

**NOTICE OF MEETING
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. AGENDA APPROVAL**
- 3. PUBLIC COMMENT UPON MATTERS ALREADY ON THE AGENDA** *(The Public may comment on any item on the agenda with the exception of items shown under Public Hearings. The standard time limit is 3 minutes.)*
- 4. VISITORS**
- 5. RECONSIDERATION**
- 6. ADOPTION OF CONSENT AGENDA** *(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of Commissioner.)*
 - A. Meeting Minutes from the May 26, 2016 Regular Meeting **Page 3**
- 7. REPORTS**
 - A. Report to the Commission; City Planner Update 16-11 **Page 7**
 1. Memorandum from City Attorney Wells re: Onsite Consumption **Page 11**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
 - A. Draft Ordinance 16-XX, Amending Title 9, "Taxation," to add Chapter 9.18, **Page 19** entitled "Excise Tax on Marijuana"
 1. City of Houston, Alaska, Ordinance 16-09(S) Levy a Marijuana Excise Tax **page 31**
 2. City of Houston, Alaska, Ordinance 16-08, Marijuana Licensing and Regulation **page 47**
- 10. NEW BUSINESS**
 - A. Next Meeting Deliverables, Agenda Items **Page 57**
- 11. INFORMATIONAL MATERIALS**
 - A. 2016 Meeting Schedule and Packet Processing Deadlines **Page 59**
 - B. 2016 Commission Attendance at Council Meetings **Page 60**
 - C. US Senate Hearing Examines Marijuana Legalization **Page 61**
 - D. Applications Completed and Waiting for Local Response **Page 63**
 - E. Marijuana Bills in Congress 2015/2016 **Page 66**
- 11. COMMENTS OF THE AUDIENCE**
- 12. COMMENTS OF THE STAFF**
- 13. COMMENTS OF THE CHAIR**
- 14. COMMENTS OF THE COMMISSION**
- 15. ADJOURNMENT THE NEXT REGULAR MEETING IS THURSDAY, JULY 28, 2016 at 5:30pm in the COWLES COUNCIL CHAMBERS located at City Hall 491 E. Pioneer Avenue, Homer Alaska**

Session 16-04, a Regular Meeting of the Cannabis Advisory Commission was called to order by Acting Chair David Lewis at 5:32 p.m. on May 26, 2016 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HARRIS, STEAD, SARNO, CARROLL, AND LEWIS

ABSENT: COMMISSIONERS ROBL, REYNOLDS, YOUNG (EXCUSED) AND CLARK

STAFF: DEPUTY CITY CLERK KRAUSE

APPROVAL OF AGENDA

The Agenda was approved as presented by Consensus of the Commission.

PUBLIC COMMENT

VISITORS

RECONSIDERATION

ADOPTION OF CONSENT AGENDA

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

A. Meeting Minutes for the April 28, 2016 Regular Meeting

Acting Chair Lewis called for adoption of the Consent agenda.

SARNO/STEAD - MOVED TO ADOPT THE CONSENT AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REPORTS

A. Report to the Commission - City Planner Abboud

City Planner Abboud was not present due to a prior commitment. No written report was submitted for the packet.

B. Kenai Peninsula Borough (KPB) Marijuana Task Force Report (MTF)- 1. Minutes from the April 21, 2016 Meeting

There were no comments from the commission present.

PUBLIC HEARINGS

PENDING BUSINESS

A. Generating Revenue through Cannabis

1. Memorandum from City Attorney Wells dated May 18, 2016
 - a. Attachment A
 - b. Attachment B

Acting Chair Lewis read the title into the record. It was noted that City Attorney Wells was scheduled to be telephonic but had not called in to attend the meeting as scheduled.

Commissioner Harris advocated for implementing a \$1.00 per item excise tax.

Acting Chair Lewis advocated for a 3% excise tax on any product sold. He then recommended an export excise tax of \$5.00 per ounce. He cited the actions of Houston, Alaska, as an example.

Commissioner Carroll noted that Houston was applying the excise tax on quantity of the product sold and requested clarification from Commissioner Lewis on his recommendation.

Commissioner Lewis responded that his recommendation was on the final or individual sale. This would make it, including the city and borough sales tax, a total amount of 10.5% on marijuana related products.

Commissioner Carroll and Harris questioned double taxing and if it is applied to the transaction then it is considered sales tax.

Commissioner Lewis responded that his understanding of the information provided is that they can add an excise tax, they can levy the excise tax from the grower but then it gets tricky because the question would be if they can levy that excise tax on a grower outside the city that ships product into the city for final sale. That is the reason he applied it to the point of dispensary, the city would always get the money. Commissioner Carroll agreed since the retail or point of sale would just pass the cost onto the customer. She then added the example of a grower to a manufacturer.

The commission entertained additional comments on being sensitive to not making the cost of the added tax prohibitive since the cost to participate in the industry was already high. They discussed having caps and implementing incremental raises by a specific percentage every 2-3 years for a ten year period. The commissioners also acknowledged the possible outcomes of the election this year, the likelihood of purchases in the ounce or more ranges, typical size purchases will be in "eights", infused drinks and edibles and what the legislature will do next year since they can change the initiative is unknown. The meeting next month will be after the June 23, 2016 due date and the commission will have a clearer picture on if Homer will be open for business. It was noted that the Borough initiative will not affect what happens in Homer.

LEWIS/HARRIS - MOVED TO REQUEST THE CITY ATTORNEY PREPARE AN ORDINANCE THAT REFLECTS AN EXCISE TAX OF THREE (3%) PERCENT ON MARIJUANA AND RELATED MARIJUANA PRODUCTS AT THE POINT OF SALE PURCHASE, AND HAVE THE DRAFT AVAILABLE FOR REVIEW FOR THE JUNE MEETING.

Discussion included clarification on what are excise and sales taxes; application of said taxes and that reporting requirements will be addressed in a separate motion. Commissioner Carroll inquired if they should address capping the excise tax in this motion. Commissioner Lewis would entertain an amendment to his motion.

CARROLL/HARRIS - MOVED TO AMEND THE MOTION TO INCLUDE A CAP ON PERCENTAGE TO THREE (3%) FOR THE FIRST THREE YEARS THEN A MAXIMUM OF 5% AFTER FIVE YEARS.

There was no discussion on the amendment.

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

Motion carried.

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

Motion carried.

The commission held a brief discussion on stressing the new businesses with additional reporting.

LEWIS/HARRIS - MOVED TO REQUIRE QUARTERLY EXCISE TAX REPORTS AND REQUEST THE CITY ATTORNEY DRAFT AN ORDINANCE FOR THE REVIEW AT THE NEXT COMMISSION MEETING.

Discussion included reporting schedules and penalties similar to the city of Houston and request the City Attorney draft the ordinance with standard languages.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. Draft Onsite Consumption Regulations 3 AAC 306.365 and Draft Submissions to the Board Regulations 3 AAC 306.925

Acting Chair Lewis read the title into the record.

The commission entertained a discussion on the previous motions and recommendations regarding consumption in retail businesses within city limits that the commission made at the April meeting. Commissioner Lewis would like the City Attorney to draft regulations regarding onsite consumption that the commission can review.

Deputy City Clerk Krause called for a Point of Order. The item on the agenda was to discuss and submit recommendations for changes to the proposed State regulation 3 AAC 306.925 regarding consumption and administrative requirements of the Marijuana Board.

Commissioner Sarno and Carroll expressed concerns with the requirements for monitoring overindulgence, being able to give the remainder of a purchase to another in the party to finish and the one gram increments in which you can purchase at a place of consumption.

The commission entertained a lengthy discussion on those aspects of monitoring consumption, open container and public consumption and limits comparing the alcohol industry with marijuana. It was determined that there were no recommendations at this time on the proposed regulations since they could not relax any regulations that the state imposed and it was apparent that most of the draft regulations on the State level were approved as written. It was also noted that it would be difficult to get approval from Council on a less restrictive regulation.

it was noted into the record that the commissioners can comment as individuals to the Marijuana Board by Commissioner Harris.

B. Next Meeting Deliverables, Agenda Items

The commission requested the following items to be added to the June agenda including the draft ordinance on the proposed 3% excise tax, and reporting requirements:

- Educational Campaign and if an outside organization would be willing to facilitate a learning opportunity on other uses of the cannabis plant

Commissioner Harris inquired about having zoning on the agenda and Commissioner Lewis advised her to wait until after the October elections when they may have a more favorable Council. Commissioner Harris acquiesced.

INFORMATIONAL MATERIALS

A. 2016 Meeting Schedule and Packet Processing Deadlines

B. 2016 Commission Attendance at Council Meetings

- C. Marijuana Handler Permit Application and Certification Information
- D. Ordinance 16-23, Repealing Homer City Code Chapter 6.12 Drug Abuse and Paraphernalia
- E. News Articles regarding the Marijuana Industry In and Outside Alaska

Acting Chair Lewis read the titles into the record. Commissioner Carroll state she volunteered for the June and July meetings and requested some clarification on what she is to say to Council. Commissioner Lewis provided some direction on the subject.

COMMENTS OF THE AUDIENCE

Wes Schact, resident of Fritz Creek thanked the Commission for coming in today and apologized that his fellow advocates did not attend. He agreed that there should be informational forums going on and that there are several shows on television such as Henry Rounds, Dr. Gupta on CNN and Discovery Channel had several series. Mr. Schact stated that cannabis has been in Homer for 40 years that he knows of. Thank you.

COMMENTS OF STAFF

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

Commissioner Harris commented it was a good meeting.

Commissioner Stead thanked Commissioner Lewis for keeping it short.

Commissioner Sarno stated that Jeremiah Emmerson, leader, Alaska Small Cultivators, has requested that the rural residential be revisited and she will inform him of Commissioner Lewis' reasoning.

Commissioner Carroll commented that Jeremiah's organization may be a good contact point to provide the educational component. She also appreciated City Council for stepping forward and repealing the paraphernalia section in City Code, she will be attending the Grand Opening of Baked Alaska next weekend.

Commissioner Lewis commented that one of the main reasons that section in code was repealed was the needle exchange program, with that regulation in place they could not do it.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 6:34 p.m. The next regular meeting is scheduled for THURSDAY, JUNE 23, 2016 at 5:30 p.m. in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

Renee Krause, CMC, Deputy City Clerk

Approved: _____



City of Homer

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Planning

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Staff Report CAC 16-11

TO: Cannabis Advisory Commission
FROM: Rick Abboud, City Planner
DATE: June 23, 2016
SUBJECT: Update

Draft Ordinance I believe the draft ordinance presents the components of what will be needed for consideration of an excise tax. I noticed that it specifically addresses cultivation, which may be a good thought, but does not address a tax collected from the retailer. I have asked for revision but it may have to be presented to the commission as a lay-down.

I have asked the City Attorney to be available for questions at the meeting.

Please discuss and suggest amendments as necessary.

Licensing The Marijuana Control Board has issued the first licenses. Two testing facilities were approved in Anchorage. Many cultivation licenses were approved all over the state including several in the Kenai Peninsula. The two completed that I found near Homer was Talisman Farms at 62250 Crossman Ridge Road and Cannaboyd at 35047 Lowbush Street both limited cultivation licenses.

Others near, but outside the city, seem to be still going through the license procedures and are under review, including retail, standard and limited cultivation licenses. We have had no notice of anyone proposing an operation in the city limits.



Public Notice

Application for Marijuana Establishment License

License Number: 10210

License Status: Initiated

License Type: Limited Marijuana Cultivation Facility

Doing Business As: CANNABOYD

Business License Number: 1032852

Email Address: jwboyd10@yahoo.com

Latitude, Longitude: 59.764394, -151.204302

Physical Address: 35047 Lowbush St.
Homer, AK 99603-9716
UNITED STATES

Owner #1

Note: No affiliates entered for this license.

