 2 and is strictly referring to marijuana-related facilities.

Sec. 17.38.070. Lawful operation of marijuana-related facilities.

(a) Notwithstanding any other provision of law, the following acts, when performed by a retail marijuana store with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee or agent of a retail marijuana store, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

1. Possessing, displaying, storing, or transporting marijuana or marijuana products, except that marijuana and marijuana products may not be displayed in a manner that is visible to the general public from a public right-of-way;
2. Delivering or transferring marijuana or marijuana products to a marijuana testing facility;
3. Receiving marijuana or marijuana products from a marijuana testing facility;
4. Purchasing marijuana from a marijuana cultivation facility;
5. Purchasing marijuana or marijuana products from a marijuana product manufacturing facility; and
6. Delivering, distributing, or selling marijuana or marijuana products to consumers.

(b) Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee or agent of a marijuana

cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

- (1)
- (1) Cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing marijuana;
- (2) Delivering or transferring marijuana to a marijuana testing facility;
- (3) Receiving marijuana from a marijuana testing facility;
- (4) Delivering, distributing, or selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store;
- (5) Receiving or purchasing marijuana from a marijuana cultivation facility; and
- (6) Receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.

It clearly states that a marijuana cultivation facility, a retail marijuana store with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee or agent of a retail marijuana store, are lawful and shall not be an offense under Alaska law, and can receive marijuana seeds or immature plants from a person 21 years of age or older. It does NOT say under AS 17.38 (b) (6), however, that you can ONLY get seeds or immature plants from other facilities, and once you enter into METRC, you are done, that's it, forever,

I totally understand that the AMCO Board is trying to maintain a regulated market, and at the same time keeping the public who is opposed to Cannabis feeling safe.

What will eventually end up happening, is creating a stagnant gene pool, a genetic bottleneck, if you will. At the same time, it will give an upper hand to whoever just got licensed last, and who has the latest, and greatest strains that just came out that year.

Facilities need to be able to have the ability to bring new genetics in without having to get them from their direct competition. It is not that far fetched to have a facility hand out bug infested clones to their competition. I believe that is why Prop 2, who was written by professional Cannabis lawmakers, was written the way it was. To allow for new genetics to be entered into METRC, and for a facility to be able to acquire seeds and immature plants from someone 21 years or older. It could easily be a strain that a friend created in Alaska, gifted, etc.

On METRC's Youtube Channel, under their video "How to add Strains", which can be found at the copied link below, it doesn't even talk about adding strains from other facilities, or mention other facilities for that matter: Just how to add a strain.

[https://www.youtube.com/watch?v=r\\_-T1z0pycg](https://www.youtube.com/watch?v=r_-T1z0pycg)

One other thing is the terminology used. I would encourage the AMCO Board to change the language from immature/ mature to

vegetative/flowering. A plant isn't mature until it ripe. In others words, until the bud, or the produce, is done..

Nothing about height has anything to do with maturity, and an immature plant can be 10' tall, and not ever have been put into flower.

I would also encourage the AMCO Board to appoint an advisory committee made up of people in the Cannabis industry that can advise them on Cannabis matters instead of a Board made up of people in which the majority know very little about it's basic makeup making all the rules and decisions, no disrespect.

If anything, It seems like it would help it move along more smoothly, and just like the Cannabis plant, the advisory committee, and the AMCO Board could work in a symbiotic relationship, making the industry better as a whole.

Thank you for your time. Sincerely,

Chris Haynes

*Chris & Ember Haynes*

**Silverbear Sundries &  
Denali Hemp Company**

HC 89 Box 395

Willow, Alaska 99688

"Soft hands for tough Alaskans since 2008"

<http://www.silverbearsundries.com>

August 23, 2017

Dear AMCO,

I would like to comment on Tab 67 of the July Agenda regarding Regulations Project-Kief and Testing Trim.

My husband and I currently have a license for a standard cultivation facility. In our case, requiring all trim to be tested prior to transfer or sell would be an unnecessary expense and would probably cause us to destroy our trim rather than sell it as the testing would be cost prohibited. I'll explain:

We grow small harvests that typically produce less than 1 pound of marijuana. Of those harvests, a very small amount is "trim", since our trim is strictly sugar leaf (no fan leaves/stems, etc.) Attached is a copy of the Leaf/Trim Transfers we have made over the last year. Noted below, is each transfer by package and the weight of the leaf/trim in that package as follows:

1) Lucille	#25	0.280 lbs.
AK Mango	#27	0.395 lbs
C99	#29	1.375 lbs
2) Sample gram		0.0022 lbs
3) Lucille	#36	0.2528 lbs
Happiness	#38	0.120 lbs
Chocolate Haze	#39	0.210 lbs
4) Sample gram		0.0022 lbs
5) LSD	#55	0.215 lbs
CBD Skunk Hz	#56	0.230 lbs
AK Mango	#50	0.1578 lbs
Zeus	#51	0.1450 lbs
6) Zeus	#66	0.190 lbs
Happiness	#67	0.140 lbs
C99	#68	0.120 lbs
7) LSD	#77	0.090 lbs
LSD	#78	0.120 lbs
Sex Bud	#79	0.235 lbs

This shows 16 packages or 16 harvests of trim with a few of weights at .120 lbs. If trim sells for \$800 per pound, each harvest would bring approximately \$96. Each potency test costs \$80. With the cost of labor to prepare and package the sample, along with the cost of the test, we would barely break even.

All of our trim is sold to a licensed concentrate facility or to a licensed manufacture facility, who then process the trim into another product (such as shatter, dabs, brownies, etc.) Since the manufacture or concentrate facility must have the finished product tested prior to retail sale, why must the cultivator also test? I can understand the necessity of requiring the trim to be tested for potency if sold to a retail shop, who will then make trim prerolls.

I recommend that the wording of 3 AAC 306.645 (b)(1) is amended to read:

(1) Potency testing is required on marijuana bud [AND FLOWER], **flower, kief, and leaf and trim intended for retail sale.**

And that: 3 AAC 306.645 (b)(1) is amended by adding a new subparagraph:

**(D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested for potency separately from marijuana flower if sold to a retail store.**

Thank you for your consideration,

Deborah Hutchens  
Sunrise Gardens  
bnd@sunrisegardensak.com



# Transfers (limited)

From 8/1/2016 to 8/31/2017

Total Records: 6

Created	Manifest	Origin Lic.	Origin Facility	Origin Type	Dest. Lic.	Destination Facility	Dest. Type	Type	Received	Item Category	Ship'd	Rcv'd	Ship'd	Rcv'd
4/12/2017	0000048506	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	5a-10082	EINSTEIN LABS	Product Manufacturing Facility	Transfer	4/13/2017	Leaf/Trim	0 ea	2.05 lb	0 ea	2.05 lb
5/22/2017	0000066705	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	3a-10008	GREEN JAR	Retail Store	Wholesale	5/23/2017	Leaf/Trim	0 ea	0.0022 lb	0 ea	0.0022 lb
5/29/2017	0000070501	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	5a-10012	FROZEN BUDZ	Product Manufacturing Facility	Wholesale	6/15/2017	Leaf/Trim	0 ea	0.5828 lb	0 ea	0.5828 lb
6/23/2017	0000078606	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	4a-10279	GOODSINSE LLC	Standard Cultivation Facility	Wholesale	6/23/2017	Leaf/Trim	0 ea	0.0022 lb	0 ea	0.0022 lb
6/29/2017	0000080112	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	5a-10012	FROZEN BUDZ	Product Manufacturing Facility	Wholesale	6/29/2017	Leaf/Trim	0 ea	0.7478 lb	0 ea	0.7478 lb
7/27/2017	0000088905	4a-10022	SUNRISE GARDENS	Standard Cultivation Facility	5a-10886	GOOD TITRATIONS	Product Manufacturing Facility	Wholesale	7/27/2017	Leaf/Trim	0 ea	0.45 lb	0 ea	0.45 lb
<b>Totals:</b>											0 ea	3.835 lb	0 ea	3.835 lb

**From:** Dru Malone  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public comments  
**Date:** Wednesday, September 20, 2017 5:46:07 PM

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I would like to comment on several of the proposed regulations changes under consideration.

305.460 and 306.557 - It would be valuable to allow employees to test current batches of flower or other products to help determine the quality of the drying and curing process and to make adjustments to improve a strain. It would also help establish benchmarks for talking with retailers about specific strains.

306.405(a) - I do not understand what you are calling an immature plant? Different growers call plants immature at different stages, depending on their style of growing. For practical use I think somewhere between 24 and 36 inches or taller could be called immature. Most call a plant mature when it is ready to flower in their system.

306.405(b) - This proposal is illegal so should be dropped to avoid needless litigation. It is in total conflict with Sec. 17.38.070 (6)

306.470(a) - There is adequate testing for for flower and that test should apply to other products from the same plants. Additional testing should only be required when non flower products are going directly to retailers.

309.990(a) - This random height requirement has no counterpart in any cultivators scenario. Some growers start to flower plants when they are 12" tall and others start flowering when their plants are 4' or 5' tall. Again a plant is not considered mature until it is ready to flower and that height is dependent on each growers style and should not be dictated by the state.

Thank you for taking the time to read my comments.

