

**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. 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 December 14, 2017 Regular Meeting **Page 3**
- 5. VISITORS/PRESENTATIONS** *(20 Minutes Scheduled for Presentation and Q & A)*
 - A. Jason Brandeis, Birch Horton Bittner & Cherot re: Attorney General Decision to Rescind Cole Memorandum **Page 7**
- 6. REPORTS – State, Borough, Council, Staff**
- 7. PENDING BUSINESS**
 - A. Recommendation to Amend the Commission Bylaws Regarding Commission Name and Meeting Schedule **Page 19**
 1. Draft Amended Bylaws **Page 21**
 - B. Recommendation to Amend Homer City Code Title 2.78 to Reflect Commission Name Change and Proceedings of the Commission **Page 23**
 1. Draft Ordinance 18-xx **Page 25**
- 8. NEW BUSINESS**
- 9. INFORMATIONAL MATERIALS**
 - A. 2018 Commission Attendance at Council Meetings **Page 29**
 - B. Completed Applications **Page 30**
 - C. 2018 Shared Revenue to Date **Page 31**
 - D. Marijuana in the News **Page 33 - 46**
- 10. COMMENTS OF THE AUDIENCE**
- 11. COMMENTS OF THE STAFF**
- 12. COMMENTS OF THE COMMISSION**
- 13. ADJOURNMENT THE NEXT REGULAR MEETING IS TENTATIVELY SCHEDULED FOR THURSDAY, APRIL 26, 2018** at 5:30pm in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer Alaska

Session 17-04, a Regular Meeting of the Cannabis Advisory Commission was called to order by Chair Don Stead at 5:34 p.m. on December 14, 2017 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS WOLTJEN, ERICKSON, ADERHOLD, GAROUTTE, GAROUTTE,
AND STEAD

ABSENT: COMMISSIONERS CRANE, ROBL (EXCUSED)
COMMISSIONER HARRIS

STAFF: CITY PLANNER ABBOUD
DEPUTY CITY CLERK KRAUSE

APPROVAL OF AGENDA

Chair Stead requested a motion to approve the agenda.

ADERHOLD/GAROUTTE – MOVED THE APPROVE THE AGENDA.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT ON ITEMS ON THE AGENDA

VISITORS/PRESENTATIONS

RECONSIDERATION

ADOPTION OF CONSENT AGENDA

A. Meeting Minutes for the August 24, 2017 Regular Meeting

Chair Stead called for adoption of the Consent agenda containing the minutes from the August 24, 2017 regular meeting.

ADERHOLD/ERICKSON – MOVED TO ADOPT THE CONSENT AGENDA.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REPORTS

PUBLIC HEARINGS

PENDING BUSINESS

NEW BUSINESS

A. Welcome New Commissioners

Chair Stead welcomed the new commissioners and thanked them for stepping up to volunteer.

B. Recommendation to Amend the Commission Bylaws to Change Commission Name, and Meeting Schedule

1. Draft Amended Bylaws

Chair Stead read the title into record and opened discussion on the item. There was no discussion and he requested a motion.

GAROUTTE/ERICKSON - MOVED TO AMEND THE BYLAWS TO CHANGE THE NAME OF THE COMMISSION, MEETING SCHEDULE AND TO PUT ON THE NEXT MEETING AGENDA FOR APPROVAL.

There was a brief discussion on the process to amend the bylaws.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried

C. Recommendation to Amend Homer City Code Title 2.78 to Reflect Changes to Name and Proceedings of the Commission

1. Draft Ordinance 18-XX

ERICKSON/ADERHOLD – MOVED TO RECOMMEND HOMER CITY CODE TITLE 2.78 CANNABIS ADVISORY COMMISSION BE AMENDED TO REFLECT QUARTERLY MEETINGS AND THAT ALL REFERENCES TO CANNABIS BE CHANGED TO MARIJUANA TO BE CONSISTENT WITH THE STATE OF ALASKA.

There was a brief discussion noting support for the change in reference to marijuana and a small typographical correction in the title of the draft ordinance.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT

Motion carried.

INFORMATIONAL MATERIALS

A. 2018 Commission Attendance at Council Meetings

There was a brief discussion on commissioner attendance at Council meetings and it was noted that while Councilmembers could provide a report it was strongly suggested that the Council should hear from the other members of the Commission. It was noted that since the amendments to the bylaws would be final in January having a commissioner attend the February City Council to report on those changes would be beneficial.

Commissioner Woltjen volunteered to attend the May 14, 2018 Council meeting getting a couple of meetings under her first.

B. Letter to AMCO from City Council re: Onsite Consumption dated October 13, 2017

C. Proposed Regulations and Amendments to State Regulations from the November AMCO Meetings includes Public Comments

D. Shared Revenue as of November 30, 2017

COMMENTS OF THE AUDIENCE

COMMENTS OF STAFF

City Planner Abboud reported on the status of the applications for marijuana related businesses in the city limits.

Deputy City Clerk Krause wished the commissioners Happy Holidays.

COMMENTS OF THE COMMISSION

Commissioner Garoutte state that he was excited to see the additional licensing application within the city, he supported that name change for the Commission and the getting those changes effected in the bylaws. It has been a pleasure and meeting the other commissioners tonight.

Commissioner Woltjen commented that she was happy to be in attendance and looks forward to receiving a lot of education on this subject and what is happening in the city and the state. She appreciated the information provided in the packet it was very interesting reading.

Commissioner Garoutte thanked the commissioners and wished everyone Happy Holidays and Happy Hanukkah.

Commissioner Erickson echoed the sentiment for Happy Holidays, and she is looking forward to working with the others on the commission and it was nice being at the table again with Don and Rick.

Commissioner Aderhold commented she is looking forward learning a lot and working with the commission.

Chair Stead welcomed the new commissioners again, he thinks it is great and being willing to learn what they do and how they do it. He believed tonight went relatively quickly and without a lot of pain. He wished everyone a Happy Holiday and looks forward to working with everyone next year.

ADJOURN

There being no further business to come before the Commission, Chair Stead adjourned the meeting at 5:55 p.m. The next regular meeting is scheduled for **THURSDAY, JANUARY 25, 2017 at 5:30 p.m.** in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

Renee Krause, CMC, Deputy City Clerk I

Approved: _____

MEMORANDUM

TO: HOMER CANNABIS ADVISORY COMMISSION

FROM: JASON BRANDEIS

RE: ATTORNEY GENERAL DECISION TO RESCIND THE COLE MEMO

CLIENT: CITY OF HOMER

FILE NO.: 506,742.222

DATE: JANUARY 17, 2018

Summary

The divide between state marijuana legalization and federal marijuana prohibition became more pronounced two weeks ago, when Attorney General Jeff Sessions announced that he would give federal prosecutors greater discretion to prosecute marijuana crimes, even in states where recreational and/or medical marijuana has been legalized.¹ This is a shift from the previous Obama-era policy contained in the “Cole Memo” which urged federal prosecutors to respect state laws and de-prioritize enforcement of federal marijuana laws unless there was marijuana-related activity that implicated any of eight specifically-identified federal enforcement priorities.

Since Alaska voters approved a measure to create a regulated commercial marijuana industry in this state, the tension between state and federal marijuana law created risk for those engaging in marijuana-related activity. The Cole Memo policy created a “fragile truce” between states and the federal government, and while it did not completely eliminate the risk of federal enforcement, it provided enough assurance so that recreational marijuana industries were able to begin in Alaska and in several other states, and medical marijuana markets continued to expand.

Now, enforcement decisions are more squarely within the discretion of the individual U.S. Attorneys overseeing each state, and it is not immediately apparent how

¹ Any reference to legalization or to the legal marijuana industry in this memo refers, of course, only to the legality of marijuana under state law as nothing in the Cole Memo or the Sessions Memo would negate the illegality of marijuana use and the commercial marijuana industry under federal law.

those federal prosecutors will respond. Without a consistent federal policy in place, there is greater risk of federal enforcement against actors in the Alaska marijuana industry. Whether such enforcement occurs is dependent on numerous factors, including how Congress will respond. The Alaska congressional delegation is part of a bi-partisan backlash that has spoken out against the decision to rescind the Cole Memo, and there is speculation that legislative efforts will be employed to temper the impact of this decision. Therefore, at this time it is very difficult to speculate as to precisely how much the risk or likelihood of federal enforcement has increased.