Owner Type: Individual

Name: BOYD JASON

Date of Birth: 09/26/1969

Phone Number: 907-299-4357

Email Address: jwboyd10@yahoo.com

Mailing Address: 35047 Lowbush St.
Homer, AK 99603-9716
UNITED STATES

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

POSTING DATE _____



Public Notice

Application for Marijuana Establishment License

License Number: 10148

License Status: Initiated

License Type: Limited Marijuana Cultivation Facility

Doing Business As: TALISMAN FARMS

Business License Number: 1032889

Email Address: Ogucer@yahoo.com

Latitude, Longitude: 59.697500, -151.522500

Physical Address: 62250 Crossman Ridge Rd
homer, AK 99603
UNITED STATES

Owner #1

Note: No affiliates entered for this license.

Owner Type: Individual

Name: OMAR J GUCER

Date of Birth: 06/04/1971

Phone Number: 9072991376

Email Address: Ogucer@yahoo.com

Mailing Address: Po box 1386
Homer, AK 99603
UNITED STATES

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

POSTING DATE _____

MEMORANDUM

**TO: CANNABIS ADVISORY COMMISSION
RICK ABOUD**

**FROM: HOLLY C. WELLS
JASON M. BRANDEIS**

RE: PROPOSED ONSITE CONSUMPTION REGULATIONS

CLIENT: CITY OF HOMER

FILE NO.: 506742.222

DATE: JUNE 15, 2016

I. INTRODUCTION

The Cannabis Advisory Commission (“CAC”) and the planning department may be facing a new area of state regulation in the marijuana industry arena as the State of Alaska has proposed new regulations that open the door for the first legal “cannabis cafes” in the country. A brief introduction to this issue and the proposed regulations may prove helpful as the CAC and the City of Homer (“City”) adopt and amend local land use and public safety laws and attempt to navigate State of Alaska marijuana laws.

The Alaska marijuana industry regulations allow for the onsite consumption of marijuana by patrons at certain licensed retail marijuana stores. Under 3 AAC 306.305, a retail marijuana store may “permit consumption of marijuana or a marijuana product purchased on the licensed premises, in a designated area on the licensed premises.” 3 AAC 306.305(a)(4). This is an exception to the state’s general ban on public consumption of marijuana and it is this exception that paves the way for what are essentially the country’s first legal “cannabis cafes.”

II. UNDERSTANDING ONSITE CONSUMPTION: HOW IT WILL WORK

Permission to allow onsite consumption of marijuana under the current State regulations will come through what the Marijuana Control Board (“MCB”) calls an “onsite consumption endorsement.” To receive an endorsement, a retail marijuana store must file a separate application with the Board. The process for applying, operational requirements and other rules are included in a regulation recently proposed by the MCB. Draft regulation 3 AAC 306.365, titled “Onsite consumption endorsement for retail

marijuana stores,” was noticed in May and public comment is being accepted until June 21, 2016. The hallmarks of the draft regulation are that it calls for the onsite consumption area to be cordoned off from the rest of retail premises, items purchased for in-store consumption cannot be removed from the licensed premises, and people cannot bring marijuana obtained elsewhere onto the licensed premises to consume in the designated consumption area.

III. PROPOSED REGULATION SUMMARY

The proposed draft of 3 AAC 306.365 consists of a series of provisions covering the following topics:

- establishing the procedure for applying for an onsite consumption endorsement,
- fees,
- rules regarding a Local Government’s right to protest,
- rules regarding separation of the onsite consumption area from the remainder of the retail marijuana store,
- rules regarding ventilation,
- rules regarding intoxicated or drunken persons in the consumption area,
- rules regarding the transaction limits of marijuana or marijuana products sold,
- rules regarding pricing and marketing,
- rules regarding requirements of onsite consumption endorsement holders,
- rules regarding restrictions of onsite consumption endorsement holders,
- rules regarding labeling, and
- definitions.

Each section is discussed in more detail below.

3 AAC 306.365(a), (b)

Section (a) specifies that an application for an onsite consumption endorsement must be on a form prescribed by the board, must include the relevant documents specified by this section, and the required fee must be paid.

Section (b) recites some of the specific information that must be covered in the application. This includes a detailed premises diagram and an operating plan describing the retail store's plan for security, ventilation, isolating the consumption area from other areas of the store, plan for disposal of unconsumed marijuana, and a plan for how the store will prohibit the introduction of marijuana and marijuana products not sold by that store into the consumption area.

There does not appear to be anything inherently controversial in this section.

3 AAC 306.365(c)

Section (c) establishes the fee for a new or renewal onsite consumption endorsement at \$1000.

3 AAC 306.365(d)

Section (d) establishes that a retail marijuana store with an onsite consumption endorsement may only sell marijuana or marijuana products to patrons for consumption on the licensed premises and in an area separated from the rest of the retail establishment by a secure door. The section also specifies that the onsite consumption area must have a "separate ventilation system." I am not familiar with the intricacies of ventilation systems, so I question whether a ventilation system servicing the entire "retail marijuana store premises" (which encompasses both the retail store and the consumption area according to this regulation) but with distinct units in each section would be considered one cohesive ventilation system or separate systems under this regulation. It may be worth further investigating what the MCB's intent is with this regulation. It seems like the main goal with respect to ventilation is contained in section (e), which requires that the ventilation system must direct air from the onsite consumption area to the outside of the building through a filtration system adequate to reduce odor.

Sections (d)(1)-(4) establish limits on the amount of marijuana a holder of a marijuana retail store with onsite consumption endorsement may sell to any one person for consumption on the premises in a single transaction:

- marijuana bud or flower: up to one gram;
- edible marijuana products: up to 10mg of THC;
- marijuana concentrates intended for inhalation: up to .25 grams

These differ from the limits on the quantity of marijuana that can be sold in a regular retail transaction and transported off-site; they are significantly lower. For off-site consumption, 3 AAC 306.355 specifies that a retail marijuana store may not sell in a single transaction:

- more than one ounce of usable marijuana;

- more than seven grams of marijuana concentrate for inhalation, or
- marijuana or marijuana products if the total amount of marijuana, marijuana products, or both marijuana and marijuana products sold contains more than 5600 milligrams of THC.

“Transaction” is defined in 3 AAC 306.990 as “one single occurrence in which marijuana or a marijuana product not exceeding the limits set out in 3 AAC 306.355 is passed from a licensed marijuana establishment to another person.” This definition should be revised to reflect transactions permitted under 3 AAC 306.365.

Additionally, section (d)(4) allows for a retail marijuana store with an onsite consumption endorsement to sell food or beverages not containing marijuana. Such an establishment would also be subject to any other laws and regulations applicable to an entity that sells food to the public.

3 AAC 306.365(e)

Section (e) addresses public health and safety concerns and places corresponding requirements on retail marijuana stores holding an onsite consumption endorsement. This section requires the establishment to destroy any unconsumed marijuana left in the consumption area and to maintain a ventilation system that directs air to the outside while reducing odor. It also requires the establishment to restrict access to the consumption area so that persons under 21 years of age may not enter (the same requirement applies to the main retail store), to monitor patrons for overconsumption (the effects of marijuana and how to identify a person impaired by marijuana are part of the marijuana handler permit certification), and to provide dosage information to customers. Dosage information will be provided in two ways: written materials containing marijuana dosage and safety information will be made available at no cost to customers in the consumption area and consumers purchasing marijuana or marijuana products for onsite consumption must have access to the labels for the products they purchase.

3 AAC 306.365(f)

Section (f) lists a number of things that the holder of an onsite consumption endorsement may not do. Such an establishment may not:

- allow employees or agents of the establishment may not consume marijuana or marijuana products during the course of a work shift;
- allow a person to consume marijuana unless it was purchased at the establishment and for the purpose of onsite consumption;
- allow a person to consume or introduce marijuana that was purchased or obtained elsewhere onto the licensed premises;
- give away marijuana as a marketing device;

- engage in offers to sell marijuana at a lower price than the price regularly charged during the same calendar week (this seems to preclude sales or special offers);
- offer to sell or provide unlimited amounts of marijuana for a set time at a set price (so no “all you can smoke” buffet-type deals);
- offer to sell marijuana or marijuana products on any one day at prices less than those charged to the general public on that day (so no “happy hours”);
- encourage or permit organized games or contests on the licensed premises involving the consuming of marijuana or the awarding of marijuana as prizes (so no smoking contests and no poker games with marijuana as the prize);
- advertise or promote any practice prohibited in this section.

These restrictions are relatively straightforward. There were, however, a few confusing items in this section. Under parts (f)(2)-(4), the holder of an onsite consumption endorsement may not:

- (2) allow intoxicated or drunken persons to enter or to remain on premises;
- (3) sell, give or barter marijuana or marijuana product to an intoxicated or drunken person;
- (4) deliver marijuana or marijuana product to a person already possessing marijuana or marijuana product that was purchased for consumption on the premises

A strict reading of these provisions reveals some conflict with the nature of an onsite consumption location. To the extent they prohibit people who are under the influence of alcohol from entering the premises or purchasing marijuana or marijuana products, that is consistent with other regulations governing retail marijuana stores and sale of marijuana. 3 AAC 306.310(a)(2). But draft 3 AAC 306.365(f)(2) seems to prohibit individuals who come under the influence of marijuana in the consumption area from remaining there. In other words, if an individual consumes marijuana, which is an intoxicant, in the designated consumption area, they could then be considered “intoxicated,” which would mean that they could not remain in the designated consumption area according to this regulation. This is similar to laws which prohibit a drunken person from remaining in a bar. AS 04.16.040. That this is similar to a largely-unenforced alcohol law does not automatically mean it should be enacted. The intent of the onsite consumption law was probably not to just provide people with a place to consume marijuana and then have them immediately hit the street. This section should be revised to respect the ability of a person consuming marijuana in a designated consumption area to remain there for a reasonable time.

Assuming an individual who consumed marijuana and was intoxicated was permitted to remain on the premises, they would not be able to purchase additional

marijuana or marijuana products to consume on the premises. Draft 3 AAC 306.365(f)(3) prohibits an onsite consumption establishment from selling marijuana to an intoxicated person. The retail store would be responsible for making sure the customer was no longer intoxicated before conducting an additional transaction. Finally, draft 3 AAC 306.365(f)(4) restricts a person from purchasing marijuana to consume on the premises if they already possess marijuana or marijuana product that was purchased for consumption on the premises. This may be picking at nits, but if a person purchased a marijuana product and did not like it, and therefore did not finish consuming the product, draft 3 AAC 306.365(f)(4) could prohibit that person from purchasing a replacement. Conversely, they could purchase several different marijuana products as part of their initial transaction and sample all of them. But once they purchase anything, they could not make another purchase until what they purchased was consumed, or otherwise disposed of.

In sum, a strict reading of some parts of section draft 3 AAC 306.365(f) may curtail activities within a retail store with an onsite consumption endorsement. This section should be revised to more clearly explain the conduct permitted and to address the practical operation of a retail establishment with an onsite consumption endorsement.

3 AAC 306.365(g)

Section (g) states that a person may not remove from the licensed premises any marijuana or marijuana product that was purchased on the licensed premises for consumption on the premises. This regulation is similar to a rule that would prohibit bars from allowing patrons to take “to-go” cups with them when they leave. This regulation also allows for easier compliance with the marijuana retail store limits on purchases for off-site consumption. The downside to this regulation is that it may encourage people to over-consume and finish all of the marijuana they purchased, rather than throw away their leftovers.

3 AAC 306.365(h), (i)

Sections (h) and (i) discuss a local government’s ability to protest the issuance or renewal of individual retail marijuana store onsite consumption endorsements. These sections provide substantially similar process for protest as does 3 AAC 306.060, the regulation governing local government protest of all marijuana establishment licenses. Under these sections, local governments have 60 days to protest, beginning when the director sends notice of a new or renewal onsite consumption endorsement.

It will be important for local governments to monitor these license applications carefully and to consider the public safety impact of onsite consumption in their communities.