Dru Malone



Submitted By	Comment
<p>9/22/2017 4:27:58 PM Unknown location Anonymous User</p>	<p>I have a specific concern with the added subsection of 306.405(b). The first concern is that Alaska Law Sec 17.38.070(b)(6) It clearly states "Notwithstanding any other provision of the law"...(b) Receiving marijuana seeds or immature plants from a person 21 years of age or older (6). I don't understand why regulations that clearly go against the word and the spirit of the law are on the table. This does not increase public safety. My second concern is that I was delayed in receiving my license because of this issue. I was told that this was already policy by Joe Hamilton on the phone. When I researched and did not find where I was restricted on obtaining new seeds I challenged Joe Hamilton during the inspection on 6/22. I was told that it was what it was, and the attitude was one where I was treated like I did not bother to read the rules. I sent an email directly to AMCO requesting clarification on this, that email was forwarded to the enforcement department and I never received a response. You can not imagine how upsetting it was to see that this policy is now up for public comment 3 months later. You should not make rules that fit what you have incorrectly been telling businesses is the law. I have more concerns that I do not have time to articulate, because your website was down most of the day.</p>
<p>9/21/2017 9:17:52 PM James V. Hunter <a href="mailto:greensandpurples@gmail.com">greensandpurples@gmail.com</a> Unknown location Anonymous User</p>	<p>Comments on proposed changes to regulations. 3 AAC 306.405(b)(6) (new subsection) I am opposed to this regulation as it severely restricts cultivators from acquiring new genetics and puts an established cultivator at a disadvantage to a new cultivator who will be able to bring in new seeds or cuttings. AS 17.38.070 (b)(6) specifically gives us the right to acquire seeds and cuttings from anyone over 21. Please don't change this. Also this does nothing to improve public safety or help keep it from the under age. 3 AAC 306.455 (b) (1) The language is not clear what is being batched. Does an individual batch include bud, flower, leaf trim and kief of one strain or are they different batches? (one batch flower/bud, one trim and one kief).</p>

Submitted By	Comment
	<p>3 AAC 306.470 (a) This new regulation requires an added cost to the cultivator keeping legal cannabis more expensive than black market. This decreases public safety and exposes the underage.</p> <p>Plus again the regulation is not clear what is being added. The old regulation doesn't mention repackaging. I'm not sure how a cultivation facility repackages product that hasn't been packaged?</p> <p>3 AAC 306.645 (b) (1) (D)</p> <p>Again this is an added cost to the cultivator making legal cannabis not competitive with black market.</p> <p>It does nothing to improve public safety or help keep cannabis from the underage.</p> <p>Thank you for this opportunity to comment.</p>
<p>9/2/2017 3:41:18 PM Unknown location Anonymous User</p>	<p>Government study: <a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3576702/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3576702/</a> Internet opinions on the subject. <a href="https://www.marijuana.com/blog/2017/01/24/cannabinoid-hyper">https://www.marijuana.com/blog/2017/01/24/cannabinoid-hyper</a> <a href="https://www.leafly.com/news/health/what-is-cannabinoid-hyper">https://www.leafly.com/news/health/what-is-cannabinoid-hyper</a> Now that marijuana is legal in Alaska, there is a great need to ensure consumer understanding of the *very* rare, but dangerous effects of chronic high dose usage of THC that is found in the concentrates.</p> <p>Since marijuana is Legal in Alaska, the State should fund a study to follow up on the 2011 federal government research, in a controlled setting to determine what does and doesn't affect CHS.</p>
<p>9/2/2017 3:34:52 PM Unknown location Anonymous User</p>	<p>Regarding the testing of concentrates, I do not think that manufacturers "such as Good Titrations" should be allowed to get away with simply saying their products "pass" the MCL's they are tested for.</p> <p>How do I, as a consumer, know that what I am consuming is safe if the levels are not listed?</p>
<p>9/2/2017 3:33:21 PM Unknown location Anonymous User</p>	<p>(5) 3 AAC 306.555(d)(1) is proposed to be repealed.</p> <p>This means that a manufacturer can produce "keif" with a solvent process.</p> <p>Keif should be defined as the crystals that naturally fall off unadulterated bud. By allowing manufacturers to created a solvent based "keif" it is no longer keif.</p>

<b>Submitted By</b>	<b>Comment</b>
	This is just some food for thought. I can only opine on what business is intending on profiting from this repeal.
9/2/2017 3:31:46 PM Unknown location Anonymous User	(5) 3 AAC 306.555(d)(1) is proposed to be repealed. Why is this being repealed? This seems senseless.
8/25/2017 4:02:00 AM Unknown location Anonymous User	What is the actual proposed changed to the plant count?

**From:** Peggy Peters  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Do not change the regulations regarding seeds or immature plants entering a licensed cultivation after the initial inspection  
**Date:** Sunday, September 03, 2017 12:45:05 PM

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Dear AMCO,

Please do not change the regulations regarding seeds or immature plants entering a licensed cultivation after the initial inspection.

Introduction of seeds or immature plants

3AAC 306.405(c) is being amended to disallow the introduction of marijuana plants and seeds after the preliminary inspection unless acquired by a licensed cultivator. Not only would this devastate the industry in Alaska, as new strains are what drives the success of the industry, but it is in direct contradiction with state law and the rights given in AS 17.38.070 (b)(6).

The voters of Alaska voted AS 17.38 into law, and it is AMCO's duty to implement that law according to state statute. AS 17.38.070(b)(6) explicitly allows licensed cultivators to obtain seeds or immature plants from anyone 21 years of age or older. There is no other interpretation.

The proposed definitions of "immature" and "mature" are incorrect. The Marijuana Control Board must use terminology that is accurate for regulating Marijuana.

An immature marijuana plant can be any size, as the scientific occurrence that makes it technically mature is when it has entered the flowering stage, typically controlled with light deprivation. An "autoflowering" plant does not need a change in light cycle to begin flowering, it is triggered automatically by age of the plant, usually 21-28 days from seed. A marijuana plant can be 8 inches or 800 inches tall before the light cycle is changed to trigger the flower stage, or an autoflower begins to flower, indicating maturity.

"Immature" should mean any plant of any size that has not yet entered the flowering stage.

"Mature" should mean any plant of any size that has begun to show bud sites, either automatically or triggered by light deprivation.

Sincerely,

Peggy Peters

North Pole, Alaska

**From:** dollynda Phelps  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public comment for Trim/Kief testing  
**Date:** Sunday, August 27, 2017 8:15:31 PM

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### 306.645 Public comment on Testing for trim

Proposed language for 306.645(b)(1) regarding testing for trim and kief should NOT require additional testing for trim or kief unless it is intended to be sold as a product to the final consumer.

Lab testing is expensive. Requiring trim/kief to be tested would double or even triple the testing requirements for each batch. This is an unnecessary financial burden to those selling these products only to a processor. Once a processor receives trim from a tested batch, they extract the cannabinoids and create an entirely new product intended for sale to the consumer which is already required to be tested for THC potency, making any previous test results for that trim or kief irrelevant.

However, the consumer should absolutely know the potency of each product for sale at a retail establishment. Any final product at retail should be tested for THC potency. Therefore, you should consider the following amendments:

3AAC 306.645 (b)(1) is amended to read:

**(1) Potency testing is required on any marijuana bud, flower, kief, and leaf and trim product that is *intended to be sold, unprocessed, to a retail facility.***

3AAC 306.645 (b)(1) is amended by adding a new subparagraph:

**(D) Marijuana leaf, trim, kief and other parts of the marijuana plant must be tested separately from marijuana flower *only if they are intended to be sold, unprocessed, to a retail facility.***

3AAC 306.470(a)

**(a) A marijuana cultivation facility that repackages for sale *directly to a retail facility* any *unprocessed* leaf, trim, or any other usable part of the marijuana plant that is not flower or bud must have the product independently tested for THC potency in accordance with 3 AAC 306.345**

As a limited cultivator, I have chosen not to sell trim or kief to retail as I sell it all to a manufacturer for processing. I should not be required to have trim or kief separately tested for THC potency when the trim or kief is being sold to a processor and being manufactured into an entirely new, tested product before going to retail. It would be financially devastating to my small business to have to pay triple the testing fee for irrelevant testing results.

Dollynda Phelps

907-252-8026



Hello,

This is being submitted regarding proposed regulation change to 306.405(b)(6), 306.455(b)(1), and 306.470(a), 306.555(d)(1)

I am assuming that the actual regulation proposing to be changed is 306.405 (c)(6) as (b) only has (1)&(2).

This regulation change proposes to add language to prohibit the introduction of immature plants and seeds into a licensed cultivation facility UNLESS it is coming from another licensed premises. The problem with that lies in that it is in direct conflict with AS 17.38.070(b)(6), which states that the receiving of marijuana seeds and immature plants may be permitted by anyone over the age of 21.

These regulations are not to be created to conflict with the already in place State Statutes.

AS 17.38.070

(b) Notwithstanding any other provisions of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the persons capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis fro seizure or forfeiture of assets under Alaska law

(6) receiving marijuana seeds or immature marijuana plants form a person 21 years of age or older.

Because of the conflict with Alaska statute this needs to be stricken.

In regards to both 306.455(b)(1) & 306.470(a) requiring cultivation facility to test trim, leaf and keif.

We do Support the need for these items to be tested when being sold direct to a retail establishment for consumer purchase.

These comments have to do with those cultivation facilities that have no plans to sell the leaf, trim, or keif to a retail establishment for direct consumer sales.

Those cultivation facilities that are selling to a marijuana production facility need not test these items, when any product coming from a production facility is already



required to be tested upon completion. This is an unneeded expense on the cultivation facility, and needs only a simple few words such as in 306.455(b)(1) adding the “**When intended for a Retail Establishment:** leaf, trim, and keif, then selecting a random sample from each batch in an amount required by the marijuana testing facility”.

306.555(d)(1) This proposed change is unnecessary. There should still be an allowance for the creation of keif in a production facility, as not all cultivation has plans to spend time actively creating that specific product. What is the actual point of taking this option from the production facility, and how does it stay within the health and safety of the public to limit the creation to cultivation, if whatever establishment type is creating for sale to the consumer is still required to test it? It should not be repealed from this section

Thank you for your consideration when voting on these issues.