Introduction

On January 4, 2018, United States Attorney General Jeff Sessions issued a memorandum to all U.S. Attorneys announcing that the Cole Memo, and several other Department of Justice (“DOJ”) guidance memoranda specific to marijuana enforcement, were rescinded. These memos, previously issued under the Obama Administration, established nationwide policies regarding the enforcement of federal marijuana laws following the passage of legalization ballot measures in Colorado and Washington. The memos then subsequently guided the actions of state and local regulators, marijuana businesses and employees, marijuana users and patients, and numerous others with a connection to the marijuana industry, as commercial marijuana markets developed in those states and others, including Alaska.

The Cole Memo was the most prominent of the now-rescinded documents. It provided guidance to federal prosecutors on how to employ their prosecutorial discretion with respect to enforcement of federal marijuana laws. By rescinding this guidance, the DOJ removed the special considerations given to marijuana law enforcement, and stated that decisions about whether or not to pursue enforcement of federal marijuana laws will be governed by the existing “well-established principles that govern all federal prosecutions.” These preexisting principles require federal prosecutors, in deciding which cases to pursue, to consider many factors, “including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.” By reverting to the default prosecutorial guidance, all U.S. Attorneys are effectively left free to exercise their own discretion and priorities over state-licensed marijuana businesses within their jurisdictions.

It will be some time before the full impact of this decision will be understood, and what, if any, enforcement priorities will change. The purpose of this memo, therefore, is to briefly explain the role of the Cole Memo, to identify some preliminary considerations for businesses and regulators working in a post-Cole Memo world, to begin to discuss the short-term immediate impacts of such a significant change, and to provide some insight into what may occur in the long term.

What did the Cole Memo do?

It is important to remember that the Cole Memo, issued in August 2013, was not a statute or a regulation. It was a policy directive that could be easily rescinded. The Cole Memo did not change the status of marijuana as a controlled substance prohibited by federal law, nor did it alter the DOJ's authority to enforce federal marijuana laws. Prior to the Cole Memo, marijuana was prohibited under federal law, and it remained so afterwards. Rather, what the Cole Memo did was provide guidance to the United States Attorneys (the prosecutors tasked with enforcing federal marijuana laws) on how to handle the tension between state legalization and federal prohibition. Under the Cole Memo guidance, U.S. Attorneys were urged to de-prioritize enforcement of federal marijuana laws against individuals acting in compliance with valid state marijuana legalization laws, unless their actions implicated a specifically identified federal enforcement policy (e.g. selling marijuana to minors, selling marijuana across state lines, using the proceeds of marijuana sales to support other criminal enterprises or gangs, driving under the influence of marijuana, etc.).

It should be noted that the Cole Memo did not set a binding prioritization requirement on U.S. Attorneys' prosecutorial decisions. But, since it was a top-down policy directive, there was significant pressure on U.S. Attorneys to adhere to this guidance. The Cole Memo thus established a "fragile truce" between the states and the federal government with respect to regulating commercial marijuana industries. It remains to be seen what impact the Sessions Memo will have on DOJ's future enforcement decisions.

Immediate Impact: Greater Discretion For U.S. Attorneys

The Cole Memo provided a measure of assurance that the federal government would not take action against those acting in compliance with state regulatory frameworks, provided guidance to states on important factors to include as they created those frameworks, and was crucial to establishing the commercial marijuana industry that exists today. The Attorney General's decision to rescind the Cole Memo is therefore a significant change and has caused much confusion and concern in the states that currently allow marijuana to be bought and sold for adult recreational use (Alaska, California, Colorado, Nevada, Oregon, and Washington), the states scheduled to allow such activity later this year (Maine and Massachusetts), and the nearly two dozen other states that have legalized use and possession of marijuana for medical purposes. However, even with the Cole Memo in place, the legal status of marijuana in all of these states was still murky, as the tension between state legalization and federal illegality hovered over all business and regulatory decisions.

The immediate result is that the Sessions Memo removes the consistent, nationwide approach to federal marijuana enforcement that had been in place since August 2013. Instead, as described above, each U.S. Attorney can now determine how to most effectively use their office's resources with respect to the marijuana industry. There are 93 U.S. Attorneys in the country, one in each federal district. Thus, though far-fetched, there is the possibility of potentially 93 different federal marijuana

enforcement policies throughout the nation. (For reference, Alaska has one U.S. Attorney who is responsible for the whole state, whereas Washington has a U.S. Attorney for its Eastern and Western Districts, and California has four.)

The U.S. Attorney for Alaska is Bryan Schroder. Schroder was nominated by President Trump in July 2017 and confirmed by the Senate in November. Previously, Schroder worked as an assistant U.S. Attorney for the District of Alaska for 12 years, prosecuting cases involving violent crime, drugs, tax evasion, environmental crimes, and other offenses. He also served 24 years in the Coast Guard, retiring with the rank of captain. It is not yet clear how Schroder will handle marijuana enforcement in Alaska going forward.

Following the decision to rescind the Cole Memo, the Anchorage Daily News and the Alaska Journal of Commerce reported that Schroder issued a written statement in which he wrote that: “The U.S. Attorney’s Office for the District of Alaska will continue to use the long-established principles of federal prosecution to determine what cases to charge.” The statement did not elaborate on what or how “long-established principles” would be applied in the context of Alaska’s marijuana industry. It went on to broadly explain that one of those principles is following federal law enforcement priorities, particularly with respect to violent crime and drug trafficking:

One of the key principals is to follow federal law enforcement priorities, both at the national and local levels. The highest priorities of the U.S. Attorney’s Office in Alaska are consistent with those of the Justice Department nationally: combating violent crime, including as it stems from the scourge of drug trafficking. Consistent with those priorities, the U.S. Attorney’s Office released an Anti-Violent Crime Strategy in October of the past year. We will continue to focus on cases that meet those priorities.

What these statements actually mean, in practical terms, remains to be seen. Schroder’s statement is vague, especially when compared to the statement issued by the U.S. Attorney for Colorado, who announced that his office would continue the status quo:

Today the Attorney General rescinded the Cole Memo on marijuana prosecutions, and directed that federal marijuana prosecution decisions be governed by the same principles that have long governed all of our prosecution decisions. The United States Attorney’s Office in Colorado has already been guided by these principles in marijuana prosecutions — focusing in particular on identifying and prosecuting those who create the greatest safety threats to our communities around the state. We will, consistent with the Attorney General’s latest guidance, continue to take this approach in all of our work with our law enforcement partners throughout Colorado.

Other U.S. Attorneys have issued similar statements which appear to suggest that the Cole Memo policies will remain in place as guiding principles, even if the official Cole Memo itself is no longer a tangible touchstone. However, it is unlikely that any U.S. Attorney would publicly reveal a different strategy at this time, so those statements should not be relied on too heavily.

Likely Impact: Further Diminished Access To Banking Services

Limited access to banking services has been an ongoing problem for the marijuana industry. Though some banks had begun serving marijuana businesses, relying on DOJ and Department of Treasury guidance issued in 2014 that were designed to simplify the reporting requirements for banks working with state-licensed marijuana businesses. These policies eased the concerns of some banks and provided them with a roadmap for handling marijuana clients. But the DOJ Guidance Regarding Marijuana Related Financial Crimes was specifically rescinded by the Sessions Memo, and the DOT Financial Crimes Enforcement Network (“FinCEN”) Guidance on Bank Secrecy Act Expectations Regarding Marijuana-Related Businesses relied heavily on the now-rescinded Cole Memo. Under these circumstances it is questionable if that FinCEN guidance will remain in place. It is therefore likely that some banks will now retreat from servicing marijuana clients and may abandon planned pilot programs designed for this industry. Additionally, if DOT withdraws the FinCEN guidance, it could make banking even more elusive, and could cause a ripple effect in other areas, such as a government’s ability to track tax payments and ensure that cash from marijuana sales are not used for other illicit purposes.