3 AAC 306.365(j)

Section (j) requires the holder of the onsite consumption endorsement to apply for renewal annually at the time of renewal of the underlying marijuana retail store license.

Other Issues: Smoking

Consumption means “means the act of ingesting, inhaling, or otherwise introducing marijuana into the human body.” AS 17.38.900. The most common form of marijuana consumption associated with onsite consumption is smoking. However, numerous jurisdictions in Alaska have smoking regulations that preclude smoking in certain public spaces and workplaces. Some, such as Juneau, have specifically amended those ordinances to include marijuana along with tobacco in the definition of “smoking.” In those cases, the local government would likely object to an onsite consumption endorsement unless it was tailored to comply with the local smoking ordinance. Other jurisdictions, such as Anchorage, have anti-smoking ordinances which do not include marijuana and are limited to prohibiting tobacco smoke.

IV. CONCLUSION

The rules for onsite consumption of marijuana and marijuana products in retail marijuana stores must still be finalized. Under the draft rules, the consumption area must be separated from the rest of the retail store, customers may only consume marijuana in the consumption area that was purchased on the licensed premises specifically for consumption in the consumption area, and customers may not bring marijuana obtained elsewhere into the consumption area. This draft regulation also establishes transaction limits, requires retail stores to monitor customers for overconsumption, and prohibits special promotions involving prizes, games, contests, and happy hours will not be permitted. While the impact of these regulations within the City are not yet known, the CAC may want to discuss the potential implications of the regulations prior to their adoption, allowing for more seamless and symbiotic local regulation, if need be.

CITY OF HOMER
HOMER, ALASKA

City Manager

ORDINANCE 16-XXX

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING TITLE 9, "TAXATION," TO ADD HOMER CITY CODE
CHAPTER 9.18, ENTITLED "EXCISE TAX ON MARIJUANA" TO LEVY
AN EXCISE TAX ON THE COMMERCIAL CULTIVATION OF
MARIJUANA IN THE CITY AND AUTHORIZE THE CITY TO
ADMINISTER AND ENFORCE AN EXCISE TAX.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code Title 9, Taxation, is amended to adopt Homer City Code Chapter 9.18, entitled "Excise Tax on Marijuana" to read as follows:

Chapter 9.18

Excise Tax on Marijuana

Sections:

- 9.18.010 Applicability, purpose, and authority.
- 9.18.015 Intent.
- 9.18.020 Definitions.
- 9.18.030 Excise tax on marijuana.
- 9.18.040 Exemptions.
- 9.18.045 Refund or credit of tax.
- 9.18.050 Tax returns.
- 9.18.060 Involuntary returns.
- 9.18.070 Amended tax returns.
- 9.18.080 Application of payments.
- 9.18.090 Prohibited acts and penalties.
- 9.18.100 Civil fraud.
- 9.18.110 Tax lien.
- 9.18.120 Interest on unpaid tax.
- 9.18.130 Taxpayer, licensee, or other person remedies.
- 9.18.140 Inspection and maintenance of documents and records.
- 9.18.150 Administrative regulations.
- 9.18.160 Confidentiality of records.

9.18.010 Applicability, purpose, and authority.

- 46 A. Applicability. Unless provided otherwise, this chapter shall apply to the taxation of
47 all marijuana cultivated within the City for commercial or retail sales purposes,
48 including marijuana cultivated by a standard marijuana cultivation facility and a
49 limited marijuana cultivation facility.
50
51 B. Purpose. The purpose of this section is to provide for the levy of an excise tax on
52 marijuana cultivated within the City by any marijuana cultivation facility and the
53 enforcement of such tax.
54
55 C. Authority. This chapter and the regulations related to marijuana establishments
56 herein are adopted pursuant to the authority granted by AS 17.38.100 and AS
57 29.35.010(6).

58
59 9.18.015 Intent.

60
61 a. This chapter is intended to impose regulations that prevent:

- 62
63 1. The distribution of marijuana to minors;
64 2. Revenue from the sale of marijuana from going to criminal enterprises, gangs,
65 and cartels;
66 3. The diversion of marijuana from states where it is legal under state law in some
67 form to other states where it is unlawful;
68 4. State-authorized marijuana activity from being used as a cover or pretext for the
69 trafficking of other illegal drugs or other illegal activity;
70 5. Violence and the use of firearms in the cultivation and distribution of marijuana;
71 6. Drugged driving and the exacerbation of other adverse public health
72 consequences associated with marijuana use;
73 7. The growing of marijuana on public lands and the attendant public safety and
74 environmental dangers posted by marijuana production on public land; and
75 8. Marijuana possession or use on federal property.

76
77 9.18.020 Definitions.

- 78
79 A. "Flower and bud" mean the hairy, sticky, or crystal-covered parts of mature female
80 marijuana plants generally harvested for the high potency content;
81
82 B. "Marijuana" has the meaning given in AS 17.38.900;
83
84 C. "Marijuana cultivation facility" has the meaning given in AS 17.38.900 and
85 includes both a standard marijuana cultivation facility and a limited marijuana
86 cultivation facility as licensed under 3 AAC 306.400;
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88 D. "Marijuana product manufacturing facility" has the meaning given in AS 17.38.900;
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90 E. "Marijuana testing facility" has the meaning given in AS 17.38.900;

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135

F. "Ownership change" means:

1. If the license is a partnership, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by any partners;
2. If the licensee is a limited liability company, any change in the identity in the members, or in the ownership percentage held by any member; or
3. If the licensee is a corporation, any sale of corporate stocks to a person not currently an owner, or any change of the percentages ownership of an existing shareholder.

G. "Retail marijuana store" has the meaning given in AS 17.38.900;

H. "Transfer" means the exchange of marijuana, as defined in AS 17.38.900, with or without consideration, or by barter, between marijuana establishments, or within marijuana establishments possessing multiple permits, for commercial purposes.

9.18.030 Excise tax on marijuana.

A. Tax to be paid. The City hereby levies an excise tax on all marijuana cultivated under a license issued under 3 AAC 306.400, including standard marijuana cultivation facilities, and limited marijuana cultivation facilities as follows:

B. Marijuana Excise Tax

1. All non-exempt marijuana sold or transferred from a marijuana cultivation facility shall be taxed as follows:
 - a. Any part of the flower and bud, as defined in 15 AAC 61.290, will be taxed at \$5.00 per ounce;
 - b. The remainder of the plant, not included in (B) (1) (a) of this section, will be taxed at \$1.00 per ounce.
2. A marijuana cultivation facility that is also licensed as a marijuana product manufacturing facility must pay tax on all marijuana transferred from the cultivation facility to the product manufacturing facility for the month in which the marijuana was transferred.
3. A marijuana cultivation facility that is also licensed as a retail marijuana store must pay tax on all marijuana transferred from the cultivation facility to the retail marijuana store for the month in which the marijuana was transferred.

9.18.040 Exemptions.

A. The tax imposed under this chapter does not apply to marijuana if the State of

136 Alaska prohibits the levying of this tax under AS 17.38 and AS 17.39.

137

138 B. Transfers to a licensed marijuana testing facility are exempt from the excise tax on
139 marijuana.

140

141 9.18.45 Refund or credit of tax.

142

143 A. Any claim for refund filed more than one year after the due date of the tax is forever
144 barred.

145

146 B. A licensee may claim a credit tax paid for marijuana that is returned to the licensee.
147 The credit must be claimed for the month in which the marijuana was returned. The
148 licensee must provide proof acceptable to the City Clerk that the tax had been
149 previously paid and all considerations were refunded to the purchaser.

150

151 9.18.050 Tax returns.

152

153 A. A licensee shall submit quarterly to the City Clerk a tax return, upon forms
154 provided by the City Clerk, for each license, and submit payment for the taxes due as
155 prescribed by the City Clerk.

156

157 1. The return shall be signed under penalty of perjury by the licensee or agent
158 and shall include:

159

160 a. A copy of the tax return submitted by the licensee to the Alaska
161 Department of Revenue in accordance with 15 AAC 61.010;

162

163 b. The name and address of the licensee;

164

165 c. The name and address of the person filing the return, if different
166 from the licensee;

167

168 d. The number of the license issued under this chapter;

169

170 e. The name under which the marijuana cultivation facility is being
171 operated;

172

173 f. A report the total amount of marijuana sold or transferred from
174 the marijuana cultivating facility in ounces, with fractional ounces
175 calculated to the third decimal place, for the preceding month;

176

177 g. The amount of tax due.

178

179 h. Such other information and supporting documentation which may
180 be required by the City Clerk.

- 181
182 B. A licensed marijuana cultivation facility shall file a tax return each month under state
183 law as a marijuana cultivation facility located in the City, even if it did not cultivate
184 or transfer any marijuana in the City during the preceding month.
185
186 C. The taxes imposed under this chapter and the return required by this section must
187 be received by the City Clerk or postmarked on or before the first calendar day
188 following the previous quarterly return.
189
190 D. A separate tax return must be filed for each location when a taxpayer is operating in
191 several locations within the City.

192
193 9.18.060 Involuntary returns.
194

- 195 A. If a licensee fails to file a return as required by this chapter, or when the City Clerk
196 finds that a return is not supported by the records to be maintained pursuant to this
197 chapter, the City Clerk may prepare and file a return on behalf of the licensee.
198 Involuntary returns filed under this section may be premised upon any information
199 that is available to the City Clerk, including, among other things, a copy of the
200 materials the applicant submitted to the Alaska Department of Revenue in
201 accordance with 15 AAC 61.010, and comparative data for similar businesses. A
202 licensee for whom an involuntary return is filed under this section shall be subject to
203 liability for the tax stated in the return, as well as subject to the penalties and
204 interest provided for in this chapter. A return prepared by the City Clerk is prima
205 facie, good and sufficient for all legal purposes. However, nothing prevents the
206 licensee from presenting evidence on an appeal to rebut the presumed sufficiency of
207 a return prepared by the City Clerk, nor does the presumption of sufficiency alter the
208 parties' respective burdens of proof once the licensee has presented evidence to
209 rebut that presumption.

210
211 9.18.070 Amended tax returns.
212

- 213 B. Any tax return filed hereunder may be amended by the licensee within one year
214 after the due date of the tax return being amended. No amendment by the licensee
215 shall be allowed after this one-year period.
216
217 C. Any tax return prepared and filed by the City Clerk on behalf of the licensee may be
218 amended by the licensee within one year of the date filed by the City Clerk. No
219 amendment by the licensee shall be allowed after this one-year period.
220

221 9.18.080 Application of payments.

- 222 A. Any payment submitted to the City Clerk for any taxes, penalties, interest, or cost
223 due under any provision of this chapter or any return or any finding or
224 determination by the City Clerk under this chapter shall be credited to the monthly

225 tax period for which was remitted, first to the payment of costs and then to
226 penalties, interest, and taxes in that order.

227
228 9.18.090 Prohibited acts and penalties.

229 A. No person shall operate a marijuana cultivation facility without complying with the
230 provisions of this chapter.

231
232 B. A penalty of six percent of the taxes due shall be incurred automatically when a
233 person fails to pay the full amount of the tax due under this chapter within seven
234 calendar days following its due date. An additional penalty six percent of the taxes
235 due shall be incurred automatically when a person fails to file a tax return or report
236 within seven calendar days following its due date under this chapter. If a person fails
237 to pay the full amount of the tax due and/or file a tax return or report as required
238 under this chapter within 16 days after its due date, the six percent penalties
239 incurred above will automatically above shall be increased automatically to 15
240 percent.

241
242 1. The penalty shall be computed on the unpaid balance of the tax liability as
243 determined by the City Clerk.

244 2. Notice of the penalties incurred and to be incurred shall be given to the
245 person responsible for payment of the taxes or for filing the return or report
246 when such tax payment or return or report is delinquent for seven calendar
247 days after its due date.

248 3. The penalties provided for in this section shall be in addition to all other
249 penalties and interest for under this chapter.