Sincerely,  
Tina Smith  
CEO  
t.smith@midnightgreenery.com



**From:** Troy Foley  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public Comment regarding 306.405(b) proposed amendment  
**Date:** Wednesday, August 23, 2017 2:59:48 PM

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Members of the Marijuana Control Board,

The proposed amendment to 306.405(b) will create a regulatory structure that prohibits the addition of strain genetics to the licensed Alaska market except by way of the introduction of an entire new cultivation facility. This regulation will unreasonably stifle current cultivators and limit their ability to acquire and test new strains and determine the reliability of their phenotypes as desired. Furthermore, as far as I am aware, there is no parallel restriction applied to alcohol breweries, who are free to adjust their recipes within safety considerations in an effort to craft a better beer. It stands to reason that experimentation in production continues to be a safe manner of increasing variability in the licensed market and enabling us to compete with the unlicensed market.

Thank you for your consideration,

Troy Foley  
Owner, Foley's Irish Green  
License #: 12825

**From:** Birchie Walter  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Regulations regarding seeds or immature plants  
**Date:** Sunday, September 03, 2017 1:04:12 PM

---

Dear AMCO,

Please do not change the regulations regarding seeds or immature plants entering a licensed cultivation after the initial inspection.

Introduction of seeds or immature plants

3AAC 306.405(c) is being amended to disallow the introduction of marijuana plants and seeds after the preliminary inspection unless acquired by a licensed cultivator. Not only would this devastate the industry here in Alaska as new strains are what drives the success of the industry, but it is in direct contradiction with state law and the rights given in AS 17.38.070 (b)(6).

The voters of Alaska voted AS 17.38 into law, and it is AMCO's duty to implement that law according to state statute. AS 17.38.070(b)(6) explicitly allows licensed cultivators to obtain seeds or immature plants from anyone 21 years of age or older. There is no other interpretation.

The proposed definitions of "immature" and "mature" are incorrect. The Marijuana Control Board must use terminology that is accurate for regulating Marijuana.

An immature marijuana plant can be any size, as the scientific occurrence that makes it technically mature is when it has entered the flowering stage, typically controlled with light deprivation. An "autoflowering" plant does not need a change in light cycle to begin flowering, it is triggered automatically by age of the plant, usually 21-28 days from seed. A marijuana plant can be 8 inches or 800 inches tall before the light cycle is changed to trigger the flower stage, or an autoflower begins to flower, indicating maturity.

"Immature" should mean any plant of any size that has not yet entered the flowering stage.

"Mature" should mean any plant of any size that has begun to show bud sites, either automatically or triggered by light deprivation. Thank you.

Sincerely,

Birchie Walter  
Owner  
GreenDreams Cultivation  
[birchiesgreendream@gmail.com](mailto:birchiesgreendream@gmail.com)  
907-251-1420

**From:** aaron worthen  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Seeds and immature plants.  
**Date:** Sunday, September 03, 2017 2:58:48 PM

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Dear AMCO,

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Introduction of seeds or immature plants

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Sincerely,  
Aaron Worthen.

Owner Frozen North Farms.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

**MEMORANDUM**

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Local  
Government Approval of Odor  
Emissions

**Summary:** As not all local governments issue “conditional use permits” for marijuana applicants, this regulations project to amend 3 AAC 306.430(d) changes “local government conditional use permit process” to “local government approval” and clarifies that odor must be specifically allowed through the approval; the existence alone of a local government approval does not authorize odor to be detectable outside a cultivation facility.

**Recommendation:** Put out for public comment.

Register\_\_\_\_,\_\_\_\_2018 COMMERCE, COMMUNITY AND EC. DEV.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.430(c)(2) is amended to read:

(2) does not emit an odor that is detectable by the public from outside the cultivation facility except as **specifically** allowed by a local government **approval** [CONDITIONAL USE PERMIT PROCESS]; (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_, Register\_\_\_\_)



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
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Anchorage, AK 99501  
Main: 907.269.0350

## MEMORANDUM

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Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

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THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

**MEMORANDUM**

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Adopted Regulations Project –  
Packaging and Labeling  
(JU2016200610)

The board adopted a packaging and labeling regulations change in July. This change added the word “perishable” to 3 AAC 306.310(a)(6) so that the requirement states that a licensed retail store may not sell marijuana or marijuana product, “[a]fter the expiration date shown on the label of a perishable product.”

The Department of Law has raised concerns with this regulation. They note that the regulations don’t have a definition of “perishable product.” There is no clear guidance in the regulations about what forms of marijuana products are perishable and which products should have expiration dates. Additionally, the concept of an expiration date would now seem to be limited to a marijuana product, excluding bud and flower which have esters that can go stale. Could bud and flower, in a pre-rolled joint for instance, be given an expiration date? If so, could it be sold after that expiration date? This amendment creates all these questions that have no answers. Without the amendment, all forms of marijuana with an expiration date are covered, although the board could stand to clarify when an expiration date is necessary or required.

The Department of Law recommends that the board reconsider and withdraw this proposed regulations change.



(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.310 is amended to read:

3 AAC 306.310. **Acts prohibited at retail marijuana store.** (a) A licensed retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver, marijuana or a marijuana product

- (1) To a person under 21 years of age;
- (2) To a person that is under the influence of an alcoholic beverage, inhalant, or controlled substance;
- (3) That is not labeled and packaged as required in 3 AAC 306.345 and
  - (A) 3 AAC 306.470 and 3 AAC 306.475; or
  - (B) 3 AAC 306.565 and 3 AAC 306.570;
- (4) In a quantity exceeding the limit set out in 3 AAC 306.355;
- (5) Over the Internet; a licensed retail marijuana store may only sell marijuana or marijuana product to a consumer who is physically present on the licensed premises;
- (6) After the expiration date shown on the label of **a perishable** [THE MARIJUANA OR] product (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_\_\_, Register\_\_\_\_)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS17.38.070	AS 17.38.190	AS 17.38.900
	AS17.38.121		



THE STATE  
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**Department of Commerce, Community,  
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ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

## MEMORANDUM

TO: Peter Mlynarik, Chair, and  
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Definition of  
“Financial Interest”; Advertising  
Restrictions

### Definition of “Financial Interest”

**Summary:** As noted in discussion at the May 15, 2017, meeting, the definition of “direct or indirect financial interest” (3 AAC 306.015(e)(1)) excludes a person’s right to receive rental charges on a percentage lease-rent agreement for real estate leased to a licensee, meaning that a rental or lease agreement can be set up allowing the landlord to receive a percentage of the marijuana facility’s earnings when the landlord is not a licensee. This exemption has the potential to allow a landlord, who is not a licensee, to be in a position to exert influence on the facility’s operations in a manner that is expected to be limited to licensees.

This proposal eliminates percentage lease or rent agreements from the exemption of direct or indirect financial interest. Under this scenario, any percentage lease or rent agreement could be created but the landlord would have to be a licensee.

As you know, the board has approved many licenses with percentage-based lease agreements. In general, these agreements have been for a small percentage of the marijuana facility’s income. At this meeting, two license applications have come to the board with extremely large percentages proposed.

Licensees and applicants who use percentage-based leases could move to graduated leases which would achieve a similar effect without involving the landlord in a financial interest in the business.

**Public Comment:** Comment period 8/14/17 to 9/29/17. Public comments attached.

**Recommendation:** Adopt change to 3 AAC 306.015(e)(1). Discuss how and when existing licensees with percentage-based leases should come into compliance or if they should be grandfathered.

**Advertising Restrictions**

**Summary:** This regulation proposes the following:

- Advertising regulations are moved from applying to just retail stores (in Article 3 of the regulations) to applying to all licensees (in Article 7).
- The regulations are divided to separately address restrictions on advertising marijuana and marijuana products from restrictions on advertising a marijuana business.
- The restrictions on advertising marijuana and marijuana products are similar to current regulations. The warnings are required to be plainly visible, in at least half the font size of the advertisement if on a sign, in a font size no smaller than size 9 if in print, and played at the same speed as the advertisement if in audio format.
- A marijuana business may have no more than three signs (whether or not the business name is on the sign) that are either in the business's window or attached to the outside of the licensed premises.
- An advertisement for a marijuana business is no longer required to include the warning statements.

**Public Comment:** Comment period 8/14/17 to 9/29/17. Public comments attached.

**Recommendation:** More work should be done on the advertising regulations. Regulations should specifically address the various advertising mediums which create different issues. Print advertising is different from sign advertising is different from social media advertising. For example, if a marijuana business advertises in The Press (a free alternative newspaper in Anchorage), and The Press is distributed within 1,000 feet of a library, is that a violation? Additionally, limitations on promotional events should be kept and clarified. I recommend creating a subcommittee to work on these regulations.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.015(e)(1) is amended to read:

(e) In this section,

(1) "direct or indirect financial interest" means

(A) a legal or equitable interest in the operation of a business licensed

under this chapter;

(B) ) does not include a person's right to receive

(i) rental charges on a graduated [OR PERCENTAGE] lease-rent agreement for real estate leased to a licensee; or

(ii) consulting fee from a licensee for services that are allowed under this chapter;

(Eff. 2/21/2016, Register 217, am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200

3 AAC 306.360 is repealed:

**3 AAC 306.360. Restriction on advertising of marijuana and marijuana products**

Repealed. (Eff. 2/21/2016, Register 217; repealed \_\_/\_\_/\_\_\_\_, Register\_\_\_\_)

3 AAC 306 is amended by adding a new subsection in Article 7 to read:

**3 AAC 306.7xx. Restriction on advertising of marijuana and marijuana products**

(a) An advertisement for marijuana or a marijuana product must include the business name and license number.