Possible Impact: Congressional Action?

The Sessions Memo has already triggered a backlash from state and federal lawmakers. A number of senators, representatives, and state governors have spoken out against the change. Importantly all three members of Alaska’s congressional delegation have criticized the decision. Alaska Representative Don Young was particularly forceful, calling the Sessions Memo “a direct violation of states’ rights.”

Though the United States Congress has not taken much formal action on any legislation aimed at bridging the gap between state laws that authorized legal commercial cultivation and sale of marijuana and the federal law that bans all marijuana use and possession, there is speculation that the decision to rescind the Cole Memo will spur Congress to act. There are several ways in which Congress could stave off the impact of the decision to rescind the Cole Memo. First, Congress could prohibit the DOJ from spending any money to prosecute those who comply with state recreational marijuana laws. There is precedent for such a move as Congress has continually done this with respect to the medical marijuana industry for the past several years. Next, Congress could reschedule marijuana or repeal the federal ban and leave the question of legalization completely up to the states. However, until such time as Congress does take some action, the U.S. Attorneys have broad power to crack down on the marijuana industry.

Outlook For Marijuana Businesses

The Attorney General's decision to rescind the Cole Memo is certainly cause for concern. In the immediate future, this will likely make everything marijuana businesses seek to do more difficult. For example, access to property to house facilities may be more difficult to procure, ancillary businesses may be hesitant to provide their services, and local governments may enact stricter regulatory protocols or even rethink opting out of allowing marijuana establishments in their communities. However, it is not clear that there will be any immediate changes from the way federal marijuana laws are currently enforced in Alaska, and in the long term, the decision to rescind the Cole Memo may spur congressional action that would benefit the marijuana industry.

Certainly, the risk of criminal prosecution did not decrease with the rescission of the Cole Memo. However, there is no indication as to whether, or by how much, the risk of federal criminal prosecution has increased. At this point, the worst case scenario for a licensed marijuana business would be that a U.S. Attorney takes some action against such a business, which could be either a criminal prosecution or asset forfeiture. In either case, the DOJ would likely revert to its practice of sending a "cease-and-desist" letter before beginning any formal legal proceedings.

Most analysts do not think either one of those scenarios are very likely. This is due to a mix of practical, political, and public relations factors. Decisions to prosecute marijuana businesses, users, or ancillary service providers will be impacted by numerous logistical considerations. For instance, most U.S. Attorneys do not have the resources to wage an effective campaign against the marijuana industry. In Alaska there are over 100 licensed marijuana businesses, and dozens of ancillary businesses and landlords spread over a large geographic region. Commencing legal action against all of those entities would be a daunting task and would butt up against public opposition which has historically favored marijuana legalization in this state.

Additionally, publicly at least, the Attorney General is not pressuring U.S. Attorneys to start a crackdown. This is an analysis from a leading researcher in this area:

Although the Attorney General's announcement labels marijuana activity "a serious crime", he did not explicitly urge U.S. Attorneys to prosecute anyone. Instead, he indicated that enforcement decisions would be left to their discretion. And interestingly, the Attorney General strongly hinted that those U.S. Attorneys could exercise that discretion the same way they had under the Obama Administration guidance he just rescinded. That is how I read his statement that the guidance was being rescinded because it was redundant with guidance found in the U.S. Attorney Manual – i.e., the marijuana guidance was unnecessary and not necessarily wrong.

There is the possibility that a zealous prosecutor could "go after" employees at a retail store or cultivation facility, the principals of the company that holds a license, or even the investors in ancillary businesses that support the marijuana industry. This

prosecutor may have sufficient resources or may believe that prosecution would enhance their political standing. These could be individual prosecutions or they could be wrapped up in one big alleged criminal conspiracy.

Ultimately, whether or not there is a federal crackdown depends on the individual U.S. Attorney in each jurisdiction. Some are not going to care about marijuana at all, and will continue to abide by the Cole Memo standards. Others will work to protect the industry from federal government intervention. Some, especially U.S. Attorneys in more conservative places, may be more willing to dedicate the time, effort, and resources necessary to engage in a difficult and high profile prosecution.

Outlook For Marijuana Regulators

The decision to rescind the Cole Memo did not add any clarity to the role of state and local regulators with respect to the marijuana industry. As explained above, rescinding the memo removed the consistent nationwide federal enforcement priorities with respect to the marijuana industry and instead put enforcement discretion more squarely in the hands of individual U.S. Attorneys.

While this ultimately may not result in any changes to federal marijuana enforcement in Alaska, there are a few important considerations. First, the Cole Memo's delineation of specific federal enforcement priorities provided some guideposts that state and local regulators could use to develop their own regulatory programs. Though the Cole Memo was rescinded, that does not mean that those priority areas were misplaced or inappropriate. Absent further guidance from the U.S. Attorney, it remains good practice to continue to regulate the marijuana industry closely and in accord with the specific Cole Memo priorities in mind:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on federal property.

Prevention of these sorts of actions will likely remain federal law enforcement priorities and effective state and local regulations that account for these priorities will lessen any perceived need for federal intervention. Therefore, it is advisable to proceed

as if the Cole Memo were still in place, and be prepared for additional requests for information or reports from state regulators or inquiries from the U.S. Attorney's Office.

To further ensure that local regulatory priorities are in line with any changes at the federal or state level, it is important for regulators to be aware of the decisions of the local U.S. Attorney, as well as those of the state government, with respect to marijuana enforcement. As explained above, at this time, there is limited information regarding the likelihood that the U.S. Attorney for the District of Alaska will shift course and institute a crackdown on marijuana businesses lawfully operating under state law. As for the State of Alaska, state officials, including Governor Walker and Attorney General Lindemuth, have issued statements expressing their plans to continue to uphold and implement state law. State legislators have also announced their support for the state's right to regulate marijuana absent additional federal intervention.

Should there be a federal enforcement action against a marijuana establishment, local government regulators could be involved in several ways. In a criminal prosecution, local regulators could be witnesses in the case, called to testify about whether the defendant was in compliance with state and local laws and what was known about defendant's operations. In a civil asset forfeiture case, should they so choose, a government entity could claim that they have a valid interest in opposing the forfeiture action, as the jurisdiction and its residents would stand to benefit financially from continued operation of the business. In such circumstances, a state or local government entity could potentially become a participant in the case.

Conclusion

The gap between state and federal marijuana laws that existed before the Cole Memo was rescinded still exists. Even under the Cole Memo, the federal government still had the legal authority to crack down on state-authorized marijuana businesses, but that risk was tempered by the specific parameters set out in the Memo. In a post-Cole Memo world, that risk has increased, but it is not clear by how much.

The Sessions Memo was short and lacked specifics. It did not include a directive ordering U.S. Attorneys to begin prosecuting marijuana businesses. Nor did it indicate or require any specific changes in enforcement policy. On its face, the memo was quite simple. Essentially, it said that having a separate policy for marijuana law enforcement is redundant because there already were guiding principles of enforcement in the U.S. Attorney Manual, which directs how prosecutors should prioritize their cases and marshal their resources. But looking deeper, it is clear that under the Cole Memo, there was greater pressure on them to comply with the Memo's policies. So, even though U.S. Attorneys technically had broad prosecutorial discretion under the Cole Memo, and they will continue to have the same level of discretion now that it has been rescinded, the consequences for exercising that discretion are different. As one authority on marijuana law enforcement put it: "With no guidance, it basically takes the dog off the leash." Whether those proverbial dogs will attack, or will maintain the status quo, remains to be seen.