250
251 C. If a properly filed amended return reduces the total tax liability or the tax required
252 to be paid, or the determent reduces the tax liability, the related penalty will be
253 reduced accordingly.

254
255 D. All penalties and remedies enumerated in this chapter are cumulative.

256
257 E. Unless otherwise provided in this section, any person who violates or fails to comply
258 with the provisions of this chapter shall be personally liable for all costs, interests,
259 penalties and taxes due under this chapter plus a penalty equal to 30 percent of the
260 tax due. For good cause shown, the Mayor may waive or reduce all or part of any
261 penalty imposed under this subsection.

262
263 9.18.100 Civil fraud.

264
265 A. A civil fraud penalty may be assessed against a person in addition to a penalty for
266 failure to file or failure to pay.

267

- 268 B. If it is determined by the City Clerk that a tax deficiency or part of a tax deficiency is
269 due to fraud, then a penalty will be added to the tax. The penalty is 50 percent of
270 the deficiency due or \$500.00, whichever is greater. The penalty is computed on the
271 total amount of the deficiency due.
272
- 273 C. Fraud is the intentional misrepresentation of a material fact with the intent to evade
274 payment of tax which the person believed to owe. The person must have had
275 knowledge of its falsity and intended that it be acted upon or accepted as the truth.
276
- 277 D. To establish civil fraud, the City Clerk must prove by clear and convincing evidence
278 that:
279
- 280 1. The tax liability was understated; and
 - 281 2. The understatement was the result to evade tax.
282
- 283 E. An intent to evade tax may be demonstrated by any relevant evidence, including but
284 not limited to the following:
- 285 1. The person has provided false explanations regarding understated or omitted
286 the total amount of marijuana manufactured, sold or transferred;
 - 287 2. The person has provided falsified or incomplete source documents;
 - 288 3. The person has not justified an omission or understatement or omitted the
289 total amount of marijuana manufactured, sold or transferred;
 - 290 4. The person has substantially overstated a deduction and has failed to justify
291 the overstatement.
292

293 9.18.110 Tax lien.
294

- 295 A. If any person who is liable to pay a tax or license fee under this chapter neglects or
296 refuses to pay the tax or licensee fee after demand, the amount, including interest,
297 additional amounts, or assessable penalty together with costs, is a lien in favor of
298 the City upon all property and rights to property, real or personal, belonging to that
299 person.
300
- 301 B. The lien imposed by this section arises upon delinquency and continues until the
302 amount is paid or a judgment against the person arising out of the liability is
303 satisfied.
304
- 305 C. A lien arising out of a tax due under this chapter, including the penalties and interest
306 on the tax, is subject to AS 29.45.300, a lien prior, paramount, and superior to all
307 other liens, mortgages, hypothecation, conveyances, and assignments, upon all real
308 and personal property of the person liable for the tax and upon all the real and
309 personal property used with the permission of the owner to carry on the business
310 which is subject to the tax.
311

312 D. The lien on personal and real property may be enforced as provided in AS 29.45.300
313 through 29.45.480 for enforcement of real and person property tax liens.

314
315 9.18.120 Interest on unpaid tax.

316
317 In addition to any penalties imposed by this chapter, interest at the rate of 12 percent
318 per annum shall be charged on the unpaid balance of delinquent taxes.

319
320 9.18.130 Taxpayer, licensee, or other person remedies.

321
322 A. Any person aggrieved by any action of the City Clerk in issuing, suspending, revoking,
323 or refusing to issue any license under this chapter or in fixing the amount of taxes,
324 penalties, interest, or costs under this chapter may apply to the City Clerk and
325 request a hearing within 30 days from the date the City clerk mails the notice of the
326 Clerk's action. Upon timely application under this subsection or a hearing, the Mayor
327 (The hearing officer) shall hold a hearing to determine whether a correction is
328 warranted. Hearings before the Mayor under this subsection may, at the option of
329 the Mayor be conducted by an administrative hearing officer. The hearing officer
330 shall conduct the hearing and prepare findings and conclusions. These findings and
331 conclusions must be forwarded to the Mayor for adoption, rejection, or modification
332 and issuance of a final order or decision by the Mayor. An application for a hearing
333 must notify the City Clerk of the specific action complained of and amount of tax,
334 interest, cost, or penalty contested and the reason it is contested. After receipt of a
335 written decision by the Mayor, a person may appeal to the Superior Court of the
336 Third Judicial District in accordance with the Alaska Appellate Court rules. The
337 person shall be given access to the department's file in the matter for preparation of
338 the appeal.

339
340 B. A request for appeal is filed on the date it is personally delivered, or is delivered to
341 the City Clerk by the United States Postal Service, the date of the postmark stamped
342 on the properly addressed cover in which the request is mailed. If the due date falls
343 on Saturday, Sunday, or a City observed holiday the due date is the next working
344 day. A current mailing address must be provided to the City Clerk with the request
345 for appeal, and any change in mailing address after the request for appeal is filed
346 must be reported to the City Clerk.

347
348 C. If the notice to the person pursuant to subsection (A) of this section shows an
349 amount sue, the uncontested portion of the amount due must be paid within 30
350 days after the date of the notice. If the uncontested amount is not paid within 30
351 days, collection action will be taken on that amount even if the person has filed a
352 request for appeal. Payment of the total amount due may be made any time before
353 the hearing. If the City Clerk has reason to believe that collection of the total amount
354 due might jeopardize by delay, immediate payment of the total amount will be
355 demanded and the City Clerk may pursue any collection remedies provided by law.
356 Payment in full does not affect the person's right to a hearing.

357
358 D. If a person requests a hearing and fails to appear at the hearing, the hearing officer
359 may issue a decision without taking evidence from that person, unless that person
360 shows reasonable cause for failure to appear within seven days after the date
361 scheduled for the hearing.

362
363 E. Taxes, licenses fees, penalties and interest declared to be due in the final
364 administrative decision must be paid within 30 days after the date of the decision, or
365 a bond must be filed with the court in accordance with Alaska Court Rules of
366 Appellate Procedures.

367
368 9.18.140 Inspection and maintenance of documents and records.

369
370 A. A Marijuana cultivation facility shall keep complete and accurate records to support
371 the information required on the monthly tax returns including sales and transfers.
372 The records must include an accounting for inventories of live plants, trimmings, and
373 dried product on the first and last day of the month including:

374 1. An invoice, sales receipt or other record of the sale or transfer of marijuana
375 products from a marijuana cultivation facility must separately state the
376 amount of tax due after the sale or transfer.

377
378 B. Any person selling marijuana at retail who cannot produce records showing taxes
379 were paid on any marijuana in their possession are secondarily liable for the unpaid
380 tax on marijuana.

381
382 C. Persons subject to the chapter shall keep such other documents and records as the
383 City Clerk prescribes.

384
385 D. The City Clerk may, during business hours, enter the business premises of a licensee
386 under this chapter, so far as it may be necessary for the purpose of examining such
387 products and the related business records.

388
389 9.18.150 Administrative regulations.

390
391 The City Clerk may adopt policies and procedures providing for the application and
392 interpretation of this chapter and provide forms for reporting and collecting the tax
393 imposed by this chapter.

394
395 9.18.160 Confidentiality of records.

396
397 A. All tax returns, documents, records, and/or reports filed with the City pursuant to
398 this chapter and all data obtained from tax returns, documents, records, and/or
399 reports are confidential as provided by Homer Municipal Code Chapter 2.84 and may
400 not be released for inspection by any person except the Mayor, Treasurer, City
401 Attorney, or the Council; provided, however that such data may be released upon

402 court order.

403

404 B. It is the duty of the City Clerk to safely keep tax returns, documents, records, and /or
405 reports and all data thereof secure from public and private inspection except as
406 provided by this chapter.

407

408 C. This section does not prohibit the City from compiling and publishing statistical
409 evidence concerning the data submitted; provided that no identification of
410 particular tax returns, documents, records, and/or reports is made. Nothing in this
411 section shall be deemed to prohibit the internal auditor from examining the tax
412 returns, documents, records, and/or reports; provided that no information obtained
413 from specific or identified tax returns shall be made available to persons other than
414 those authorized to review them under subsection (A) of this section.

415

416 Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

417

418 Section 3. This ordinance shall be of a permanent and general character and shall be
419 included in the City code.

420

421 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
422 _____, 2016.

423

424

CITY OF HOMER

425

426

427

MARY E. WYTHE, MAYOR

428

429

430 ATTEST:

431

432

433

434

435 JO JOHNSON, MMC, CITY CLERK

436

437 AYES:

438 NOES:

439 ABSTAIN:

440 ABSENT:

441

442

443

444 First Reading:

445 Public Reading:

446 Second Reading:

447 Effective Date:

448

449

450

451 Reviewed and approved as to form:

452

453

454 _____
Mary K. Koester, City Manager

455

456 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016
Effective Date: July 1, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

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HOUSTON, ALASKA
ORDINANCE 16-09 (Substitute)

AN ORDINANCE OF THE HOUSTON CITY COUNCIL AUTHORIZING THE LEVY OF A MARIJUANA EXCISE TAX AND AMENDING HOUSTON MUNICIPAL CODE (HMC) TITLE 4, REVENUE AND FINANCE, BY ADOPTING CHAPTER 4.24 EXCISE TAX ON MARIJUANA.

BE IT ORDAINED AND ENACTED BY THE CITY OF HOUSTON, ALASKA:

SECTION I: CLASSIFICATION: This ordinance is of a permanent nature and shall become part of the Houston Municipal Code.

SECTION II: SEVERABILITY: If the provisions of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to any other person or circumstances shall not be affected thereby.

SECTION III: PURPOSE: The purpose of this ordinance is to:

- Levy an excise tax on the cultivation of marijuana in the City; and
- Adopt Chapter 4.24, Excise Tax on Marijuana, to administer and enforce the tax.

SECTION IV: EFFECTIVE DATE: This ordinance shall take effect July 1, 2016.

SECTION V: ENACTMENT: Houston Municipal Code, Title 4, Revenue and Finance, is hereby amended and enacted as follows:

Title 4
REVENUE AND FINANCE

Chapters:

- 4.01 Financial Policies
- 4.05 Fiscal Provisions
- 4.10 Purchasing and Contracting
- 4.16 Real and Personal Property Tax
- 4.18 Special Assessments
- 4.20 Sales Tax
- 4.22 Disposition of City-Owned Personal Property

Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016
Effective Date: July 1, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

- 1 4.24.160 Prohibited acts and penalties
- 2
- 3 4.24.170 Civil fraud.
- 4
- 5 4.24.180 Tax lien.
- 6
- 7 4.24.190 Interest on unpaid tax.
- 8
- 9 4.24.200 Taxpayer, licensee, or other person remedies.
- 10
- 11 4.24.210 Inspection and maintenance of documents and records.
- 12
- 13 4.24.220 Administrative regulations.
- 14
- 15 4.24.230 Confidentiality of records.
- 16
- 17 4.24.220 Taxpayer, licensee, or other person remedies.
- 18
- 19 4.24.010 Applicability, purpose and authority.
- 20
- 21 A. Applicability. Unless provided otherwise, this chapter shall apply to the taxation of all
- 22 marijuana cultivated within the City for commercial or retail sale purposes, including
- 23 marijuana cultivated by a standard marijuana cultivation facility and a limited marijuana
- 24 cultivation facility..
- 25
- 26 B. Purpose. The purpose of this section is to provide for the levy of an excise tax on
- 27 marijuana cultivated within the City by any marijuana cultivation facility, and the
- 28 enforcement of such tax.
- 29
- 30 C. Authority. This chapter and the regulations related to marijuana establishments herein
- 31 are adopted pursuant to the authority granted by AS 17.38.100 and AS 29.35.010(6).
- 32
- 33 4.24.020 Definitions
- 34
- 35 A. "Flower and bud" means the hairy, sticky, or crystal-covered parts of mature female
- 36 marijuana plants generally harvested for their high potency content;
- 37
- 38 B. "Marijuana" has the meaning given in AS 17.38.900;
- 39

Bold and Underline, added. Strike through, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
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1 C. "Marijuana cultivation facility" has the meaning given in AS 17.38.900 and includes
2 both a standard marijuana cultivation facility and a limited marijuana cultivation facility
3 as licensed under 3 AAC 306.400;

4
5 D. "Marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

6
7 E. "Marijuana testing facility" has the meaning given in AS 17.38.900;

8
9 F. "Ownership change" means:

10
11 1. If the licensee is a partnership, including a limited partnership, any change in the
12 identity of the partners, or in the ownership percentages held by any partners;

13
14 2. If the licensee is a limited liability company, any change in the identity of the
15 members, or in the ownership percentage held by any member; or

16
17 3. If the licensee is a corporation, any sale of corporate stocks to a person not
18 currently an owner, or any change of the percentage ownership of an existing shareholder.