(b) An advertisement for marijuana or a marijuana product may not contain a statement or illustration that

(1) is false or misleading;

(2) promotes excessive consumption;

(3) represents that the use of marijuana has curative or therapeutic effects;

(4) depicts a person under 21 years of age consuming marijuana; or

(5) includes any object or character, including a toy, a cartoon character, or any

other depiction that appeals to a person under 21 years of age.

(c) A licensed marijuana business may not place an advertisement for marijuana or a marijuana product;

(1) within 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under 21 years of age;

- (2) on or in a public transit vehicle or public transit shelter;
- (3) on or in a publicly owned or operated property;
- (4) within 1,000 feet of a substance abuse or treatment facility; or
- (5) on a campus for postsecondary education.

(d) A licensed marijuana business may not encourage the sale of marijuana or marijuana products

- (1) by using giveaway coupons as promotional materials;
- (2) by conducting games or competitions; or
- (3) by tying give-away items to the purchase of marijuana or marijuana products.

(e) All advertising for marijuana or any marijuana product must contain each of the following warnings, which must be plainly visible and at least half the font size of an advertisement on a sign, and no smaller than size 9 font when the advertisement is in printed form. Audio advertisements warnings must be understandable and played at the same speed as the advertisement.

- (1) “Marijuana has intoxicating effect and may be habit forming and addictive”;
- (2) “Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence.”;
- (3) “There are health risks associated with consumption of marijuana.”;
- (4) “For use only by adults twenty-one and older. Keep out of the reach of children.”;
- (5) “Marijuana should not be used by women who are pregnant or breast feeding.”

3 AAC 306 is amended by adding a new subsection in Article 7 to read:

**3 AAC 306.7xx. Restriction on advertising of a marijuana business**

(a) A licensed marijuana business may have not more than three signs, visible to the general public from the public right-of-way. A sign may only be placed in the marijuana business’ window or attached to the outside of the licensed premises. The size of each sign may not exceed 4,800 square inches.

(b) A licensed marijuana business may place advertisements that include its name, logo, business type, contact information, location, and hours of operation.

(c) A licensed marijuana business may not place a business advertisement, except as provided in (a) of this section,

(1) within 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under 21 years of age;

(2) on or in a public transit vehicle or public transit shelter;

(3) on or in a publicly owned or operated property;

(4) within 1,000 feet of a substance abuse or treatment facility; or

(5) on a campus for postsecondary education.

(Eff. \_\_/\_\_/\_\_\_\_. Register\_\_\_\_)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS 17.38.070	AS 17.38.190	AS 17.38.900
	AS 17.38.121		

Esteemed Marijuana Control Board,

Thank you for the opportunity to offer my comments on proposed changes to 3 AAC 306.015(e)(B)(i). The current regulation set we operate under allows a non-licensee to receive rent on a percentage lease/rent agreement for property leased to a licensee. Many landlords and building owners, including those on the Kenai Peninsula, have relied upon this currently regulation when investing money in property and forming business relationships and structuring.

The proposed regulation to remove this language, and therefore remove this option, will cause financial hardship on those small businesses who have relied upon it. Contracts already in place will become regulatorily non-compliant. These businesses have already made investments and decisions based on the current regulation your board created. Please do not impose this damaging decision. It would only harm businesses, both licensed and not, and cause job losses, while adding no additional safety for the public. It would also increase the cost to the state for monitoring the industry. I ask you, as the board tasked with governing us, keep this regulation in its current form and continue to allow percentage based lease arrangements. This provision was included in the regulations for a reason. It is extremely difficult, as a startup cannabis company to find property to rent for operations. Often a percentage based lease (more attractive to a landowner who is taking the perceived risk of leasing to a Licensee) is the final bargaining piece that seals the rent deal. Cannabis companies have a very hard time getting investment capital as the banks are closed off to us. This makes leasing a building for operations necessary for most companies who cannot afford to build or buy.

If you remove this exception from the definition of direct or indirect financial interest, then I would like you to provide grandfather rights for those businesses who have already been approved for licensure by you, the Board, and have already been operating under this type of lease arrangement. Businesses who are complying and doing their best should not continually be caused harm by the regulatory process.

Respectfully,

Leif Abel

Greatland Ganja

Kasilof, AK



September 20, 2017

Seth Andersen  
1633 W 5<sup>th</sup> Avenue  
Anchorage, AK 99501

Alaska Alcohol and Marijuana Control Board  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501

Subject: Public Comment - Percentage based lease arrangements 3 AAC 306.015(e)(B)(i)

Dear AMCO,

I am a partner in a real estate entity which leases property to a marijuana cultivation, manufacture, and retail business. We provide lease space to the marijuana business licensee and have no control, management or participation in our tenant's business operation. A very common lease structure for new businesses, startups, and emerging markets is for the tenant to pay a base rent plus additional rents based on success of the Tenant's business. The additional rent is a mechanism that recognizes risk a Landlord assumes in supporting a startup business or new market. The Landlords risk includes deferred or abated rent during startup, building renovations that are specific to the startups needs and uses (which would be costly to remove or repurpose if a startup is not successful) and the potential for a struggling start up business to tie up property from generating income if the business is unsuccessful and cannot otherwise be rented. Additional and significant risk comes from the Landlord not having control or voting rights to their Tenants business.

Many organizations that provide services to startup businesses use similar arrangements. For example, an engineering firm may provide professional services at an initially discounted rate until the business has positive cash flow and at which time the engineering firm recovers their full rate plus a fee for assuming a level of risk while the business starts to grow. Landlords, building owners, and entrepreneurs, including myself, rely up these types of rent calculation to grow businesses, create economic development opportunities, and support new business opportunities which are difficult to traditionally finance or in addition to traditional financing options.

Current Alaska marijuana business regulation 3 AAC 306.015(e)(B)(i) allows an entity (which is not a marijuana licensee) to receive rents based on the Tenant's (marijuana licensee's) business performance. The proposed regulation to remove this language will create an un-justified burden on Landlords and Tenants who use these types of rent calculations, have relied upon it, and have made business decisions based on it. It is extremely difficult to successfully build a new business (and maintain established real estate business). Revising regulation that effects business structures and contracts, at any time (but especially during the startup period), will significantly affect the success of a new business and detract from building new businesses and economic opportunities.

I urge you, the group of individuals tasked with formulating regulations which govern this new industry, to keep this regulation in its current form and continue to allow percentage based rent lease arrangements.

Regards,

A handwritten signature in black ink, appearing to read "Seth Andersen", written over the printed name.

Seth Andersen

907 441 5772

Marijuana Control Board,

**Marijuana Control Board proposed regulations—changes to financial interest in marijuana business and restrictions on advertising.**

I appreciate that here in Alaska we require the owners of businesses to be Alaskans. My comment of taking out the percentage base lease is that it is prevalent in the commercial leases outside of the cannabis industry. I spoke with a realtor who sits on the state realtor commission and he informed me of how often a percentage base lease is used especially in the retail industry.

**3 AAC 306.7xx Restriction on advertising of marijuana and marijuana products**

I have many concerns when it come to this advertising project. It appears to me that some of this is written in such a way to smother the industry with no bases on protecting the health or safety of the public.

The mission Statement of The Department of Commerce, Community, and Economic Development says “Promote a healthy economy, strong communities, and protect consumers in Alaska.” In my opinion this is an excellent mission statement to consider when we are forming regulations that have impacts not only for the public but for the legal and licensed businesses. The way I interpret the mission statement is that the businesses should be allowed to thrive up until it puts Alaskan consumers at risk.

The section I copied below is a good first example. Not being allowed to conduct any onsite promotions to encourage the sale to adults that are 21 years of age or older only hinders the business. I believe this would be just as a far reach to say that these items promote excessive consumption as saying a low price point promotes excessive consumption since someone might buy more. Why is it a problem that a business wants to gain customers? Is that not an expected main point of a business to gain and have customers?

Why would a business not be allowed to encourage the sale of the products it carries to customers that can legally make a purchase?

306.7XX (d) A licensed marijuana business may not encourage the sale of marijuana or marijuana products

- (1) by using giveaway coupons as promotional materials;
- (2) by conducting games or competitions; or
- (3) by tying give-away items to the purchase of marijuana or marijuana products.

In the below section is where I find the most troubling part of this regulation project. It reads in such a way that the restrictions put on advertising a business’s name are extremely harsh and go beyond that of advertisement for marijuana or marijuana products. In (c) it says that our signs attached to the business are the only allowed form of advertising. If this is left in I would read this as I can no longer even hand out business cards without violating this section.

I don’t believe this would stand the test against the mission statement for the CED. It would NOT “Promote a healthy economy” to prevent a business from telling anyone it exists. It would NOT “Promote strong communities” by keeping businesses in the shadows and making open

communication restricted. It would NOT “protect the consumers in Alaska” by hindering their ability to find a legally, CED licensed facility.

Why are restriction of the name and location of a business something even being added to our regulations if it is not to protect the public? Do we really give the public so little credit that we believe they need to be protected from even having to read the name of a legally licensed facility?

**3 AAC 306.7xx. Restriction on advertising of a marijuana business**

(a) A licensed marijuana business may have not more than three signs, visible to the general public from the public right-of-way. A sign may only be placed in the marijuana business’ window or attached to the outside of the licensed premises. The size of each sign may not exceed 4,800 square inches.

(b) A licensed marijuana business may place advertisements that include its name, logo, business type, contact information, location, and hours of operation.