Reactions to the announcement have been mixed. Some have shrugged it off as nothing more than political bluster and an attempt to frighten the marijuana industry into disbanding. Others see it as an opening salvo in a nationwide crackdown by the federal government. Another perspective is that the Sessions Memo is narrow and limited in its potential application, as it only says the previous marijuana guidance was unnecessary and redundant, not necessarily the wrong way to approach enforcement. Others are concerned by the problems posed by the possibility of vastly different enforcement priorities in each jurisdiction across the country.

It is difficult to forecast a likely outcome. However, at this time, the prevailing sentiment is that there does not seem to be a strong push to prosecute state-legal marijuana industries out of existence. The initial statements issued by the U.S. Attorney offices most affected by the Sessions Memo do not indicate that any crackdown is imminent. Additionally, state and federal officials in states that have recreational and medical marijuana markets have spoken out against the decision to rescind the Cole Memo and have encouraged the DOJ to reconsider its decision. Legislators are also discussing ameliorative measures that may be implemented by Congress to forestall any changes to federal marijuana enforcement. Ultimately, only time will tell if federal enforcement priorities will shift in Alaska, so until more is known, all possibilities should be considered plausible.

JMB/PSC

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, January 4, 2018

Justice Department Issues Memo on Marijuana Enforcement

The Department of Justice today issued a memo on federal marijuana enforcement policy announcing a return to the rule of law and the rescission of previous guidance documents. Since the passage of the Controlled Substances Act (CSA) in 1970, Congress has generally prohibited the cultivation, distribution, and possession of marijuana.

In the memorandum, Attorney General Jeff Sessions directs all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities. This return to the rule of law is also a return of trust and local control to federal prosecutors who know where and how to deploy Justice Department resources most effectively to reduce violent crime, stem the tide of the drug crisis, and dismantle criminal gangs.

"It is the mission of the Department of Justice to enforce the laws of the United States, and the previous issuance of guidance undermines the rule of law and the ability of our local, state, tribal, and federal law enforcement partners to carry out this mission," said Attorney General Jeff Sessions. "Therefore, today's memo on federal marijuana enforcement simply directs all U.S. Attorneys to use previously established prosecutorial principles that provide them all the necessary tools to disrupt criminal organizations, tackle the growing drug crisis, and thwart violent crime across our country."

Attachment(s):[Download Marijuana Enforcement 1.4.18](#)**Component(s):**[Office of the Attorney General](#)**Press Release Number:**

18-8

Updated January 4, 2018



Office of the Attorney General
Washington, D. C. 20530

January 4, 2018

MEMORANDUM FOR ALL UNITED STATES ATTORNEYS

FROM: Jefferson B. Sessions, III
Attorney General

SUBJECT: Marijuana Enforcement

In the Controlled Substances Act, Congress has generally prohibited the cultivation, distribution, and possession of marijuana. 21 U.S.C. § 801 *et seq.* It has established significant penalties for these crimes. 21 U.S.C. § 841 *et seq.* These activities also may serve as the basis for the prosecution of other crimes, such as those prohibited by the money laundering statutes, the unlicensed money transmitter statute, and the Bank Secrecy Act. 18 U.S.C. §§ 1956-57, 1960; 31 U.S.C. § 5318. These statutes reflect Congress's determination that marijuana is a dangerous drug and that marijuana activity is a serious crime.

In deciding which marijuana activities to prosecute under these laws with the Department's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions. Attorney General Benjamin Civiletti originally set forth these principles in 1980, and they have been refined over time, as reflected in chapter 9-27.000 of the U.S. Attorneys' Manual. These principles require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

Given the Department's well-established general principles, previous nationwide guidance specific to marijuana enforcement is unnecessary and is rescinded, effective immediately.¹ This memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion in accordance with all applicable laws, regulations, and appropriations. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.

¹ Previous guidance includes: David W. Ogden, Deputy Att'y Gen., Memorandum for Selected United States Attorneys: Investigations and Prosecutions in States Authorizing the Medical Use of Marijuana (Oct. 19, 2009); James M. Cole, Deputy Att'y Gen., Memorandum for United States Attorneys: Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use (June 29, 2011); James M. Cole, Deputy Att'y Gen., Memorandum for All United States Attorneys: Guidance Regarding Marijuana Enforcement (Aug. 29, 2013); James M. Cole, Deputy Att'y Gen., Memorandum for All United States Attorneys: Guidance Regarding Marijuana Related Financial Crimes (Feb. 14, 2014); and Monty Wilkinson, Director of the Executive Office for U.S. Att'ys, Policy Statement Regarding Marijuana Issues in Indian Country (Oct. 28, 2014).



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MEMORANDUM

TO: CANNABIS ADVIAORY COMMISSION

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: JANUARY 17, 2018

SUBJECT: AMENDING THE COMMISSION BYLAWS TO ADDRESS THE MEETING SCHEDULE AND USE OF THE WORD MARIJUANA IN PLACE OF CANNABIS

At the regular meeting on December 14, 2017 the commission reviewed the proposed changes to the bylaws to make a change in the regular meeting schedule from monthly to quarterly and to create consistency by following established guidelines by referencing cannabis as marijuana.

A draft resolution to effect these proposed changes has been provided and a motion is required to forward the amendments to Council for final approval.

Recommendation

Review draft resolution, amend as needed and motion to recommend forwarding to City Council for approval.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Clerk/
4 Cannabis Advisory Commission

5 **RESOLUTION 18-xxx**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE CANNABIS ADVISORY COMMISSION BYLAWS TO
9 MODIFY REFERENCES OF CANNABIS TO MARIJUANA WHERE
10 FOUND INCLUDING THE COMMISSION NAME, AMENDING THE
11 REGULAR MEETING SCHEDULE TO QUARTERLY AND PROVIDING
12 SYNTACTIC CORRECTIONS.
13

14 WHEREAS, The Cannabis Advisory Commission determined in 2016 that a quarterly
15 meeting schedule would be sufficient to conduct the business that comes before the
16 commission, and in 2017 that use of the common name of Marijuana was considered the
17 preferred customary language and introduced the amendments at their meeting December 14,
18 2017 and approved the amendments at their January 25, 2018 meeting; and
19

20 WHEREAS, This Resolution does not preclude additional meetings such as emergency
21 meetings, special meetings, worksessions, and the like as needed; and
22

23 WHEREAS, Referencing and using the common name, Marijuana, in local regulations,
24 correspondence and materials is consistent with the State of Alaska and will follow established
25 industry guidelines, allow uniformity and provide simplicity.
26

27 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby amends the
28 Cannabis Advisory Commission Bylaws to modify references of Cannabis to Marijuana where
29 found including the Commission name, amending the regular meeting schedule to quarterly
30 and providing syntactic corrections as necessary.
31

32 PASSED AND ADOPTED by the Homer City Council this 12th day of February, 2018.
33

34 CITY OF HOMER

35
36
37 _____
38 BRYAN ZAK, MAYOR
39

40 ATTEST:

41
42 _____
43 MELISSA JACOBSEN, MMC, CITY CLERK
44

45 Fiscal Impact: NA

**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~~

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**

- 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**

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.

- 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.

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

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM

TO: CANNABIS ADVISORY COMMISSION

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: JANUARY 17, 2018

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

At the regular meeting on December 14, 2017 the commission reviewed the proposed changes to the bylaws to make a change in the regular meeting schedule from monthly to quarterly and to create consistency by following established guidelines by referencing cannabis as marijuana.

In addition to amending the bylaws the section in city code will need updating to accommodate the proposed changes. A draft ordinance has been provided and a motion is required to forward the changes to Council for final approval.