19 G. "Retail marijuana store" has the meaning given in AS 17.38.900;

20
21 H. "Transfer" means the exchange of marijuana, as defined under AS 17.38.900, with or
22 without consideration, or by barter, between marijuana establishments, or within
23 marijuana establishments possessing multiple permits, for commercial purposes.

24
25 4.24.030 Excise tax on marijuana.

26
27 A. Tax to be paid. The City hereby levies an excise tax on all marijuana cultivated in any
28 facility licensed pursuant to 3 AAC 306.400, including standard marijuana cultivation
29 facilities, and limited marijuana cultivation facilities as follows:

30
31 B. Marijuana Excise Tax

32
33 1. All non-exempt marijuana transferred from a marijuana cultivation facility shall
34 be taxed as follows:

35
36 a. Any part of the flower and bud, as defined in 15 AAC 61.290, will be taxed
37 at \$10.00 per ounce;

Bold and Underline, added. Strike through, deleted.

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Substitution Date: April 14, 2016
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1
2 b. The remainder of the plant, not included in (B)(1)(a) of this section, will be
3 taxed at \$2.00 per ounce.
4

5 2. A marijuana cultivation facility that is also licensed as a marijuana product
6 manufacturing facility must pay tax on all marijuana transferred from the cultivation
7 facility to the product manufacturing facility for the month in which the marijuana was
8 transferred.
9

10 3. A marijuana cultivation facility that is also licensed as a retail marijuana store
11 must pay tax on all marijuana transferred from the cultivation facility to the retail
12 marijuana store for the month in which the marijuana was transferred.
13

14 4.24.040 Exemptions

15
16 A. The tax imposed under this chapter does not apply to marijuana if the State of Alaska
17 prohibits the levying of this tax under AS 17.38.
18

19 B. Transfers to a licensed marijuana testing facility are exempt from the excise tax on
20 marijuana.
21

22 4.24.050 License required; issuance.
23

24 A. Except as otherwise provided by AS 17.38.020, no marijuana cultivation facility may
25 plant, propagate, cultivate, harvest, trim, dry, cure, package, or transfer marijuana
26 without a license issued under this chapter.
27

28 B. The City Clerk, upon application and payment of the fee, shall issue a license to each
29 marijuana cultivation facility. The application must include the following information:
30

31 1. The applicant's name and address;
32

33 2. The name under which the marijuana cultivation facility will operate;
34

35 3. A copy of the applicant's City business license and state marijuana establishment
36 license.
37

38 4. Such other information that is indicated on the City's application form.
39

Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
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1 **C. The City Clerk may refuse to issue a license if there is reasonable cause to believe that**
2 **the applicant has willfully withheld information requested to determine the applicant's**
3 **eligibility to receive a license, or if there is reasonable cause to believe that information**
4 **submitted in the application is false or misleading and is not made in good faith.**

5
6 **D. A license required by this chapter is in addition to any other license required by law.**

7
8 **E. A license issued under this chapter shall include:**

9
10 **1. The name and address of the licensee;**

11
12 **2. The type of business to be conducted;**

13
14 **3. The address at which the business is conducted;**

15
16 **4. A license number; and**

17
18 **5. The year for which the license is issued.**

19
20 **4.24.060 License fee**

21
22 **A. For each license issued under this chapter, and for each renewal, the fee is \$250.00 per**
23 **year.**

24
25 **4.24.070 Expiration and renewal of licenses.**

26
27 **A. Licenses issued under this chapter shall expire on June 30 of each respective year.**
28 **On or before May 1 of each year, the City Clerk shall send written notice to licensees**
29 **that it must file a renewal application prior to the expiration of the license. Such notice**
30 **shall be sent to each licensee's current address on file with the Clerk's office.**

31
32 **1. If June 30 falls on a Saturday or Sunday, the deadline is extended to 4:30 pm**
33 **on the first business day following June 30.**

34
35 **2. A licensee is not excused from filing a renewal application as required in this**
36 **section even if the applicant fails to receive a renewal notice from the City**
37 **Clerk.**

38
Bold and Underline, added. Strike through, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
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1 **B. A person whose license is lost, stolen, or defaced shall immediately file an application**
2 **with the City Clerk for reissuance of the license for the balance of the unexpired year.**
3

4 **4.24.080 Ownership change to be reported.**
5

6 **A licensee under this chapter shall, not later than 10 days after an ownership change,**
7 **report such change to the City Clerk on a form prescribed by the Clerk.**
8

9 **B. If any change required to be reported under this section will result in a change in**
10 **controlling interest of the license, the licensee must file an application for transfer of license**
11 **to another person pursuant to HMC 4.24.090.**
12

13 **4.24.090 Transfer of license.**
14

15 **A license under this chapter is not transferrable, but instead expires upon the effective date**
16 **of an ownership change. Not later than 10 days after the effective date of ownership**
17 **change, the licensee shall provide written notice to the City Clerk of the same, which must**
18 **include the name, address, form of organization, and jurisdiction of organization of the**
19 **transferee, and surrender the license to the Clerk.**
20

21 **4.24.100 Refund or credit of tax or license fee**
22

23 **A. The City Clerk shall not refund any license fee paid pursuant to this chapter upon the**
24 **surrender or revocation of a license after the beginning of the license year, with the**
25 **exception that upon application, the City Clerk will refund a license fee shown to have been**
26 **paid or collected in error.**
27

28 **B. If a remittance by a licensee exceeds the amount due, and the City Clerk, on audit of the**
29 **account in question, is satisfied that this is the case, the City Clerk shall, upon written**
30 **request of the licensee, refund the excess to the licensee without interest.**
31

32 **C. Any claim for refund filed more than one year after the due date of the tax is forever**
33 **barred.**
34

35 **D. A licensee may claim a credit for excise tax paid for marijuana that is returned to the**
36 **licensee. The credit must be claimed for the month in which the marijuana was returned.**
37 **The licensee must provide proof acceptable to the City Clerk that the tax had been**
38 **previously paid and was refunded to the purchaser.**

Bold and Underline, added. Strike through, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016
Effective Date: July 1, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

1
2 **4.24.110 Display of License; surrender of license; suspension or revocation of license.**

3
4 **A. A license issued under this chapter shall be prominently displayed at the licensee's place**
5 **of business.**

6
7 **B. A licensee shall surrender a license within 10 days after:**

8
9 **1. A revocation of license;**

10
11 **2. A cessation of business;**

12
13 **3. A change of ownership; or**

14
15 **4. A change of a place of business.**

16
17 **C. The City Clerk may suspend or revoke a license issued under this chapter:**

18
19 **1. For violation of this chapter or a regulation of the City adopted pursuant to this**
20 **chapter;**

21
22 **2. If a licensee ceases to act the capacity for which the license was issued.**

23
24 **D. No marijuana cultivation facility whose license is suspended or revoked shall plant,**
25 **propagate, cultivate, harvest, trim, dry, cure, or package marijuana for transfer during the**
26 **suspension or revocation on. No disciplinary proceeding or action is barred or abated by**
27 **the expiration, transfer, surrender, or renewal of a license issued under this chapter.**

28
29 **E.-The City Clerk will inform the Alaska Marijuana Control Board of a licensee's failure to**
30 **pay tax due or to file a return as required by this chapter, and will initiate license**
31 **suspension or revocation proceedings by filing an accusation as provided in AS 17.38.090.**

32
33
34 **4.24.120 Tax returns.**

35
36 **A. On or before the last day of each calendar month a licensee shall submit to the City**
37 **Clerk a tax return, upon forms provided by the City Clerk, for each license, and submit**
38 **payment for the taxes due as prescribed by the City Clerk.**

39
Bold and Underline, added. Strike through, deleted.

Introduced by: Deputy Mayor Wilson
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1 1. The return shall be signed under penalty of perjury by the licensee or agent and
2 shall include:

3
4 a. A copy of the tax return for that month submitted by the licensee to the
5 Alaska Department of Revenue in accordance with 15 AAC 61.010;

6
7 b. The name and address of the licensee;

8
9 c. The name and address of the person filing the return, if different from the
10 licensee;

11
12 d. The number of the applicable license issued under this chapter;

13
14 e. The name under which the marijuana cultivation facility is being operated;

15
16 f. A report setting forth the total amount of marijuana transferred from the
17 marijuana cultivation facility in ounces, with fractional ounces calculated
18 to the third decimal place, for the preceding month;

19
20 g. The amount of tax due;

21
22 h. Such other information and supporting documentation which may be
23 required by the City Clerk.

24
25 B. A marijuana cultivation facility licensed under this chapter shall file a tax return each
26 month, even if it did not cultivate or transfer any marijuana in the City during the
27 preceding month.

28
29 C. The taxes imposed under this chapter and the return required by this section must be
30 received by the City Clerk, or postmarked on or before the last day of each calendar month
31 following the month covered by the return.

32
33 D. A separate tax return must be filed for each location when a taxpayer is operating in
34 several locations within the City.

35
36 4.24.130 Involuntary returns.

37
38 If a licensee fails to file a return as required by this chapter, or when the City Clerk finds
39 that a return is not supported by the records to be maintained pursuant to this chapter, the

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1 City Clerk may prepare and file a return on behalf of the licensee. Involuntary returns
2 filed under this section may be premised upon any information that is available to the City
3 Clerk, including, among other things, a copy of the materials the applicant submitted to the
4 Alaska Department of Revenue in accordance with 15 AAC 61.010, and comparative data
5 for similar businesses. A licensee for whom an involuntary return is filed under this section
6 shall be subject to liability for the tax stated in the return, as well as subject to the penalties
7 and interest provided for in this chapter. A return prepared by the City Clerk is prima
8 facie, good and sufficient for all legal purposes. However, nothing prevents the licensee
9 from presenting evidence on appeal to rebut the presumed sufficiency of a return prepared
10 by the City Clerk, nor does the presumption of sufficiency alter the parties' respective
11 burdens of proof once the licensee has presented evidence to rebut that presumption.
12

13 4.24.140 Amended tax returns.

14
15 A. Any tax return filed hereunder may be amended by the licensee within one year after
16 the due date of the tax return being amended. No amendment by the licensee shall be
17 allowed after this one-year period.

18
19 B. Any tax return prepared and filed by the City Clerk on behalf of the licensee may be
20 amended by the licensee within one year of the date filed by the City Clerk. No amendment
21 by the licensee shall be allowed after this one-year period.
22

23 4.24.150 Application of payments.

24
25 Any payment submitted to the City Clerk for any taxes, penalties, interest, or cost due
26 under any provision of this chapter or any return or any finding or determination by the
27 City Clerk under this chapter shall be credited to the monthly tax period for which was
28 remitted, first to the payment of costs and then to penalties, interest, and taxes in that
29 order.
30

31 4.24.160 Prohibited acts and penalties.

32
33 A. No person shall operate a marijuana cultivation facility within the City without
34 complying with the provisions of this chapter.