(c) A licensed marijuana business may not place a business advertisement, except as provided in (a) of this section,

(1) within 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under 21 years of age;

(2) on or in a public transit vehicle or public transit shelter;

(3) on or in a publicly owned or operated property;

(4) within 1,000 feet of a substance abuse or treatment facility; or

(5) on a campus for postsecondary education.

Bailey Stuart

**From:** Lisa Coates  
**To:** [CED AMCO REGS \(CED sponsored\); McConnell, Erika B \(CED\)](#)  
**Subject:** Public Comment Regarding 3 AAC 306.015(e)(B)(i)- Percentage Based Leased Arrangements  
**Date:** Tuesday, September 19, 2017 7:12:34 PM

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I am writing you, the Marijuana Control Board, to request that you keep the exception in the Alaska marijuana regulations to allow a landlord to receive rent payments on a percentage based agreement- 3 AAC 306.15(e)(B)(i). As a proposed licensee for a new marijuana business I have already relied upon the current set of laws when planning my new business. The negotiated buildout with my landlord is already a part of my business model. My entire business model is based on the current regulations which allows me to fund my business without selling off all of my shares. With no bank financing or outside investments allowed, how are new marijuana businesses to start up? Additionally, both potential licensees and building owners have relied on current regulations when forming business plans - which is very difficult when those regulations are always changing.

If for some reason, you decide to remove this exception from the regulations, I would encourage you to grandfather those licenses that have already been operating under this set of laws when planning their business model.

Sincerely and respectfully,

Lisa Coates

[Lisa@ljoutfitters.com](mailto:Lisa@ljoutfitters.com)

907-252-4755

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Lisa Coates

[lisa@ljoutfitters.com](mailto:lisa@ljoutfitters.com)

907-252-4755

**From:** Buddy Crowder  
**To:** [CED AMCO REGS \(CED sponsored\); McConnell, Erika B \(CED\)](#)  
**Subject:** Public Comment - Percentage based lease arrangements 3 AAC 306.015(e)(B)(i)  
**Date:** Tuesday, September 19, 2017 6:56:34 PM

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Dear Marijuana Control Board,

As you know, current regulations allow a person (who is not a licensee) to receive rent on a percentage lease/rent agreement for property leased to a licensee. Many landlords and building owners, including myself, have relied upon this law as it is currently written when investing money and forming business relationships. The proposed regulation to remove this language and therefore remove this option will create a heavy burden on those who have relied upon it and have already made investments and decisions based on it. It is extremely difficult to build a business on a foundation that constantly shifts. I urge you, as the group of individuals tasked with formulating the regulations that govern this industry, to keep this regulation in its current form and continue to allow percentage based lease arrangements. This provision was included in the regs for a reason; this is a way for marijuana business start-ups to fund their new business and get off of the ground since no outside ownership is allowed and banks won't finance marijuana businesses.

If you do decide to remove this exception from the definition of direct or indirect financial interest, then I would like to strongly encourage that you provide for some sort of grandfather right for those businesses who have already been approved for licensure by you, the Board, and/or have already been operating under this type of lease arrangement.

Respectfully,  
Buddy Crowder  
Herban Extracts, llc  
[Buddy@907maryjane.com](mailto:Buddy@907maryjane.com)

**From:** Paul Disdier  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public Comment on Regulations Change  
**Date:** Friday, September 29, 2017 4:10:53 PM

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Good afternoon,

We at The Fireweed Factory would like to comment that we are against the following proposed regulations changes:

The Marijuana Control Board proposes to adopt regulation changes in 3 AAC 306 of the Alaska Administrative Code, dealing with direct and indirect financial interest in marijuana businesses, and restrictions on advertising of marijuana, marijuana products and marijuana businesses, including the following:

- (1) 3 AAC 306.015(e), related to direct or indirect financial interest in a marijuana business
- (2) 3 AAC 306.360 would be repealed.
- (3) 3 AAC 306.700 would add a new subsection regarding restrictions on advertising of marijuana and marijuana products.
- (4) 3 AAC 306.700 would add a new subsection regarding restrictions on advertising of marijuana businesses.

Thank you,

The Fireweed Factory, LLC, lic. #10266 and #10800  
Juneau, AK

Marijuana Control Board,

**Marijuana Control Board proposed regulations—changes to financial interest in marijuana business and restrictions on advertising.**

I appreciate that here in Alaska we require the owners of businesses to be Alaskans. My comment of taking out the percentage base lease is that it is prevalent in the commercial leases outside of the cannabis industry. I spoke with a realtor who sits on the state realtor commission and he informed me of how often a percentage base lease is used especially in the retail industry.

**3 AAC 306.7xx Restriction on advertising of marijuana and marijuana products**

I have many concerns when it come to this advertising project. It appears to me that some of this is written in such a way to smother the industry with no bases on protecting the health or safety of the public.

The mission Statement of The Department of Commerce, Community, and Economic Development says “Promote a healthy economy, strong communities, and protect consumers in Alaska.” In my opinion this is an excellent mission statement to consider when we are forming regulations that have impacts not only for the public but for the legal and licensed businesses. The way I interpret the mission statement is that the businesses should be allowed to thrive up until it puts Alaskan consumers at risk.

The section I copied below is a good first example. Not being allowed to conduct any onsite promotions to encourage the sale to adults that are 21 years of age or older only hinders the business. I believe this would be just as a far reach to say that these items promote excessive consumption as saying a low price point promotes excessive consumption since someone might buy more. Why is it a problem that a business wants to gain customers? Is that not an expected main point of a business to gain and have customers?

Why would a business not be allowed to encourage the sale of the products it carries to customers that can legally make a purchase?

306.7XX (d) A licensed marijuana business may not encourage the sale of marijuana or marijuana products

- (1) by using giveaway coupons as promotional materials;
- (2) by conducting games or competitions; or
- (3) by tying give-away items to the purchase of marijuana or marijuana products.

In the below section is where I find the most troubling part of this regulation project. It reads in such a way that the restrictions put on advertising a business’s name are extremely harsh and go beyond that of advertisement for marijuana or marijuana products. In (c) it says that our signs attached to the business are the only allowed form of advertising. If this is left in I would read this as I can no longer even hand out business cards without violating this section.

I don’t believe this would stand the test against the mission statement for the CED. It would NOT “Promote a healthy economy” to prevent a business from telling anyone it exists. It would NOT “Promote strong communities” by keeping businesses in the shadows and making open



communication restricted. It would NOT “protect the consumers in Alaska” by hindering their ability to find a legally, CED licensed facility.

Why are restriction of the name and location of a business something even being added to our regulations if it is not to protect the public? Do we really give the public so little credit that we believe they need to be protected from even having to read the name of a legally licensed facility?

**3 AAC 306.7xx. Restriction on advertising of a marijuana business**

(a) A licensed marijuana business may have not more than three signs, visible to the general public from the public right-of-way. A sign may only be placed in the marijuana business’ window or attached to the outside of the licensed premises. The size of each sign may not exceed 4,800 square inches.

(b) A licensed marijuana business may place advertisements that include its name, logo, business type, contact information, location, and hours of operation.

(c) A licensed marijuana business may not place a business advertisement, except as provided in (a) of this section,

(1) within 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under 21 years of age;

(2) on or in a public transit vehicle or public transit shelter;

(3) on or in a publicly owned or operated property;

(4) within 1,000 feet of a substance abuse or treatment facility; or

(5) on a campus for postsecondary education.

Chris Farris

**From:** Reed Harding  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public Comment on AS 17.38.070; AS 17.38.190; AS 17.38.900 - Restrictions on advertising marijuana  
**Date:** Thursday, September 28, 2017 5:17:23 PM

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This public comment is in regards to Marijuana Control Board proposed regulations--changes to financial interest in marijuana business and restrictions on advertising involving statutes AS 17.38.070; AS 17.38.190; AS 17.38.900.

My name is Reed Harding and I am a Drug Free Communities Coordinator working for the Ketchikan Wellness Coalition (KWC). I saw that you are accepting public comment on possibly revising some rules for advertising related to marijuana. Working in prevention I am very concerned about youth usage and also working for KWC I recognize that smoking marijuana is not healthy. I am not here to discredit that some people feel they receive benefits from consuming only that overall it is not something we want to encourage the public to do.

I feel strongly, as I expect those who read this letter do, that the intent of the current law is to protect consumers and youth from being taken advantage of by a profit driven industry. To me this issue is similar to the public health issues that tobacco and alcohol cause and as such we have a duty to protect the public from misinformation.

After researching this topic on the Center for Disease Control and the World Health Organization I would like to offer some of the best suggestions related to marijuana advertising.

- Marijuana signage currently being three signs at 4,800 square inches is excessive. For instance, Connecticut limits it to one sign 16 x 18 inches.
- The usage of color and logos for marijuana advertising should be restricted. Signs should be simple and mono-color.
- Marijuana advertisement should not be aimed specifically at minors or, in particular, depict minors smoking or consuming.
- Marijuana advertisement should not link the consumption of marijuana to enhanced physical performance or to driving.
- Marijuana advertisement should not create the impression that the consumption of marijuana contributes towards social or sexual success.
- Marijuana advertisement should not claim that marijuana has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal/emotional conflicts.
- Marijuana advertisement should not encourage immoderate consumption of marijuana or present abstinence or moderation in a negative light.
- Marijuana advertisement should not place emphasis on high THC content as being a positive quality of the product.
- No marijuana advertising when children or teen programming is in place (TV, Radio, Internet). 21+ nature of the product means content should also be restricted to after 8 pm on weekdays and no adverts on the weekends.
- Marijuana advertisement should not utilize television, radio, or internet

advertising unless the retail marijuana establishment has reliable evidence that no more than 30 percent of the audience for the program on which the Advertising is to air is reasonably expected to be under the age of 21.