Recommendation

Review draft ordinance, amend as needed, motion to approve, and recommend forwarding to City Council for approval.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3
4 City Clerk/
5 Cannabis Advisory Commission
6

7 **ORDINANCE 18-xx**
8

9 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
10 AMENDING TITLE 2.78, CANNABIS ADVISORY COMMISSION TO
11 MODIFY REFERENCES OF CANNABIS TO THE COMMON NAME OF
12 MARIJUANA WHERE FOUND AND AMENDING THE MONTHLY
13 MEETING OBLIGATION TO A QUARTERLY MEETING SCHEDULE.
14

15
16 WHEREAS, Government entities, industry and the public generally refer to and know
17 cannabis as marijuana; and
18

19 WHEREAS, Referencing and using the common name, Marijuana, in local regulations,
20 correspondence and materials is consistent with Alaska Statutes, and will follow established
21 industry guidelines, allow uniformity and simplicity; and
22

23 WHEREAS, Regulations have been established by the State of Alaska, and items for the
24 commission to address and/or respond to are minimal and at this time the commission has
25 not implemented additional regulations within the city, thus retaining the necessity to meet
26 on a monthly schedule is not required; and
27

28 WHEREAS, Amending the meeting requirement to quarterly will not preclude additional
29 meetings such as emergency meetings, special meetings, worksessions and the like to take
30 action on items directed to the Commission from City Council or other sources.
31

32 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
33

34 Section 1. Title 2.78 is amended to read as follows:
35

36 2. 78.010 Commission - Creation and membership.

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

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

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

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

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3. The Chief of Police.

2.78.030 Proceedings of the Commission.

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

2.78.040 Duties and responsibilities of the Commission.

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

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

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

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ___ day of _____, 2017.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

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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

DRAFT

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.



December 18, 2017

City of Homer

Attn: Renee Krause, City Clerk

VIA Email: rkrause@ci.homer.ak.us; clerk@cityofhomer-ak.gov

CC: jblankenship@kpb.us
micheleturner@kpb.us

License Number:	12833
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Alaska Loven It, LLC
Doing Business As:	ALASKA LOVEN IT, LLC
Physical Address:	2908 Kachemak Drive Homer, AK 99603
Designated Licensee:	Dan Coglianese
Phone Number:	907-942-5899
Email Address:	alaskacitysupply@gmail.com

New Application **Transfer of Ownership Application**

AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

To protest the approval of this application(s) pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our January 24-26, 2018 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

Marijuana Shared Revenue Tracking

**** Shared Revenue disbursed to local governments immediately upon receipt of a complete application per AS 17.38.200(c)****

Local Government	FY 18 Totals
Anchorage (Municipality of)	\$11,400.00
Denali Borough	\$300.00
Fairbanks (City of)	\$4,300.00
Fairbanks North Star Borough	\$11,100.00
Homer	\$1,000.00
Houston	\$2,100.00
Juneau (City and Borough of)	\$4,800.00
Kenai (City of)	\$600.00
Kenai Peninsula Borough	\$10,500.00
Ketchikan (City of)	\$1,900.00
Ketchikan Gateway Borough	\$1,400.00
Matanuska-Susitna Borough	\$13,700.00
Nome	\$800.00
Sitka (City and Borough of)	\$2,200.00
Skagway (Municipality of)	\$600.00
Valdez	\$600.00
Grand Total	\$67,300.00

Federal rules complicate growing Alaska marijuana business

By Jason Brandeis

Since October 2016, when Alaska's first licensed marijuana retail stores opened their doors, adults 21 and older could readily purchase marijuana in the marketplace. Between then and now, much has changed in Alaska's marijuana law landscape, and much has stayed the same.

What changed is the ongoing process of developing a new industry. What stayed the same is the continued tension between state and federal law.

Before the first retail stores opened here, Alaska's marijuana legalization was largely theoretical. Stakeholders spent months poring over drafts of proposed regulations, reviewing processes in other states, and trying to plan the best approach for Alaska. Best guesses were made about how the regulations would work in practice. Regulators endeavored to codify processes that would promote, rather than hinder, a developing industry, while still protecting public health and safety and complying with the federal priorities outlined in the Cole Memo.

Except for some minor tinkering, the new regulatory framework has worked well. There are now approximately 100 licensed cultivation businesses growing marijuana plants throughout the state. Around 40 licensed retail stores sell traditional marijuana flower, joints (modernly rebranded as "pre-rolls"), a variety of concentrated oils, tinctures and other substances and edible products such as cookies, candies and the nostalgic brownie. The new industry has created several hundred new jobs, and most critically, customers are showing up: Marijuana sales for the first half of 2017 totaled nearly \$17 million statewide, generating more than \$1 million in tax revenue.

Though the launch of Alaska's marijuana industry has been successful from a business and regulatory standpoint, it is too soon to tell what the public health and safety or social impact ramifications will be. Indeed, many disapprove or are skeptical of this industry, and local option elections, which allow communities to ban any of the four types of marijuana establishments from operating within their borders, continue to spark public debate.

With the birth of an industry come natural growing pains. New marijuana businesses, having just figured out how to navigate tricky land use codes and stringent ownership and investment rules, are now having to quickly get up to speed on regulatory compliance, tax collection, and employment law. Regulators feel those pains as well, none more so than the five members of the Marijuana Control Board (MCB) and the staff of the Alcohol and Marijuana Control Office (AMCO), a group of just 18 state employees who are tasked with responding to public inquiries, providing guidance to the industry, investigating complaints, enforcing regulations, and working to support the policy decisions made by the MCB — and that's in addition to overseeing the state's alcohol industry as well. Currently, the AMCO staff administers 1,900 alcohol licenses and nearly 200 active marijuana establishment licenses.

Effectively regulating marijuana in Alaska is an ongoing process. As the industry has transitioned from imagined to real, regulators are now responding to issues on the ground. They are functioning in a more reactive mode, plugging unforeseen regulatory holes and responding to changes in technology and customer demand. They are further adjusting to the realities of working through the marijuana supply chain in Alaska — not to mention the daunting task of re-training players in an industry that has moved from the black market to a highly regulated legal market.

Over the past few months, the MCB and AMCO have been drafting an additional slate of regulations to streamline all sides of the business. Proposed regulations include revised guidelines for transporting marijuana; approving additional waste disposal techniques; extending public comment deadlines; clarifying advertising and promotional practices; and developing product quality control guidelines. The most controversial of the recently proposed regulations would allow for "onsite consumption." This is an oft-discussed topic which refers to allowing space within a marijuana establishment for individuals to consume marijuana, in a bar or café-like setting.

No other adult-use marijuana state has yet been able to implement statewide onsite consumption parameters, as the practice raises numerous public health and safety concerns, as well as legal and logistical challenges. Alaska's regulations are poised to undergo a lengthy public comment period, and if they are approved, Alaska could allow for onsite consumption by next summer's tourist season.

Despite adjustments to state regulations, federal problems persist for marijuana businesses in Alaska. The continued federal prohibition means that industry participants cannot necessarily access traditional banking services, requiring them to operate mostly in cash. Some of the challenges facing cash-only businesses were anticipated (such as security concerns, inability to accept credit card payments, and figuring out how to pay bills without a checking account), but others were not (such as the U.S. Postal Service's refusal to mail a cultivator's cash tax payments to the processing center in Anchorage, because proceeds from selling marijuana are "considered drug proceeds under federal law.").

Alaska's geography also poses unique challenges. With numerous communities off the road system, transportation of marijuana and marijuana products throughout the state can be difficult. Shipping via air or water is restricted, as the federal government heavily regulates both.

These problems highlight a persistent dissonance between the laws in the eight states that have legalized marijuana for adult use; the 29 states that have medical marijuana programs; the additional 17 states that allow the use of cannabidiol (CBD; a non-psychoactive marijuana compound) to treat certain medical conditions; and the federal government.

Marijuana remains a contentious topic in Washington, D.C. The Obama Administration's Cole Memo established a policy of respecting state marijuana laws so long as they meet certain policy objectives. Though that "delicate truce" remains in effect, Attorney General Jeff Sessions has made no secret of his opposition to marijuana legalization and his desire to return to the War on Drugs strict prohibition of marijuana. Sessions has openly questioned the efficacy of state legalization programs, and has suggested shifting away from the status quo.