35
36 B. A penalty of six percent of the taxes due shall be incurred automatically when a person
37 fails to pay the full amount of the tax due under this chapter within seven calendar days
38 following its due date. An additional penalty of six percent of the taxes due shall be
39 incurred automatically when a person fails to file a tax return or report within seven

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1 calendar days following its due date under this chapter. If a person fails to pay the full
2 amount of the tax due and/or file a tax return or report as required under this chapter
3 within 16 days after its due date, the six percent penalties incurred above will automatically
4 above shall be increased automatically to 15 percent.
5

6 1. The penalty shall be computed on the unpaid balance of the tax liability as
7 determined by the City Clerk.
8

9 2. Notice of the penalties incurred and to be incurred shall be given to the person
10 responsible for payment of the taxes or for filing the return or report when such tax
11 payment or return or report is delinquent for seven calendar days after its due date.
12

13 3. The penalties provided for in this section shall be in addition to all other penalties
14 and interest for under this chapter.
15

16 C. If a properly filed amended return reduces the total tax liability or the tax required to
17 be paid, or the detrement reduces the tax liability, the related penalty will be reduced
18 accordingly.
19

20 D. All penalties and remedies enumerated in this chapter are cumulative.
21

22 E. Unless otherwise provided in this section, any person who violates or fails to comply with
23 the provisions of this chapter shall be personally liable for all costs, interests, penalties and
24 taxes due under this chapter plus a penalty equal to 30 percent of the tax due. For good
25 cause shown, the Mayor may waive or reduce all or part of any penalty imposed under this
26 subsection.
27

28 4.24.170 Civil fraud.
29

30 A. A civil fraud penalty may be assessed against a person in addition to a penalty for
31 failure to file or failure to pay.
32

33 B. If it is determined by the City Clerk that a tax deficiency or part of a tax deficiency is
34 due to fraud, then a penalty will be added to the tax. The penalty is 50 percent of the
35 deficiency due or \$500.00, whichever is greater. The penalty is computed on the total
36 amount of the deficiency due.
37

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1 **C. Fraud is the intentional misrepresentation of a material fact with the intent to evade**
2 **payment of tax which the person believed to owe. The person must have had knowledge of**
3 **its falsity and intended that it be acted upon or accepted as the truth.**
4

5 **D. To establish civil fraud, the City Clerk must prove by clear and convincing evidence**
6 **that:**
7

8 **1. The tax liability was understated; and**
9

10 **2. The understatement was the result of an intent to evade tax.**
11

12 **E. An intent to evade tax may be demonstrated by any relevant evidence, including but not**
13 **limited to the following:**
14

15 **1. The person has provided false explanations regarding understated or omitted**
16 **amounts of marijuana cultivated or transferred;**
17

18 **2. The person has provided falsified or incomplete source documents;**
19

20 **3. The person has not justified an omission or understatement of a significant**
21 **amount of marijuana cultivated or transferred;**
22

23 **4. The person has substantially overstated a deduction and has failed to justify the**
24 **overstatement.**
25

26 **4.24.180 Tax lien.**
27

28 **A. If any person who is liable to pay a tax or license fee under this chapter neglects or**
29 **refuses to pay the tax or licensee fee after demand, the amount, including interest,**
30 **additional amounts, or assessable penalty together with costs, is a lien in favor of the City**
31 **upon all property and rights to property, real or personal, belonging to that person.**
32

33 **B. The lien imposed by this section arises upon delinquency and continues until the amount**
34 **is paid or a judgment against the person arising out of the liability is satisfied.**
35

36 **C. A lien arising out of a tax due under this chapter, including the penalties and interest on**
37 **the tax, shall be prior, paramount, and superior to all other liens, mortgages,**
38 **hypothecation, conveyances, and assignments, upon all real and personal property of the**

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1 person liable for the tax and upon all the real and personal property used with the
2 permission of the owner to carry on the business which is subject to the tax.
3

4 D. The lien on personal and real property may be enforced in a manner similar to that
5 provided by A.S. 29.45.300—29.45.480 for enforcement of real and personal property tax
6 liens.
7

8 4.24.190 Interest on unpaid tax.
9

10 In addition to any penalties imposed by this chapter, interest at the rate of 12 percent per
11 annum shall be charged on the unpaid balance of delinquent taxes.
12

13 4.24.200 Taxpayer, licensee, or other person remedies.
14

15 A. Any person aggrieved by any action of the City Clerk in issuing, suspending, revoking,
16 or refusing to issue any license under this chapter or in fixing the amount of taxes,
17 penalties, interest, or costs under this chapter may apply to the City Clerk and request a
18 hearing within 30 days from the date the City Clerk mails the notice of the Clerk's action.
19 Upon timely application under this subsection or a hearing, the Mayor shall hold a hearing
20 to determine whether a correction is warranted. Hearings before the Mayor under this
21 subsection may, at the option of the Mayor, be conducted by an administrative hearing
22 officer designated by the Mayor. The hearing officer shall conduct the hearing and prepare
23 findings and conclusions. These findings and conclusions must be forwarded to the Mayor
24 for adoption, rejection, or modification and issuance of a final order or decision by the
25 Mayor. An application for a hearing must notify the City Clerk of the specific action
26 complained of and amount of tax, interest, cost, or penalty contested and the reason it is
27 contested. After receipt of a written decision by the Mayor, a person may appeal to the
28 Superior Court of the Third Judicial District in accordance with the Alaska Appellate
29 Court rules. The person shall be given access to the department's file in the matter for
30 preparation of the appeal.
31

32 B. A request for appeal is filed on the date it is personally delivered, or is delivered to the
33 City Clerk by the United States Postal Service, the date of the postmark stamped on the
34 properly addressed cover in which the request is mailed. If the due date falls on Saturday,
35 Sunday, or a City observed holiday the due date is the next working day. A current mailing
36 address must be provided to the City Clerk with the request for appeal, and any change in
37 mailing address after the request for appeal is filed must be reported to the City Clerk.
38

Bold and Underline, added. ~~Strike through~~, deleted.

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1 C. If the notice to the person pursuant to subsection (A) of this section shows an amount
2 due, the uncontested portion of the amount due must be paid within 30 days after the date
3 of the notice. If the uncontested amount is not paid within 30 days, collection action will be
4 taken on that amount even if the person has filed a request for appeal. Payment of the total
5 amount due may be made any time before the hearing. If the City Clerk has reason to
6 believe that collection of the total amount due might jeopardize by delay, immediate
7 payment of the total amount will be demanded and the City Clerk may pursue any
8 collection remedies provided by law. Payment in full does not affect the person's right to a
9 hearing.

10
11 D. If a person requests a hearing and fails to appear at the hearing, the Mayor or hearing
12 officer may issue a decision without taking evidence from that person, unless that person
13 shows reasonable cause for failure to appear within seven days after the date scheduled for
14 the hearing.

15
16 E. Taxes, licenses fees, penalties and interest declared to be due in the final administrative
17 decision must be paid within 30 days after the date of the decision, or a bond must be filed
18 with the court in accordance with the Alaska Court Rules of Appellate Procedures.

19
20 4.24.210 Inspection and maintenance of documents and records.

21
22 A. Marijuana cultivation facilities shall keep complete and accurate records to support the
23 information to be included in the monthly tax returns required by this chapter, including
24 information regarding transfers. The records must include an accounting that inventories
25 live plants, trimmings, and any dried product on the first and last day of each month
26 including:

27
28 1. An invoice, sales receipt or other record memorializing the transfer of marijuana
29 from a marijuana cultivation facility, which must separately state the amount of tax due
30 after the sale or transfer.

31
32 B. Any person selling marijuana at a retail marijuana store who cannot produce records
33 showing taxes were paid on any marijuana in their possession are secondarily liable for the
34 unpaid tax on marijuana.

35
36 C. Persons subject to the chapter shall keep such other documents and records as the City
37 Clerk prescribes.

38
Bold and Underline, added. Strike through, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016
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1 D. The City Clerk may, during business hours, enter the business premises of a licensee
2 under this chapter, so far as it may be necessary for the purpose of examining such
3 products and the related business records.

4
5 4.24.220 Administrative regulations.

6
7 The City Clerk may adopt policies and procedures providing for the application and
8 interpretation of this chapter and provide forms for reporting and collecting the tax
9 imposed by this chapter.

10
11 4.24.230 Confidentiality of records.

12
13 A. All tax returns, documents, records, and/or reports filed with the City pursuant to this
14 chapter and all data obtained from tax returns, documents, records, and/or reports are
15 confidential as provided by HMC 2.50.050 (F) and may not be released for inspection by
16 any person except the Mayor, Treasurer, City Attorney, or the Council; provided, however
17 that such data may be released upon court order.

18
19 B. It is the duty of the City Clerk to safely keep tax returns, documents, records, and /or
20 reports and all data thereof secure from public and private inspection except as provided
21 by this chapter.

22
23 C. This section does not prohibit the City from compiling and publishing statistical
24 evidence concerning the data submitted; provided, that no identification of particular tax
25 returns, documents, records, and/or reports is made. Nothing in this sections shall be
26 deemed to prohibit the internal auditor from examining the tax returns, documents,
27 records, and/or reports; provided that no information obtained from specific or identified
28 tax returns shall be made available to persons other than those authorized to review them
29 under subsection (A) of this section.

30
31 ADOPTED by the Houston City Council on April 14 2016.

32
33
34 THE CITY OF HOUSTON, ALASKA

35
36 
37
38 Virgie Thompson, Mayor

39
40 ATTEST:

Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Deputy Mayor Wilson
Substitution Date: April 14, 2016
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1
2
3
4


Sonya Dukes, CMC, City Clerk



Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

**HOUSTON, ALASKA
ORDINANCE 16-08**

AN ORDINANCE OF THE HOUSTON CITY COUNCIL AMENDING HOUSTON MUNICIPAL CODE (HMC) TITLE 5 BUSINESS LICENSES AND REGULATIONS, BY ADOPTING A NEW CHAPTER 5.10, MARIJUANA LICENSING AND REGULATIONS, TO PROVIDE FOR THE LICENSING AND REGULATION OF MARIJUANA ESTABLISHMENTS IN THE CITY.

BE IT ORDAINED AND ENACTED BY THE CITY OF HOUSTON, ALASKA:

SECTION I: CLASSIFICATION: This ordinance is of a permanent nature and shall become part of the Houston Municipal Code.

SECTION II: SEVERABILITY: If any provision of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to all other persons or circumstances shall not be affected thereby.

SECTION III: PURPOSE: The purpose of Ordinance 16-08 is to:

- Establish procedures for the regulation of marijuana establishments in the City by:
 - Adopting Chapter 5.10 Marijuana Regulations;
 - Establishing Definitions;
 - Establishing administrative procedures;
 - Adopting Council procedures;
 - Establishing appeals processes.

SECTION IV: EFFECTIVE DATE: This ordinance shall take effect immediately upon adoption of the Houston City Council.

SECTION V: ENACTMENT: Houston Municipal Code Title 5, Business Licenses and Regulations is hereby amended and enacted as follows:

**Title 5
BUSINESS LICENSES AND REGULATIONS**

Chapters:

5.04 Business Licenses Generally
5.06 Public Vending Licenses
5.08 Liquor Regulations
5.10 Marijuana Regulations

Chapter 5.10

Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
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Adoption Date: April 14, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

MARIJUANA REGULATIONS¹

Sections:

5.10.010- Purpose and scope of authority.

5.10.020- Designation of local regulatory authority.

5.10.020- Definitions.

5.10.030- License required.

5.10.040- Review of marijuana establishment license applications.

5.10.050- Consideration by council.

5.10.060- Licensed premises restrictions.

5.10.070- Regulations

5.10.080- Violations-Remedies.

5.10.010 Purpose and scope of authority.

A. The purpose of this chapter is to provide for the municipal regulation of marijuana and marijuana establishments as allowed by state law. This chapter and the regulations related to marijuana establishments herein are adopted pursuant to the express authority granted by AS 17.38.110. This chapter and the regulations herein are intended to allow the City to regulate marijuana and marijuana establishments within the broadest range of municipal control contemplated by state statute.