Ultimately we don't want people to build brands off of products that cause harm. I understand that marijuana was voted to be legalized for private consumption but that does not mean the state should be endorsing it. By not creating strong advertising rules we will see an increase in youth usage and adult consumption. This is not a good thing for our state as what little tax money is collected will be dwarfed by the harm it will create.

Thank you for taking the time to consider these points.

Reed Harding  
DFC Program Coordinator  
Ketchikan Wellness Coalition  
602 Dock Street, Suite 108  
Ketchikan, AK 99901  
(907) 228-7553



Jana D. Weltzin  
Licensed in Alaska &  
Arizona  
3003 Minnesota  
Blvd., Suite 201  
Anchorage, Alaska 99501  
Phone 630-913-1113  
Main Office 907-231-3750  
jana@jdwconsult.com

August 25, 2017

Marijuana Control Board  
Director McConnell  
*Sent via Email*

**Re: Public Testimony Submitted for September 2017 MCB**

Dear Esteemed MCB Members & Director McConnell:

Please consider the following issues and concerns during your MCB September 2017 meeting. Thank you for your service to the state and Industry.

Since the July meeting, our office has been receiving new requests from AMCO staff that we have never gotten before in previous incomplete letters/correspondence from the AMCO office. These new requests are said to be “board decisions”, yet as I recall them, these matters were either comments or concerns expressed during discussions amongst the board members by an individual board member(s) – but the general banter back and forth did not result in a motion and a subsequent vote by the board, drawing some type of action or conclusion. The examples below were merely discussions, as opposed to “decisions” made by/voted on by the board as a whole or “deliberations” on specific motions.

AS 17.38.111 and AS 17.38.121 - clearly contemplates the board acting as a whole when making any decisions, approvals or denials as well as the board training manual posted on AMCO’s website. In fact, it is clear in the board training manual posted on AMCO’s website that there is a clear delineation from just board discussions, to board debates once a motion is actually formally made. On page 21 of the Marijuana Control Board Orientation Manual, dated July 2, 2015, the manual articulates the following:

**Taking Part in Debate**

Debate and discussion are not the same. Discussion is general and does not necessarily lead to closure of an issue. It is the method used

for less formal meetings and work sessions. Debate occurs after a motion has been made, and formal board or commission actions are required. Board discussion **is not a formal request for action**, so members should take care to make a motion in order to propose an actionable item--particularly one that involves a fiscal matter, policy change, or staff response.

Emphasis added, page 21.

Some examples of new requests received from the AMCO office labeled as “board decisions” are:

- Requests in incomplete letters from examiners requiring that a sample of the “actual label” to be used for retailers and cultivators – as I recall the discussion the board had at the July meeting (I don’t yet have access to the meeting minutes) an individual board member, voiced concern that the board did not require a sample of and did not ever lay eyes on the logos and labels that retailers and cultivators will use and some of the other board members agreed that was true and the discussion moved on to another topic, no vote or official “decision” was made regarding this matter, yet it is now being required by AMCO for new applications. Therefore, we have received several incomplete applications stating that the application is incomplete because no sample logo or actual label was provided.
- Another example, was an incomplete response that stated that the board has decided that a licensed premises must be contiguous. The incomplete response required that for this particular applicant license to be compliant with the regulations, even though it was all located enclosed in buildings on one single address, the site would need to be fully enclosed by a fence, or obtain a separate license for each building on the addressed site. I don’t recall the board considering a motion to make this a formal policy, I only recall the discussion of it and members voicing their varying opinions (again, the meeting minutes are not yet available to refer to).

#### Items Delegated to Director and or Chief of Enforcement

I believe last meeting in July, we discussed some items to be delegated to the director &/or chief of enforcement such as change in licensed premises diagrams, operating plan changes, and perhaps other delegations that I cannot specifically recall. It may be helpful for industry participants, AMCO staff, and MCB members if there was a list of currently approved decisions that have been delegated to the Director so that the industry can better plan for their business modifications and know if a change is possible within weeks via Director delegation or whether that business would necessarily need to wait until the next MCB meeting to implement the proposed change.

#### Persistence of misuse of Marijuana Handler Permits

The misrepresentation by some persons holding MHP and putting themselves out to the public as licensed to conduct illegal activity is continuing. Currently, there is no tool enforcement can use to revoke or suspend MHP holders who are using the permits to undermine the legal market. We must have a mechanism to combat this misuse. I understand it may not be the most popular

proposal made, but I believe we must give enforcement a tool to revoke MHP holders who are utilizing their permits in a manner that puts the public's health and safety at risk and undermines the taxed, regulated and tested market. I have drafted some suggested regulatory language for the boards consideration:

306.700. is Amended by adding:

(F) MCB shall require the following to be disclosed by an applicant for a MHP:

- (1) Has been convicted of a felony in the state and either
  - (a) less than 5 years has elapsed from time of conviction; or
  - (b) person is currently on probation or parole for that felony.

(2) Has within 2 years, before submitting an application, been convicted of a class A misdemeanor crime in the state involving a controlled substance other than a Schedule VI controlled substance; or

(3) Has within 2 years before submitting an application, been convicted of a class A misdemeanor in the state relating to selling, furnishing, or distributing marijuana.

(G) If Chief of Enforcement or the Director deems it is in the best interest of Public Health and safety to deny a MHP based on required disclosures above, then it shall do so and applicant may appeal denial to MCB within seven (7) business days of notice of denial. MCB shall set a special hearing to consider the denial and provide the applicant an opportunity to appeal denial to the MCB. MCB shall determine whether to sustain the denial in the interest of public health & safety, or to overturn the denial and grant the applicant a MHP.

Add in new section

3 AAC.306.XXX

(a) MCB may suspend or revoke MHP issued under this chapter if:

(1) If the board becomes aware that a permit applicant did not disclose required disclosures under 3 AAC.306.700(f) (1) or (2) or (3).

(b) The Director, Chief of Enforcement, or MCB may revoke or suspend a permit issued under this chapter, refuse to renew a permit, or impose a civil fine if a MHP Holder is taking actions to undermined the legal commercial market, misrepresent themselves to the public, use MHP in a manner that is not in the best interest of Public Health and Safety, or an applicant for a MHP misrepresented themselves on background check, affidavit, declaration signed statement, under AS 17.38, 17.37 or this chapter.

#### Change of Ownership Final Form

There is still no actual transfer of ownership application, just the MJ-17a: Temporary Report of Change in Ownership. All the transfer requests this Board has seen have not actually been dealt

with – AMCO staff is, to the best of our understanding, compiling a list of persons who have requested a transfer, but the actual transfer hasn't been handled because the transfer form has yet to be finalized. Many persons who were licensees that transferred their interest are concerned about the possibility of the continuing liability that stems from the operation of the license to the licensee. Additionally, there is concern for new investors who have purchased a piece of an entity that owns a license, and technically are not considered legal licensees.

Our request is for the Board to direct AMCO staff to finalize the transfer of ownership mechanism and complete the transfer requests in final form for the Board's review and approval.

### Reiterating the Lack of Clarity in Advertising Regulations

Lack of clarity as to whom the advertising regulations apply to, what the terms mean as there are limited definitions provided in the regulations and clarity as to what types of mediums are allowed for advertisement has had a chilling effect on the industry's commercial speech. I propose creating a set of regulations in Article 7 – Operating Requirements for All Marijuana Establishments – and address advertisement holistically for all license types as follows:

#### \*Proposed Advertisement Regulations\*

##### **Advertising - Purpose and Application of Rules**

- (1) Marijuana Control Board serves the interests of the citizens of Alaska by regulating and prohibiting advertising marijuana items in a manner:
  - (a) That is attractive to minors;
  - (b) That promotes excessive use;
  - (c) That promotes activity that is illegal under Alaska law; or
  - (d) That otherwise presents a significant risk to public health and safety.
- (2) The Control Board also serves the interests of Alaskans by allowing advertising for the purpose of informing the public of the availability and characteristics of marijuana.
- (3) All marijuana advertising by a licensee must conform to these rules.

##### **Advertising Restrictions**

- (1) Marijuana advertising may not:
  - (a) Contain statements that are deceptive, false, or misleading;
  - (b) Contain any content that can reasonably be considered to target individuals under the age of 21, including but not limited to images of minors, cartoon characters, toys, or similar images and items typically marketed towards minors, or references to products that are commonly associated with minors or marketed by minors;
  - (c) Specifically encourages the transportation of marijuana items across state lines;
  - (d) Assert that marijuana items are safe because they are regulated by the Control Board or otherwise make claims that any government agency endorses or supports marijuana;
  - (e) Make claims that recreational marijuana has curative or therapeutic effects;
  - (f) Display consumption of marijuana items;
  - (g) Contain material that encourages the use of marijuana *because of its intoxicating effect*; or
  - (h) Contain material that encourages excessive or rapid consumption.
- (2) A licensee may not make any deceptive, false, or misleading assertions or statements on any

informational material, any sign, or any document provided to a consumer.

(3) A licensee must include the following statement on all print, billboard, television, radio and internet advertising in font size legible to the viewer:

(a) "Do not operate a vehicle or machinery under the influence of this drug".

(b) "For use only by adults twenty-one years of age and older."

(c) "Keep out of the reach of children."

(4) A licensee may not engage in advertising via marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature.

### **Advertising - Definitions**

(1) "Advertising" is publicizing the trade name of a licensee together with words or symbols referring to marijuana or publicizing the brand name of marijuana or a marijuana product.

(2) "Billboard" means a large outdoor advertising structure.

(3) "Handbill" is a flyer, leaflet, or sheet that advertises marijuana.