Facing a reticent federal administration, members of Congress who want clarity on marijuana law and policy have taken matters into their own hands. Once again, this time over Sessions' objection, Congress approved the Rohrabacher-Blumenauer (formerly Rohrabacher-Farr) Amendment, an appropriations rider that prohibits DOJ from using resources to prosecute individuals who are in compliance with state medical marijuana laws. A variety of other legislation has been introduced that seeks to harmonize state and federal law. This includes bills that would broadly require the federal government to respect state medical and adult-use marijuana laws, de- or re-schedule marijuana, and focus on specific aspects of the marijuana industry, such as banking services and tax laws.

Then there is Sen. Cory Booker's, D-NJ, Marijuana Justice Act of 2017 (MJA), a far-reaching piece of legislation that would legalize marijuana at the federal level; withhold federal funds for building prisons from states where criminal marijuana laws have disproportionately incarcerated minorities; expunge federal marijuana use and possession crimes; allow individuals currently serving time in federal prison for marijuana use or possession crimes to petition a court for a resentencing; and create a community reinvestment fund to assist compliant states with job training, re-entry programs, legal assistance, and other programs for those impacted by prior marijuana crimes.

Realistically, such radical change is not politically feasible right now. The MJA would be a fundamental shift in the federal government's approach to marijuana. Though such sweeping legislation is unlikely to pass at this time, the issue is not going away, and something must eventually give. As Sen. Lisa Murkowski, R-AK, stated in a hearing earlier this summer, "People in my state are worried about the inconsistency between the state marijuana laws and the federal policy."

That worry has existed for some time. The tension between state and federal law is a continuing issue for marijuana businesses, marijuana consumers and patients, and state and local regulators alike.




The Alaska marijuana industry is still in its nascent stages. The industry, and its governing laws and regulations, continue to grow, adapt, and change. However, the stark tension and resulting confusion between state and federal marijuana law remains as stubborn as ever.

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Alaska attorney general seeks 'safe harbor' for banks that want to work with marijuana businesses

 Author: **Laurel Andrews**  Updated: 12 hours ago  Published 13 hours ago

Let banks work with cannabis businesses: That was the message Alaska's attorney general sent to Congress on Monday.

Citing public safety concerns, Alaska Attorney General Jahna Lindemuth joined 18 other states asking Congress to pass legislation that would provide a "safe harbor" for financial institutions seeking to work with the rapidly growing marijuana industry, a Jan. 16 letter to Congress said.

"This would bring billions of dollars into the banking sector, and give law enforcement the ability to monitor those transactions," the letter said.

The statement marks the second time this month that Alaska officials have asked for the federal government's guidance on cannabis policy.

On Jan. 4, the Justice Department scrapped 2014 federal marijuana policies that had served as the foundation of Alaska's cannabis industry. The decision prompted the state's Marijuana Control Board chair to resign, and sparked an outcry from Alaska officials.

[A direct violation of states' rights': Alaska reacts to federal marijuana policy change]

Meanwhile in Alaska, cannabis businesses are resorting to everything from burying cash in their backyards to setting up webs of companies to access banking services.

One cash counting machine, \$4 million in cannabis money

Alaska's tax division, within the Department of Revenue, is responsible for dealing with the state's \$50-an-ounce marijuana tax.

Once the cash is in the state's hands, it's no longer viewed as drug money in the eyes of financial institutions – instead, it is state revenue, a tax division official previously explained.

To handle the cash, the Alaska Department of Revenue set up a drop box and cash-counting room in downtown Anchorage where state employees handle the money, before an armored courier service drops it off at a bank.

Since October 2016, more than \$4 million in cash — 74 percent of all cannabis excise tax money — has been processed by state employees using a single cash-counting machine.

Cannabis businesses place their cash in a drop box, which is picked up and counted within one day, said Ken Alper, tax division director.

"It has worked very well," Alper said of the system.

But that may not always be the case. The tax division is estimating \$18 million in cannabis tax revenue in fiscal year 2019, which would mean more than \$1 million flowing through the cash-counting room each month on average.

"It takes a lot of manpower, hours, to deal with the physical cash," Alper said. If the cash increases, the division may need to hire new staff, he said.

Alper supports marijuana business banking.

"These are legitimate business people who should be able to have the same rights and responsibilities as every other one," Alper said. "Their business is constrained and damaged by their being forced to rely on cash."

While the state's cash system is working, at least for now, cash creates huge liability and personal safety issues for marijuana businesses.

Buried in the backyard

Cannabis businesses are wary of speaking on the record about how they manage their cash, but marijuana attorney Jana Weltzin spoke generally about some options businesses have.

One option is to simply conduct all business in cash — pay employees, utilities and taxes in cash, along with every other component of running a small business, Weltzin said. Some businesses store that money in safes, either on or off premises.

Weltzin has even heard of marijuana businesses burying cash in their backyards.

"I've heard that same story from a licensed operator, and from a black-market actor," Weltzin said. "It's like you're forced to act like a black-market actor because you don't have access to banking."

Another option could be to buy gold with the marijuana cash, Weltzin said. That way, someone can hang on to the gold for a few days, then exchange it for a cashier's check in their name, which can then be deposited in a bank.

A third approach is to create a web of companies that manage the marijuana licenses — like consulting companies or property management companies, which are not marijuana businesses and can access banking.

But having multiple levels of companies gets complicated, and running just one small business is "incredibly hard as it is," Weltzin said.

Banking would also shore up the concerns of state and federal officials who don't want money flowing into the hands of criminals, Weltzin said.

Monday's letter to Congress echoed the same idea.

"The grey market makes it more difficult to track revenues for taxation purposes, contributes to a public safety threat ... and prevents proper tracking of large swaths of finances across the nation," the attorneys general wrote.

[Marijuana industry gets blunt: Stop using the word 'pot']

Why banks can — but don't — work with cannabis companies

Alaska's congressional members say they are looking for legislative solutions to the cash problem. Rep. Don Young and Sen. Lisa Murkowski wrote in emails Wednesday that they support passing legislation that would allow cannabis businesses to have access to banking services.

Young, a co-founder of the Congressional Cannabis Caucus, said he has helped introduced legislation that would protect financial institutions wanting to do business with the cannabis industry.



Rep. Don Young said in early January that the Department of Justice's decision to scrap federal marijuana policy was "a direct violation of states' rights." (Erik Hill / ADN archive)

Sen. Dan Sullivan wrote that he is examining all legislative proposals related to marijuana banking to "ensure the rights of Alaskans and the of Alaska are protected."

Twenty-nine states have medical marijuana laws on the books, and eight states, plus the District of Columbia, have legalized recreational us adults.

But cannabis remains illegal in the eyes of the federal government. That means although it's legal at a state level, entities that are entwined the federal government and subject to federal laws, including banks and credit unions, must weigh their risks if or when they engage with th industry.

However, banks are allowed to provide services to marijuana businesses, if they follow strict protocols.

In 2014, the Treasury Department's Financial Crimes Enforcement Network published guidance for financial institutions seeking to provide services for marijuana businesses. It requires vigilant monitoring, and there are three levels of reporting that banks and credit unions are re to follow.

That guidance hasn't changed, Stephen Hudak, chief of FinCEN public affairs, wrote Wednesday, even as the Justice Department has scappe own Obama-era marijuana policies.

Roughly 400 banks and credit unions openly provide services to cannabis businesses nationwide, according to the Treasury Department.

But the guidelines aren't enough for many institutions, which could be subject to fines or criminal penalties if the federal government found servicing a cannabis business but had been at fault somewhere along the line.

Alaska banks and credit unions began shutting down bank accounts in 2016, before any legal marijuana had even been sold.

Dan McCue, senior vice president of corporate relations for Alaska USA Federal Credit Union, said Wednesday that nothing has changed since the credit union.

"Our board policy does not allow us to open accounts for cannabis or cannabis related businesses until it is allowable under federal law," McCue said in an email.

The U.S. cannabis industry is expected to exceed \$20 billion by 2021, the attorney generals' letter said.