B. Local Control of Marijuana Establishments. The City may by ordinance or resolution exercise local control of marijuana establishments within the broadest range of municipal control contemplated by state law. In addition to other types of local control, the City may:

1. Prohibit the operation of all or any type of marijuana establishments;
2. Regulate marijuana establishments in a manner more restrictive than state law;
3. Establish a local license procedure for marijuana establishments;
4. Designate a local regulatory authority which will:

¹ In the case of a local governing body protest, hearings shall be conducted in compliance with 3AAC 306.070.

Bold and Underline, added. ~~Strike through~~, deleted.

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1 a. Receive half of any fee paid to the state as part of an application to operate a
2 marijuana establishment within the City;

3
4 b. Receive a copy of each state license application and provide input to the state
5 regarding such application; and

6
7 c. Process applications for City licenses to operate a marijuana establishment
8 within the City and to issue licenses in the event that the state authority fails to
9 process applications in accordance with AS 17.38.090 and 17.38.100;

10
11 5. Establish a schedule of annual licensing fees;

12
13 6. Regulate the time and manner of operation of marijuana establishments;

14
15 7. Regulate the number of marijuana establishments within the City;

16
17 8. Regulate the manner in which marijuana and marijuana products may be
18 displayed by a retail marijuana store; and

19
20 9. Establish civil penalties for violations of this Chapter.

21
22 C. The City Council after public hearing shall determine whether to protest or recommend
23 with conditions, the issuance, renewal or transfer of a marijuana establishment license
24 application and shall consider the following factors it believes are pertinent. Such factors
25 shall include, but are not limited to:

26 1. Review of referrals under 5.10.050 of this section; and

27
28 2. The concentration of other licenses of the same and other types in the area; and

29
30 3. Any other factors the City Council determines is relevant to a particular
31 application, including a reasonable expectation that the applicant will exercise the
32 license for the duration of the term of the license.

33
34
35 5.10.020 Designation of Local Regulatory Authority.

36
37 Pursuant to AS 17.38.210 (C) the City Council is designated as the local authority for the
38 City.

39
40 5.10.030 Definitions.

Bold and Underline, added. Strike through, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
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1
2 “Code” means the Houston Municipal Code (HMC).

3
4 “Consume” means, in all conjugate forms, the act of ingesting, inhaling, or otherwise
5 introducing marijuana into the human body.

6
7 “Local regulatory authority” means the office or entity designated to process marijuana
8 establishment applications by a local government.

9
10 “Marijuana” has the same meaning as contained in AS 17.38.900(7).

11
12 “Marijuana cultivation facility” has the same meaning as contained in AS 17.38.900(9).

13
14 “Marijuana establishment” means a marijuana cultivation facility, a marijuana testing
15 facility, a marijuana product manufacturing facility, or a retail marijuana store.

16
17 “Marijuana product manufacturing facility” has the same meaning as contained in AS
18 17.38.900(11).

19
20 “Marijuana products” means concentrated marijuana products and marijuana products
21 that are comprised of marijuana and other ingredients and are intended for use or
22 consumption, such as, but not limited to, edible products, ointments, and tinctures.

23
24 “Marijuana retail store” has the same meaning as “retail marijuana store” contained in AS
25 17.38.900(15).

26
27 “Marijuana testing facility” has the same meaning as contained in AS 17.38.900(13).

28
29 “Public,” as used in this chapter, means a place to which the public or a substantial group
30 of persons has access and includes highways, rivers, lakes, transportation facilities, schools,
31 places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies and
32 other parts of apartment houses and hotels not constituting rooms or apartments
33 designated for actual residence. Notwithstanding the foregoing, a location with proper
34 licensure in place and that is in compliance with applicable state laws and regulations, City
35 ordinances, including City licensure requirements, if any, and that is operating within the
36 restrictions of such law and licensure is not a public place.

37
38 5.10.040 License required.
39

Bold and Underline, added. Strike through, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
Public Hearing: April 14, 2016
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1 It is unlawful for any person to operate a marijuana establishment in the City without
2 obtaining a local business license to operate. A valid license from the state of Alaska is
3 required as provided by AS 17.38 prior to operation.

4
5 All applications for a City business license to operate a marijuana establishment shall
6 include:

- 7 1. A legal description of the property involved; and
8
9 2. Documentation of property ownership; and
10
11 3. A written statement from the property owner authorizing the proposed
12 marijuana establishment use, if the applicant is not the property owner; and
13
14 4. A detailed site plan that includes a diagram of the proposed licensed premises
15 showing all entrances and boundaries of the premises.
16
17

18 5.10.050 Review of marijuana establishment license application.
19

20 Upon receiving notice from the Marijuana Control Board of an application for the
21 issuance, renewal, transfer of location or transfer to another person of a marijuana
22 establishment location in the City, including without limitation an application to transfer a
23 license to a license location in the City under AS 17.38, the City shall refer the application
24 for review:

25
26 A. By the Public Works Department to determine whether any structure, or use of land
27 or structures at the license location does not conform to HMC Title 10, applicable platting
28 regulations, including recorded subdivision reservations, restrictions and covenants, or the
29 terms and conditions of any rezone, planning commission approval, or administrative
30 approval granted for the license location. The Public Works Department shall notify the
31 applicant in writing of any nonconformity that it finds. In response to this notice, the
32 applicant shall either.

- 33
34 1. Provide evidence satisfactory to the Mayor that the nonconformity has been
35 corrected; or
36
37 2. Provide a plan for correction of the non-conformity satisfactory to the Mayor,
38 with security satisfactory to the Mayor for the performance of the plan.
39

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1 **B. By the Clerk's Office to determine whether the licensee or license transfer is**
2 **delinquent in paying to the City any tax, assessment, business license fee, or other fee or**
3 **charge, or to the Matanuska-Susitna Borough any real property tax, for the business that**
4 **operates, or will operate under the marijuana establishment license. The City Clerk shall**
5 **notify the applicant in writing of any delinquency that it finds. In response to the notice,**
6 **the applicant shall either:**

- 7
- 8 1. **Provide evidence satisfactory to the Mayor that the nonconformity has been**
9 **corrected; or**
 - 10
 - 11 2. **Provide a plan for correction of the non-conformity satisfactory to the**
12 **Mayor, with security satisfactory to the Mayor for the performance of the**
13 **plan.**
 - 14

15 **C. By the Police Department or Mayor to determine whether, in the opinion of the**
16 **Police Chief or Mayor, there has been an excessive number of convictions or arrests for**
17 **unlawful activity at the licensed premises, police reports at the licensed premises, or police**
18 **dispatches to the licensed premises, or violations of Title 8 of this Code. The Police**
19 **Department or the Mayor shall notify the applicant in writing of any adverse finding under**
20 **this subsection.**

21

22 **5.10.060 Consideration by council.**

23

24 **A. Before taking action on a marijuana establishment application under this section,**
25 **the Mayor shall provide for a public hearing before the City Council. Within Fifteen**
26 **(15) business days after the referrals under Section 5.10.050, the Mayor shall**
27 **schedule each marijuana establishment license application for consideration by the**
28 **City Council at its next City Council meeting and send written notice to the**
29 **applicant. The notice shall include the following information:**

30

- 31 1. **The date and time of the meeting at which the council will consider the**
32 **application;**
- 33
- 34 2. **A statement that the applicant may appear before the council at the meeting**
35 **to defend the application; and**
- 36
- 37 3. **A summary of any unresolved findings adverse to the marijuana**
38 **establishment application that have resulted from the referrals under Section**
39 **5.10.020.**

Bold and Underline, added. Strike through, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

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- B. During the public hearing, the City Council shall provide the applicant an opportunity to make a presentation in defense of the application.**
- C. For a marijuana establishment application that is subject to protest by the City under 3 AAC 306.060:**
- 1. After considering the application and public hearing the City Council may decide to:**
 - a. Protest the application under 3 AAC 306.060;**
 - b. Recommend conditions on which the application should be granted under 3 AAC 306.060; or**
 - c. Take no action on the application.**
 - 2. If the City Council protests an application or recommends conditions on which the application should be granted, the City Council shall state on the record the reasons for its decision, and the Mayor shall notify the Board and the applicant in writing of the decision of the Council and the reasons therefor.**
 - 3. If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which an application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of its rescission.**
- D. For one or more applications to relocate a marijuana establishment license in the City under 3 AAC 306.060:**
- 1. After considering the applications, the City Council may decide to:**
 - a. Approve one or more of the applications with or without conditions; or**
 - b. Deny one or more applications.**
 - 2. The Mayor shall notify the Board, the Matanuska-Susitna Borough, and the applicants in writing of the decision of the council and the reasons therefor.**

Bold and Underline, added. Strike through, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

1 **5.10.070 Licensed premises restrictions**

2
3 **A. licensed marijuana retail store shall not;**

4
5 **1. Conduct business or allow a consumer to access the retail marijuana store's**
6 **licensed premises between the hours of 5:00 a.m. and 8:00.a.m each day;**

7
8 **2. Allow a person to consume marijuana or a marijuana product on the retail**
9 **marijuana store's licensed premises, except as provided in 3 AAC 306.305 (a)**
10 **(4).**

11
12 **3. Offer or deliver to a consumer, as a marketing promotion or for any other**
13 **reason,**

14 **a. Free marijuana or marijuana product, including a sample; or**

15
16 **b. Alcoholic beverages, free or for compensation.**

17
18 **5.10.080 Violations-Remedies**

19 **A. Remedies and penalties for violations of this chapter are as provided in Chapter 1.16.**

20
21 **B. For violations of this chapter, and notwithstanding any other available remedies or**
22 **penalties the City may bring a civil action to:**

23
24 **1. Enjoin a violation of this chapter. On application for injunctive relief and a**
25 **finding of a violation or threatened violation, the Superior Court shall enjoin the violation.**

26
27 **2. Recover a civil penalty of \$250.00 for each violation of this chapter.**

28
29 **C. Each act or omission in violation of this chapter, and each day in which the act or**
30 **omission occurs, is a separate violation.**

31
32 **D. All remedies for violations of this chapter are cumulative and are in addition to any**
33 **others existing at law or in equity.**

34
35
36 **ADOPTED** by the Houston City Council on April 14, 2016.

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Bold and Underline, added. ~~Strike through~~, deleted.

Introduced by: Mayor Thompson
Introduction Date: March 10, 2016
Public Hearing: April 14, 2016
Adoption Date: April 14, 2016

Vote: Barney, Johansen, Jorgensen, Stout, Wilson and Thompson in favor

THE CITY OF HOUSTON, ALASKA

Virgie Thompson

Virgie Thompson, Mayor

ATTEST:

Sonya Dukes

Sonya Dukes CMC, City Clerk



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Bold and Underline, added. ~~Strike through~~, deleted.



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: JUNE 16, 2016

SUBJECT: NEXT MEETING DELIVERABLES AND AGENDA ITEMS

Please discuss and request from Staff or the Clerk what the Commission would like to have on the agenda for the next meeting for discussion or action by the Commission.

Recommendation
Informational In Nature. No Action Required.

2015 MEETINGS
CANNABIS ADVISORY COMMISSION

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

<u>Meeting Date</u>	<u>Packet Deadline</u>
June 25, 2015	June 17 th
July 23, 2015	July 15 th
August 27, 2015	August 19 th
September 24, 2015	September 16 th
October 22, 2015	October 14 th
November 30, 2015	November 24 th
December 17, 2015	December 9 th

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

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

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

2016 HOMER CITY COUNCIL MEETINGS
CANNABIS ADVISORY COMMISSION ATTENDANCE

It is the goals 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 2016 is as follows:

The following Meeting Dates for City Council for 2016 is as follows:

January 11, 25 2016	_____	_____ Alt. Lewis or Reynolds _____
February 8, 22 2016	<u>Sarno</u>	_____ Alt. Lewis or Reynolds _____
March 14, 28 2016	<u>Stead</u>	_____ Alt. Lewis or Reynolds _____
April 11, 25 2016	_____	_____
May 9, 23 2016	<u>Robl</u>	_____
June 13, 27 2016	<u>Carroll</u>	_____
July 25 2016	<u>Carroll</u>	_____
August 8, 22 2016	_____	_____
September 12, 26 2016	_____	_____
October 10, 24 2016	_____	_____
November 28 2016	_____	_____
December 12, 2016	_____	_____

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.