(4) "Radio" means a system for transmitting sound without visual images, and includes broadcast, cable, on-demand, satellite, or internet programming. Radio includes any audio programming downloaded or streamed via the internet.

(5) "Television" means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. Television includes any video programming downloaded or streamed via the internet.

(6) "Internet" means an electronic communications network that connects computer networks and organizational computer facilities around the world.

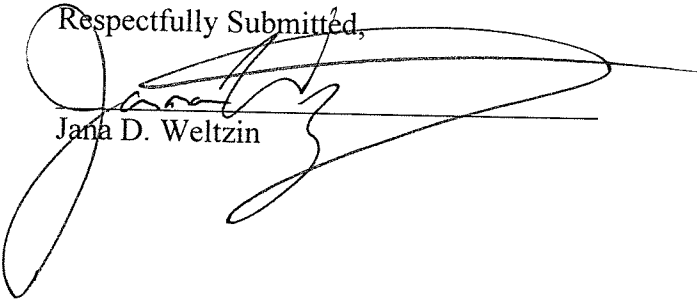
### Work session sometime?

Is it possible to arrange a publicly noticed work session with the board and the public? In the Marijuana Control Board Orientation Manual it contemplates in several sections (page 16 and page 21) that work sessions may be used to discuss proposed regulations or for a less formal type of meeting that doesn't necessarily lead to a closure of an issue. Since the start of the MCB formation I do not think we have ever utilized the work session tool. I think it would be helpful for the Board and staff to see some of the end product/packaging/labeling of these facilities and get a chance to ask how this is all playing out in the real world to industry participants and even local government officials too. It will help build trust, communication and mutual understanding amongst industry participants, the public and Staff/MCB. Some of the confusion in this process I think comes from it being so theoretical (as it was from the start) but now there's real tangible outcomes that may be helpful for the board to see – and also gratifying too to see these concepts put into play and how the growth of the industry is effecting the business owners, local government and public.

Lastly, and most importantly, this industry is moving fast – in the cannabis industry, life is like dog years, one year feels like seven, there's so much work on both ends and so much uncertainty and we all need to understand the pressures both the industry and



regulators are under to make this industry safe and free from federal intervention. I know that my office sees this the most, but for anyone else that reads this letter, the staff, enforcement officers, and the director at AMCO are not regular government employees. They are emailing at 7AM and sometimes late into the night past 9pm – to say they are working hard is a complete understatement. I am so impressed by their dedication, commitment to their responsibilities, thoroughness and organizational skill, and their incredible effort they've expended on this industry which has undoubtedly dipped into their personal lives, taking time away from their families and their individual "me time". Thank you to them for playing a huge role, if not the biggest role, in this industry's success to date.

Respectfully Submitted,  
  
Jana D. Weltzin

**From:** Carey Mills  
**To:** [McConnell, Erika B \(CED\)](#)  
**Cc:** [CED AMCO REGS \(CED sponsored\)](#)  
**Date:** Friday, September 22, 2017 11:42:00 AM

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To Erika McConnell and members of the board,

Re: Public Comment - Percentage based lease arrangements 3 AAC 306.015(e)(B)(i)

As you know, current regulations allow a person (who is not a licensee) to receive rent on a percentage lease/rent agreement for property leased to a licensee. Many landlords and building owners, including myself, have relied upon this law as it is currently written when investing money and forming business relationships.

The proposed regulation to remove this language and therefore remove this option will create a heavy burden on those who have relied upon it and have already made investments and decisions based on it. It is extremely difficult to build a business on a foundation that constantly shifts. I urge you, as the group of individuals tasked with formulating the regulations that govern this industry, to keep this regulation in its current form and continue to allow percentage based lease arrangements. This provision was included in the regs for a reason; this was a way for marijuana business start-ups to fund their new business and get off the ground since no outside ownership is allowed and banks won't finance marijuana businesses.

If you do decide to remove this exception from the definition of direct or indirect financial interest, then I would like to strongly encourage that you provide for some sort of grandfather right for those businesses who have already been approved for licensure by you, the Board, and have already been operating under this type of lease arrangement.

Respectfully,  
Carey Mills  
9/22/19

Marijuana Control Board,

**Marijuana Control Board proposed regulations—changes to financial interest in marijuana business and restrictions on advertising.**

I appreciate that here in Alaska we require the owners of businesses to be Alaskans. My comment of taking out the percentage base lease is that it is prevalent in the commercial leases outside of the cannabis industry. I spoke with a realtor who sits on the state realtor commission and he informed me of how often a percentage base lease is used especially in the retail industry.

**3 AAC 306.7xx Restriction on advertising of marijuana and marijuana products**

I have many concerns when it come to this advertising project. It appears to me that some of this is written in such a way to smother the industry with no bases on protecting the health or safety of the public.

The mission Statement of The Department of Commerce, Community, and Economic Development says “Promote a healthy economy, strong communities, and protect consumers in Alaska.” In my opinion this is an excellent mission statement to consider when we are forming regulations that have impacts not only for the public but for the legal and licensed businesses. The way I interpret the mission statement is that the businesses should be allowed to thrive up until it puts Alaskan consumers at risk.

The section I copied below is a good first example. Not being allowed to conduct any onsite promotions to encourage the sale to adults that are 21 years of age or older only hinders the business. I believe this would be just as a far reach to say that these items promote excessive consumption as saying a low price point promotes excessive consumption since someone might buy more. Why is it a problem that a business wants to gain customers? Is that not an expected main point of a business to gain and have customers?

Why would a business not be allowed to encourage the sale of the products it carries to customers that can legally make a purchase?

306.7XX (d) A licensed marijuana business may not encourage the sale of marijuana or marijuana products

- (1) by using giveaway coupons as promotional materials;
- (2) by conducting games or competitions; or
- (3) by tying give-away items to the purchase of marijuana or marijuana products.

In the below section is where I find the most troubling part of this regulation project. It reads in such a way that the restrictions put on advertising a business’s name are extremely harsh and go beyond that of advertisement for marijuana or marijuana products. In (c) it says that our signs attached to the business are the only allowed form of advertising. If this is left in I would read this as I can no longer even hand out business cards without violating this section.

I don’t believe this would stand the test against the mission statement for the CED. It would NOT “Promote a healthy economy” to prevent a business from telling anyone it exists. It would NOT “Promote strong communities” by keeping businesses in the shadows and making open

communication restricted. It would NOT “protect the consumers in Alaska” by hindering their ability to find a legally, CED licensed facility.

Why are restriction of the name and location of a business something even being added to our regulations if it is not to protect the public? Do we really give the public so little credit that we believe they need to be protected from even having to read the name of a legally licensed facility?

**3 AAC 306.7xx. Restriction on advertising of a marijuana business**

(a) A licensed marijuana business may have not more than three signs, visible to the general public from the public right-of-way. A sign may only be placed in the marijuana business’ window or attached to the outside of the licensed premises. The size of each sign may not exceed 4,800 square inches.

(b) A licensed marijuana business may place advertisements that include its name, logo, business type, contact information, location, and hours of operation.

(c) A licensed marijuana business may not place a business advertisement, except as provided in (a) of this section,

(1) within 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under 21 years of age;

(2) on or in a public transit vehicle or public transit shelter;

(3) on or in a publicly owned or operated property;

(4) within 1,000 feet of a substance abuse or treatment facility; or

(5) on a campus for postsecondary education.

Caleb Saunders

**From:** steve@greatnortherncannabis.com  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comments on Proposed Financial Interest & Advertising Regulations  
**Date:** Friday, September 08, 2017 10:46:14 AM

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September 13, 2017

Marijuana Control Board

Peter Mlynarik, Chair

Mark Springer

Loren Jones

Brandon Emmett

Nicholas Miller

Alcohol & Marijuana Control Office

550 West Seventh Avenue, Suite 1600

Anchorage, Alaska 99501

RE: Proposed 3 AAC 306.015(e); 3 AAC 306.360; 3 AAC 306.700 – Financial interests and advertising

Dear Sirs:

Great Northern Cannabis, Incorporated (GNC) is an Alaska corporation with approximately 40 full- and part-time employees, and 25 Alaskan shareholders from a wide variety of backgrounds. We currently own and operate a cultivation facility and a retail store. We thank you for the opportunity to comment on the proposed regulations for financial interests and advertising.

GNC has no position on 3 AAC 306.015 (e) (1). We would note, however, that we have existing leases that, were this regulation to go into effect, would be in violation of the proposed regulation. We would further note that leases including a percentage of receipts are not uncommon. We would encourage the board to carefully consider the impacts of this proposal and, should it decide to enact it or something similar, how to address existing leases.

In general, GNC is supportive of the regulatory changes related to advertising with the following caveats:

1. We feel changes should be made to 3 AAC 306.7xx (c) to clarify that:
  - a. A permanent advertising feature (e.g. sign) should not have to be abandoned if a restricted use moves within the restricted zone.
  - b. A print advertisement in a periodical with a distribution medium within the restricted zone does not constitute a violation of this prohibition. For example,

- a newspaper advertisement where the paper has a box in or adjacent to a park.
2. We are concerned that print advertisement warnings must adhere to minimum font sizes and audio advertisement warnings to the same speed as the remainder of the advertisement. This is not consistent with practices required of many other industries. If the warnings requirements are deemed to be in the public interest then we would respectfully request that the warning language be shortened to a reasonable length (e.g. "The federal government considers marijuana to be a Schedule 1 drug.") We obviously do not agree with the federal government but prefer a shorter, more alarmist message to a lengthy, unwieldy one.

Thank you again for the opportunity to comment on these proposed changes. We would be happy to answer questions and participate in any rule-drafting discussions.