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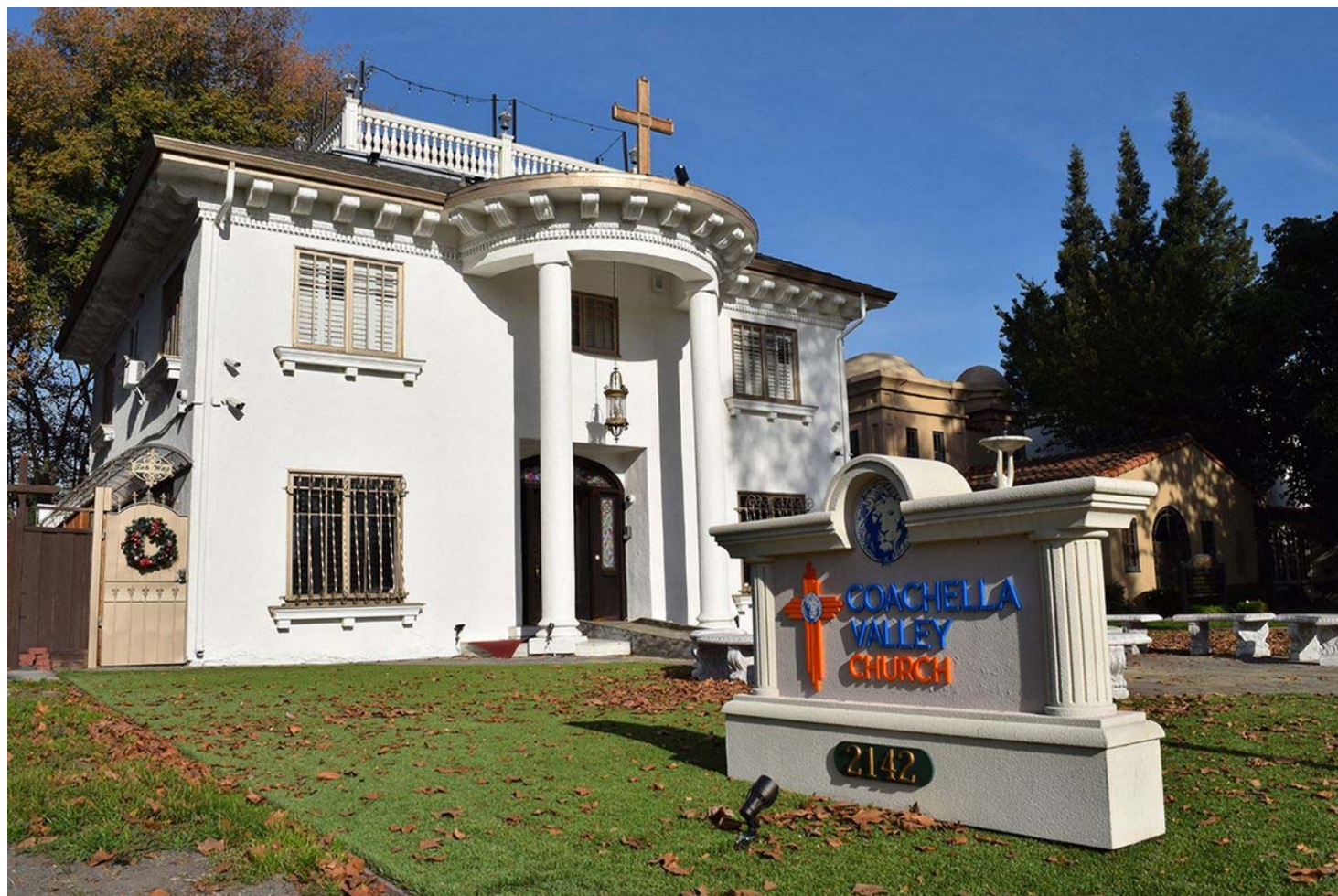
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'Thank you, God, for the weed': Pot churches proliferate as states ease access to marijuana

✍ Author: Barbara Feder Ostrov, Kaiser Health News ⓘ Updated: 5 days ago 📅 Published 5 days ago



The Coachella Valley Church in San Jose, Calif., which offers marijuana as a "sacrament," is among a growing number of similar churches nationwide. The churches are vexing local officials, who contend they're simply marijuana dispensaries in disguise, operating outside of the regulations that govern other providers. (Barbara Feder Ostrov/Kaiser Health News/TNS)

SAN JOSE, Calif. — Services at the Coachella Valley Church begin and end with the Lord's Prayer.

In between, there is the sacrament.

"Breathe deep and blow harder," intoned Pastor Grant Atwell after distributing small marijuana joints to 20 worshippers on a recent Sunday afternoon. "Nail the insight down, whether you get it from marijuana or prayer. Consider what in your own life you are thankful for."

A middle-aged man wearing a "Jesus Loves You" baseball cap piped up. "Thank you, God, for the weed," he called out. "I'm thankful for the spirit of cannabis," a woman echoed from the back. "I am grateful to be alive," said another young woman, adding that she had recently overdosed – on what, she did not say – for the third time.

The small room, painted black and gold and decorated with crosses and Rastafarian symbols, filled with pungent smoke after an hourlong service of Christian prayers, self-help slogans and inspirational quotes led by Atwell, a Campbell, Calif., massage therapist and photographer.

Despite its mainstream Christian trappings, the Coachella Valley Church describes itself as a Rastafarian church, something that's tough to define. Rastafari is a political and religious movement that originated in Jamaica. Combining elements of Christianity, pan-Africanism and mysticism, the movement has no central authority. Adherents use marijuana in their rituals.

The church's leaders say they believe that religious freedom laws give them the right to offer marijuana to visitors without a doctor's recommendation – and without having to abide by any other regulations. Some courts and local authorities beg to differ.

As more states ease access to marijuana, churches that offer pot as a sacrament are proliferating, competing with medical marijuana dispensaries and even pot shops in the few states that have legalized recreational weed.

[Study: Legal marijuana could generate more than \$132 billion in federal tax revenue and 1 million jobs]

While some of them claim Rastafari affiliation, others link themselves to Native American religious traditions.

The churches are vexing local officials, who say that they're simply dispensaries in disguise, skirting the rules that govern other marijuana providers, such as requirements to pay taxes.

In California, which legalized medical marijuana in 1996 and, as of New Year's Day, now allows sales of recreational marijuana, churches tied to marijuana use have recently popped up in Oakland, Roseville, Modesto, San Diego County, Orange County, Los Angeles County and the Southern California desert city of Coachella (no connection to the San Jose church). A few have been shut down by law enforcement.

"I'm not going to say they're not churches, but to the extent that they're distributing marijuana, they're an illegal dispensary, in my view," said San Jose City Attorney Rick Doyle. Doyle has requested a permanent legal injunction to stop the Coachella Valley Church from providing marijuana, and a court hearing is scheduled for Jan. 22. He recently got a court order to shut down operations of a similar church, the Oklevueha Native American Church of South Bay, he said.

Nationally, such churches have opened in Indiana, where marijuana remains illegal, and Michigan, where medical marijuana is allowed. Even in Colorado, which legalized pot in 2012, the "International Church of Cannabis" is testing the limits of state and city rules on consuming marijuana in public.

Marijuana churches typically require people to purchase a membership, then give or sell them marijuana and related products. They may ask for ID such as a driver's license but don't require a doctor's recommendation or medical marijuana identification card.

They're relying on court rulings that made it possible for some groups, including Native Americans, to use federally banned drugs like peyote in their religious ceremonies. (A coalition of Native American churches has disavowed Oklevueha churches that claim marijuana as their sacrament.)

Despite these rulings, courts have thus far rejected religious groups' right to use marijuana, which is still illegal at the federal level, according to Douglas Laycock, a University of Virginia Law School professor specializing in religious liberty issues.

"Marijuana churches have brought religious liberty claims for years, and they have always lost," Laycock said. "Marijuana is a huge recreational drug, and a religious exception ... would make enforcement nearly impossible. So the courts have always found a compelling government interest in marijuana enforcement."

Yet, Laycock said, as more states legalize marijuana, courts may regard marijuana churches' rights more favorably.