Best regards,

Steve Brashear  
Chairman & CEO  
Great Northern Cannabis, Inc.

**From:** Troy Foley  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Public Comment regarding proposed changes to 306.7xx  
**Date:** Wednesday, August 23, 2017 3:30:11 PM

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Members of the Marijuana Control Board,

The amendment to 306.7xx(b)(2) contains the phrase "excessive consumption," which is vague and undefined.

The amendment to 306.7xx(b)(5) contains the phrase " includes any object or character, including a toy, a cartoon character, or any other depiction that appeals to a person under 21 years of age," which I believe would be better phrased as "that is intended to appeal to a person under 21 years of age." This will mitigate the vagueness inherent in "any [thing] that appeals to a person under 21 years of age."

The amendment to 306.7xx(d)(2) restricts licensed establishments from conducting games or competitions, which I believe will be counterproductive to our industry in a very significant fashion in the event that on-site consumption is approved and introduced to our state. Games and activities while partaking in on-site consumption will likely be a significant factor in the proposed establishments.

The amendment to 306.7xx(e) includes numerous phrases, which is in stark contrast to the alcohol industry's most common three word warning of "Please drink responsibly." While I do not take issue with any of the statements required, I do believe a more concise warning label in a smaller display will not have significant negative consequences to the public.

Thank you for your consideration,

Troy Foley  
Owner, Foley's Irish Green  
License #: 12825

**From:** Alaska Online Public Notices  
**To:** [Smith, Jedediah R \(CED\); CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** New Comment on Marijuana Control Board proposed regulations--changes to financial interest in marijuana business and restrictions on advertising  
**Date:** Tuesday, September 05, 2017 12:41:58 PM

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A new comment has been submitted on the public notice [Marijuana Control Board proposed regulations--changes to financial interest in marijuana business and restrictions on advertising](#).

**Submitted:**

9/5/2017 12:41:54 PM

Bruce Wall  
[btwall@msn.com](mailto:btwall@msn.com)

Unknown location  
Anonymous User

**Comment:**

It appears that the current language in 3 AAC 306.360, "A sign may be placed in the retail marijuana store's window or attached to the outside of the licensed premises." intends to reduce the visual impact of these signs. If that is the case, I suggest strengthening the language as follows:

3 AAC 306.7xx. Restriction on advertising of a marijuana business  
(a) A licensed marijuana business may have not more than three signs, visible to the general public from the public right-of-way. A sign may only be placed in the marijuana business' window or attached flush to the outside wall of the licensed premises. The size of each sign may not exceed 4,800 square inches.

This would prevent licensees from placing signs so that they project above the roofline or away from the building with only a minimal attachment to the premise.

Bruce Wall  
[btwall@msn.com](mailto:btwall@msn.com)  
465 W Redoubt Ave Apt 207  
Soldotna, AK 99669

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You can review all comments on this notice by [clicking here](#).

[Alaska Online Public Notices](#)



Public Comment - Percentage based lease arrangements 3 AAC 306.015(e)(B)(i)

As you know, current regulations allow a person (who is not a licensee) to receive rent on a percentage lease/rent agreement for property leased to a licensee. Many landlords and building owners, including myself, have relied upon this law as it is currently written when investing money and forming business relationships.

The proposed regulation to remove this language and therefore remove this option will create a heavy burden on those who have relied upon it and have already made investments and decisions based on it. Our group has personally invested \$250,000.00 and would create a financial hardship as we would be forced to repay the funds from our personal pockets with no reimbursement from our original investment.

It is extremely difficult to build a business on a foundation that constantly shifts. I urge you, as the group of individuals tasked with formulating the regulations that govern this industry, to keep this regulation in its current form and continue to allow percentage based lease arrangements. This provision was included in the regulations for a reason; this was a way for marijuana business start-ups to fund their new business and get off the ground since no outside ownership is allowed and banks won't finance marijuana businesses.

If you do decide to remove this exception from the definition of direct or indirect financial interest, then I would like to strongly encourage that you provide for some sort of grandfather right for those businesses who have already been approved for licensure by you, the Board, and have already been operating under this type of lease arrangement.

Respectfully,

Kelly Wilmes

Managing partner.

TOPROK LLC.



## Public Comment - Percentage based lease arrangements 3 AAC 306.015(e)(B)(i)

As you know, current regulations allow a person (who is not a licensee) to receive rent on a percentage lease/rent agreement for property leased to a licensee. Many landlords and building owners, including myself, have relied upon this law as it is currently written when investing money and forming business relationships. The proposed regulation to remove this language and therefore remove this option will create a heavy burden on those who have relied upon it and have already made investments and decisions based on it.

Because of the down turn in Alaska's economy making this investment for Scott Young and myself was a tough decision to make. But because we both were acquainted with the owners, and because of the caliber of our investment group, we both decided to make the investment. It is extremely difficult to build a business on a foundation that constantly shifts. I urge you, as the group of individuals tasked with formulating the regulations that govern this industry, to keep this regulation in it's current form and continue to allow percentage based lease arrangements. This provision was included in the regs for a reason; this was a way for marijuana business start-ups to fund their new business and get off the ground since no outside ownership is allowed and banks won't finance marijuana businesses.

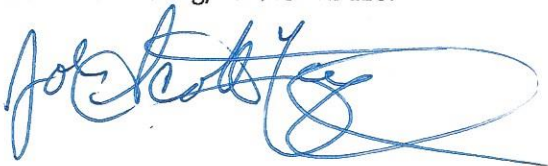
If you do decide to remove this exception from the definition of direct or indirect financial interest, then I would like to strongly encourage that you provide for some sort of grandfather right for those businesses who have already been approved for licensure by you, the Board, and have already been operating under this type of lease arrangement.

Sincerely,

Todd Zietlow / Partner YZ LLC.



John Scott Young/Partner YZ LLC.



\*\* Shared Revenues disbursed to local governments immediately upon receipt of a complete application per AS 17.38.200(c)\*\*

Local Government	Monthly Payments
<b>Anchorage (Municipality of)</b>	<b>\$37,000.00</b>
10/28/2016	\$18,000.00
11/15/2016	\$4,000.00
12/20/2016	\$3,000.00
2/6/2017	\$1,500.00
3/7/2017	\$2,000.00
3/31/2017	\$2,500.00
5/15/2017	\$3,000.00
6/16/2017	\$2,000.00
7/13/2017	\$1,000.00
<b>Denali Borough</b>	<b>\$500.00</b>
3/31/2017	\$500.00
<b>Fairbanks (City of)</b>	<b>\$6,000.00</b>
10/5/2016	\$2,000.00
11/15/2016	\$500.00
2/6/2017	\$500.00
3/7/2017	\$500.00
3/31/2017	\$1,000.00
6/16/2017	\$1,500.00
<b>Fairbanks North Star Borough</b>	<b>\$16,500.00</b>
10/28/2016	\$7,000.00
11/15/2016	\$2,500.00
12/20/2016	\$1,000.00
3/31/2017	\$2,000.00
5/15/2017	\$1,000.00
6/16/2017	\$2,000.00
7/13/2017	\$1,000.00
<b>Houston</b>	<b>\$3,000.00</b>
10/28/2016	\$1,000.00
11/15/2016	\$500.00
2/6/2017	\$500.00
3/7/2017	\$500.00
6/16/2017	\$500.00
<b>Juneau (City and Borough of)</b>	<b>\$5,000.00</b>
10/28/2016	\$3,000.00
11/15/2016	\$500.00
2/6/2017	\$1,000.00
5/15/2017	\$500.00
<b>Kenai (City of)</b>	<b>\$1,500.00</b>
10/28/2016	\$1,000.00
6/16/2017	\$500.00
<b>Kenai Peninsula Borough</b>	<b>\$16,500.00</b>
10/28/2016	\$6,500.00
11/15/2016	\$1,500.00
3/7/2017	\$2,500.00
3/31/2017	\$2,000.00

\*\* Shared Revenued disbursed to local governments immediately upon receipt of a complete application per AS 17.38.200(c)\*\*

5/15/2017	\$1,000.00
6/16/2017	\$1,000.00
7/13/2017	\$2,000.00
<b>Ketchikan (City of)</b>	<b>\$1,500.00</b>
10/28/2016	\$500.00
11/15/2016	\$1,000.00
<b>Ketchikan Gateway Borough</b>	<b>\$2,000.00</b>
11/15/2016	\$1,000.00
3/31/2017	\$500.00
6/16/2017	\$500.00
<b>Kodiak (City of)</b>	<b>\$500.00</b>
10/28/2016	\$500.00
<b>Matanuska-Susitna Borough</b>	<b>\$15,000.00</b>
10/28/2016	\$1,500.00
11/15/2016	\$2,000.00
2/6/2017	\$500.00
3/7/2017	\$2,000.00
3/31/2017	\$1,000.00
5/15/2017	\$4,000.00
6/16/2017	\$4,000.00
<b>Nome</b>	<b>\$500.00</b>
2/6/2017	\$500.00
<b>Petersburg Borough</b>	<b>\$1,000.00</b>
12/20/2016	\$500.00
3/31/2017	\$500.00
<b>Sitka (City and Borough of)</b>	<b>\$3,000.00</b>
10/28/2016	\$2,000.00
11/15/2016	\$500.00
3/7/2017	\$500.00
<b>Skagway (Municipality of)</b>	<b>\$1,000.00</b>
10/28/2016	\$1,000.00
<b>Valdez</b>	<b>\$1,500.00</b>
10/28/2016	\$1,000.00
5/15/2017	\$500.00
<b>Wrangell (City and Borough of)</b>	<b>\$1,000.00</b>
3/7/2017	\$1,000.00
<b>Grand Total</b>	<b>\$113,000.00</b>