"Legalization changes everything," he said. "Religious use may not violate state law in some of these states. And if it does, legalizing recreational use but not religious use clearly discriminates against religion."

In California, however, the Coachella Valley Church may not be able to offer its potent sacrament for much longer.

The church operates in a 1925 San Jose mansion that formerly housed the Amsterdam's Garden medical marijuana dispensary, which was shut down last year by San Jose city officials in a citywide crackdown on dispensaries.

City officials have determined that some of the people who ran Amsterdam's Garden now operate the Coachella Valley Church, Doyle said.

Church leaders at first agreed to be interviewed but then did not respond to subsequent emails from California Healthline. A man who was videotaping the recent Sunday service said the church opened in May. The man, who gave his name as Dryden Brite, also goes by Xak Pritchard and has been described in media reports as a former director of Amsterdam's Garden.

"The message is really strong and powerful," Puckett said of the church. "People are craving something new."

He described the back room where marijuana products were sold to members as the church's "gift shop," then declined to answer further questions.

About half of the churchgoers left the black-and-gold worship room immediately after receiving their sacrament, with some heading straight to the gift shop to stock up.

Others remained to finish their joints and chitchat. The man sporting the "Jesus Loves You" cap lingered. He had brought along his dog, Spartan, and a shofar, a ram's horn used in some Jewish ceremonies, which he blew loudly at the end of the service.

"Anytime the word of God is being preached, it's a good thing," said Mark, a 57-year-old who declined to give his last name.

Marco, a 29-year-old veterinary technician from San Jose who also declined to give his last name, attended with his husband. He has a medical marijuana card and said marijuana helps him with bipolar disorder, depression and anxiety. He grew up Catholic and felt that the Roman Catholic Church disapproved of his sexual orientation and marijuana use.

"Honestly, this has been the most life-affirming church I've ever been to," Marco said. "Here there are true believers in cannabis — if not faith."

(Kaiser Health News is a national health policy news service. It is an editorially independent program of the Henry J. Kaiser Family Foundation)

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Salon: In Alaska, boomers lead in pot store clientele

✍ Author: Anchorage Daily News ⓘ Updated: January 7 🗓 Published January 7



Jonathon Weseman shows a jar of DJ Short Flo marijuana buds in the cannabis store Enlighten Alaska on Spenard Road in Anchorage, Dec. 29, 2017. (Bob Hallinen / ADN)

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Alaska marijuana store operators, interviewed recently for Salon, talked about how baby boomers have become a sizable percentage of their clientele.

"I think a lot of people come in that are now reaching retirement and could not consume during their career. What if they were testing or felt that it was something they shouldn't do?" Susan Carse co-owner of Girdwood's The Herbal Cache, told writer Zakiya McCummings (who is also currently features intern at the Anchorage Daily News). "Now they're retired, they

want to live it up a little."

[Related: 'A direct violation of states' rights': Alaska reacts to federal marijuana policy change]

Will Ingram, general manager of AK Fireweed in Anchorage, agreed:

"...all I see are older professionals coming in...It's pretty much 80 percent of the clientele that we see. ...It's legal now, lots of these people retiring, or they're just dealing with degenerative diseases. They know that cannabis can do a lot for that."

Read more here.

[Related: After a long rise, Alaska marijuana revenue dipped in November]

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Alaska Marijuana News

'A direct violation of states' rights': Alaska reacts to federal marijuana policy change

✍ Author: Laurel Andrews ⓘ Updated: January 5 📅 Published January 4



Alaska voted to legalize recreational marijuana in 2014. (Marc Lester / ADN)

Alaska officials decried the U.S. Justice Department's decision Thursday to scrap federal marijuana policies that have served as the foundation of the state's cannabis industry.

On Thursday, Attorney General Jeff Sessions sent a memo to U.S. attorneys saying he had rescinded previous Obama administration memos that advised against seeking federal prosecution for marijuana offenses in states that legalized cannabis, The Washington Post reported.

All three members of Alaska's congressional delegation spoke out against the change.

"Today's decision announced by the Department of Justice is a direct violation of states' rights," Rep. Don Young, R-Alaska, said in a

written statement. "Rolling back the Cole Memo without a responsible replacement to protect individuals and the states they live in is unacceptable."

[Alaska marijuana board issues consumer alert amid testing issues]

The 2013 Cole memo is a four-page document from the Justice Department that outlined federal priorities for marijuana enforcement. It listed eight primary issues the federal government was particularly concerned about, such as preventing pot from getting into the hand of minors and preventing driving under the influence.

Alaskans voted to legalize recreational marijuana in November 2014. State regulators routinely considered the Cole memo and potential impacts to federal policy as they crafted Alaska's laws.

But now, with the guidance scrapped, it's unclear what comes next for Alaska's marijuana industry, or the state board tasked with regulating it.

"There's actually no policy to react to right now," said Marijuana Control Board member Brandon Emmett.

But for the board chair, the policy change was reason enough to resign.

Peter Mlynarik resigned from his position as head of the Marijuana Control Board on Thursday, he said, citing the shift in federal policy.

"When you remove the Cole memorandum ... there's no reason why they're not going to prosecute marijuana," Mlynarik said.

"Commercial marijuana, I think, is really in jeopardy," Mlynarik added.

Mlynarik is Soldotna's police chief, and he said his role as a law enforcement officer factored into his decision.

"If they are taking a different stance on it, I don't want to be involved in something they are going to come down on," Mlynarik said.

Another marijuana board member, Mark Springer, said Thursday that he wasn't worried about his own personal liability, but that "I would be more concerned if I was a licensee, frankly."

Springer said the decision may cause more pressure on the transportation industry. Alaska is in a unique position among states that have legalized marijuana, as many communities are not connected to the road system. Some businesses have devised a system to transport cannabis on airplanes, despite flying through federally controlled airspace.

"It's going to put law enforcement in a tight spot," Springer said of Thursday's changes.

[Weed on a plane: How Alaska businesses get pounds of pot on board, with police blessing]

Leif Abel, co-owner of marijuana cultivation facility Greatland Ganja, said he was not worried about his own business, but that the actions would create a "chill effect" on the industry.

"Does it mean that I think that federal agents are actually going to come and shut down businesses? No, I don't think that. Will it stop investment money, will it slow down sales, will it create fear ... the answer is yes," Abel said.

U.S. Sen. Lisa Murkowski, R-Alaska, called the announcement "disruptive to state regulatory regimes and regrettable" in a Facebook post.

"Today's action by the Department of Justice — which contradicts previous statements by the President that this is an issue best left to the states, and adds new confusion and uncertainty for numerous states and communities — could be the impetus necessary for Congress to reach a permanent legislative solution for states that have chosen to regulate the production, sale and use of marijuana," Republican Sen. Dan Sullivan said in a written statement.

In April, Gov. Bill Walker joined three other Western states asking the Trump administration not to scrap federal marijuana policies.

On Wednesday, he echoed similar statements, saying the Justice Department's decision was "disappointing."

"I remain committed to upholding the will of Alaskans on this issue, and maintaining our State's sovereign rights to manage our own affairs while protecting federal interests," Walker said in a written statement.

[Trump administration rescinds directive for feds to back off marijuana enforcement in states where it's legal]

Alaska's top federal prosecutor, U.S. Attorney for the District of Alaska Bryan Schroder, said in a written statement Thursday that his office "will continue to use the long-established principles of federal prosecution to determine what cases to charge."

"One of the key (principles) is to follow federal law enforcement priorities, both at the national and local levels," Schroder said. "The high priorities of the U.S. Attorney's Office in Alaska are consistent with those of the Justice Department nationally: combating violent crime, including as it stems from the scourge of drug trafficking. Consistent with those priorities, the U.S. Attorney's Office released an Anti-Violent Crime Strategy in October of the past year. We will continue to focus on cases that meet those priorities."

But what this truly means for Alaska remains to be seen.

"The sky's not fallen yet," said Marijuana Control Board member Emmett, "but a few stars may have burned out."

About this Author

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