Article on Marijuana.com

US Senate Hearing Examines Marijuana Legalization

By Tom Angell on June 15, 2016

Law & Politics, People, Uncategorized

U.S. senators took a deep dive into issues surrounding the legalization of marijuana on Wednesday as part of a hearing on America's demand for illegal drugs and alternative approaches to drug control.

Although one of the nation's leading drug policy reform activists was in the room to testify, it was a lawmaker who delivered the session's first criticisms of the failure of prohibition.

"Like [alcohol]prohibition fueled the gangs back then, what we're doing right now is fueling drug cartels, which is the reason we have an unsecured border," said Sen. Ron Johnson (R-WI), chairman of the Senate Committee on Homeland Security and Governmental Affairs.

Noting that when he first ran for the Senate in 2010, marijuana legalization "never came up" in conversations with voters, Johnson said that he's now being asked about it regularly.

"I'm sympathetic with the broad spectrum of arguments" for legalization, he said. "We've spent a trillion dollars on the war on drugs. We're just not winning it... Where there's demand, the supply is going to meet it."

But while Johnson recognizes and is able to articulate the prohibition's harms, he's not yet ready to fully back legalization, out of a concern that it could increase youth use.

"Because of the illegal nature of it we are funneling billions of dollars to some of the most evil people on the planet," he said. But "you move away from that, and all of a sudden you are communicating unfortunately, potentially, [to children]'this is ok.'"

Johnson mentioned that his nephew recently died from an overdose of fentanyl, a powerful opioid.

Testifying at the hearing was Ethan Nadelmann, executive director of the Drug Policy Alliance (DPA).

"The war on drugs in this country and around the world has been a monumental disaster," he said. "We developed an addiction. It was an addiction to drug war thinking, drug war ideology and drug war policies."

Acknowledging a personal interest in the issue, Nadelmann said, "I've been an occasional marijuana consumer for the last 40 years."

Also testifying was David Murray, a former staffer in the White House Office of National Drug Control Policy under President George W. Bush's administration.

Arguing passionately with Nadelmann about what he sees as the country's dangerous move toward marijuana legalization, Murray called his fight a "battle for the brains of a new generation."

In written testimony for the committee, Murray slammed the Obama administration's approach of generally respecting state marijuana laws.

"Instead of effective drug control, we have witnessed at the state level, for the last several years, widespread efforts at decriminalization or outright legalization of drugs. These efforts were not countered by the Administration, which even declined to challenge them in court, and they have proven counterproductive against multiple drug control objectives," he wrote. "The Obama Administration's support for legal marijuana could well be reflected in these sharp increases in marijuana use."

Beyond marijuana, the hearing touched on broader drug policy issues such as supervised consumption sites for injection drug users, prescription drug abuse and lessons learned from a public health approach to tobacco use.

Johnson said that the committee would soon issue a "data-driven" report on the issues raised at the session.

Read more <http://www.marijuana.com/blog/news/2016/06/us-senate-hearing-examines-marijuana-legalization/>

Board has issued license. License is subject to annual renewal by board						
License #	Bus. License	Doing Business As	License Type	Application Status	Issue Date	Effective Date
Notice	Lat	Long	physical_address	Address #2	City	Expiration Da
Active						
Board heard license application and denied license						
License #	Bus. License	Doing Business As	License Type	Application Status	Issue Date	Effective Date
Notice	Lat	Long	physical_address	Address #2	City	Expiration Da
Denied						
License was due for renewal and no renewal application was filed. License expired by operation of law per 3 AAC 306.035(g).						
Expired						
License #	Bus. License	Doing Business As	License Type	Application Status	Issue Date	Effective Date
Notice	Lat	Long	physical_address	Address #2	City	Expiration Da
Public						

Completed

Application has been deemed complete by director. Local Government, Community Council and Non-Profits requesting notification have been provided with a copy of the complete application. 60 day protest timeline is running. 90 day board decision timeline is running

License #	Bus. License Doing Business As	License Type	Da Public Notice	Lat	Long	Application Status	Issue Date	Effective Date	Expiration	Address #2	City
10004	1030887	TALKEETNA	Standard Marijuana Cultivation Facility	62.20892	-150.0795	Complete	32500 SOUTH TALKEETNA SPUR ROAD				TALKEETNA
10005	1032030	ROSIE	Standard Marijuana Cultivation Facility	64.745	-148.09	Complete	2659 LIVINGSTON LOOP				FAIRBANKS
10009	1007028	CANNTEST, LLC	Marijuana Testing Facility	61.224	-149.874	Complete	620 E Whitney Road Suite B				ANCHORAGE
10011	1032775	GREEN RUSH GARDENS LLC	Limited Marijuana Cultivation Facility	60.543179	-150.8149	Complete	38827 TWIN RD				STERLING
10014	1030481	THE NAKED HERBALIST	Limited Marijuana Cultivation Facility	61.58342	-150.0184	Complete	47841 SOUTH CROP CIRCLE				WILLOW
10015	1014365	GREATLAND	Standard Marijuana Cultivation Facility	60.329599	-151.247	Complete	56475 Sterling Highway				KASLOF
10022	1030459	SUNRISE GARDENS	Standard Marijuana Cultivation Facility	64.550702	-147.4045	Complete	440 Skyridge Drive				FAIRBANKS
10025	1025295	BUDDING ALASKA, LLC	Standard Marijuana Cultivation Facility	60.140862	-149.411	Complete	32273 OLD NASH RD.				SEWARD
10026	1032787	FARMS, LLC	Standard Marijuana Cultivation Facility	58.35675	-134.5	Complete	5763 Glacier Highway				JUNEAU
10032	1031368	THREE SISTERS CO-OP	Standard Marijuana Cultivation Facility	57.805025	-152.3714	Complete	2180 Mill Bay Road				KODIAK
10035	1031602	ARCTIC HERBERRY	Standard Marijuana Cultivation Facility	61.156277	-149.8915	Complete	7107 ARCTIC BLVD				ANCHORAGE
10041	1032520	PEACE FROG BOTANICALS LLC	Limited Marijuana Cultivation Facility	60.667431	-151.2831	Complete	47459 LAKESIDE ST.				KENAI
10043	1032622	ALASKAN GREENERY	Standard Marijuana Cultivation Facility	61.095362	-146.2135	Complete	3250 RICHARDSON HIGHWAY				VALDEZ
10074	1030968	88 DOUBLE HAPPINESS LLC	Standard Marijuana Cultivation Facility	61.10573	-149.565	Complete	2905 Tanglewood Drive				Anchorage
10080	1032725	DREAM GREEN FARMS	Standard Marijuana Cultivation Facility	61.223358	-149.8255	Complete	2939 PORCUPINE DRIVE				ANCHORAGE
10095	1032952	RAINFOREST	Standard Marijuana Cultivation Facility	61.159	-149.889	Complete	501 Raspberry Rd				KETCHIKAN
10098	1032945	RASPBERRY	Standard Marijuana Cultivation Facility	61.159	-149.889	Complete	501 Raspberry Rd				ANCHORAGE

10122	1032575		Limited Marijuana Cultivation Facility	Complete		SEWARD
STONEY CREEK GROWERS, LLC		Public Notice	60.177635	-149.3842	33485 VINEWOOD LN	
10136	1019601	NORTHERN	Standard Marijuana Cultivation Facility	Complete		SITKA
10141	1015840		Limited Marijuana Cultivation Facility	Complete		SKAGWAY
COYOTE AND TOAD'S GARDEN, LLC		Public Notice	59.485	-135.28	100 RIO FAUX LOBO	
10147	1033200	PERMAFROST	Limited Marijuana Cultivation Facility	Complete		NIKISKI
DISTRIBUTORS		Public Notice	60.716331	-151.3544	54200 LEONARD DR.	
10148	1032889		Limited Marijuana Cultivation Facility	Complete		HOMER
TALISMAN FARMS		Public Notice	59.6975	-151.5225	62250 CROSSMAN RIDGE RD	
10156	1033291		Standard Marijuana Cultivation Facility	Complete		FAIRBANKS
ELEVATED INNOVATIONS, LLC		Public Notice	64.877466	-147.0808	405 REAM LN	
10161	1027910		Standard Marijuana Cultivation Facility	Complete		ANCHORAGE
THE FROST FRONTIER		Public Notice	61.143289	-149.8744	8535 Dimond D Circle	Unit C
10170	1033384		Limited Marijuana Cultivation Facility	Complete		WASILLA
GREEN DEGREE		Public Notice	61.55677	-149.4853	2301 South Knik Goose-Bay Road #1	
10174	1028839		Standard Marijuana Cultivation Facility	Complete		ANCHORAGE
PARALLEL 64 LLC		Public Notice	61.227	-149.84	2132 North Post Road	
10186	1014090		Marijuana Testing Facility	Complete		ANCHORAGE
AK GREEN LABS LLC		Public Notice	61.19718	-149.8722	2509 FAIRBANKS ST UNIT A	
10189	1033589	SUBSISTENCE	Limited Marijuana Cultivation Facility	Complete		FAIRBANKS
10203	1033898		Standard Marijuana Cultivation Facility	Complete		FAIRBANKS
ALASKA CANNABIS CULTIVATORS		Public Notice	64.809948	-147.7816	2693 Aria St.	Unit 7
10207	1033939		Standard Marijuana Cultivation Facility	Complete		FAIRBANKS
TANANA HERB COMPANY, LLC		Public Notice	64.464	-147.5957	3495 Old River Landing	
10210	1032852	CANNABOYD	Limited Marijuana Cultivation Facility	Complete		HOMER
		Public Notice	59.764394	-151.2043	35047 Lowbush St.	
10216	1034111		Standard Marijuana Cultivation Facility	Complete		KASILOF
ALASKA BUD BROTHERS		Public Notice	60.309	-151.21	22720 Yukon Road	
10230	1033032		Standard Marijuana Cultivation Facility	Complete		FAIRBANKS
PAKALOLO SUPPLY COMPANY, INC.		Public Notice	64.847111	-147.7523	1851 Fox Avenue	
10239	1033613		Limited Marijuana Cultivation Facility	Complete		BIRD CREEK
ALASKA RUSTIC LLC		Public Notice	60.972024	-149.4452	184 Ray Halla Lane	
10248	1034747		Standard Marijuana Cultivation Facility	Complete		ANCHORAGE
ISIDORE		Public Notice	61.102	-149.53	100 W. International Airport Rd.	
10284	1032027		Standard Marijuana Cultivation Facility	Complete		ANCHORAGE
CATALYST CANNABIS COMPANY		Public Notice	3/1/1900 4:12	-149.8746	5001 Eagle St., Suite B	
10288	1031682	FOXY	Standard Marijuana Cultivation Facility	Complete		FAIRBANKS
ENTERPRISES		Public Notice	3/4/1900 23:09	-147.5952	2330 Gunner Lane	
10293	1035954		Standard Marijuana Cultivation Facility	Complete		ANCHORAGE
AK FUZZY BUDZ		Public Notice	3/1/1900 4:42	-149.875	2612 Eagle St	
10027	1032790		Standard Marijuana Cultivation Facility	Complete		NORTH POLE
BLACK RAPIDS LLC		Public Notice	3/4/1900 20:04	-147.4394	721 CLOUD ROAD	



Marijuana Policy Reform in the 114th Congress

Twenty-three states and the District of Columbia allow doctors to recommend marijuana for medical purposes, and four states have removed all penalties for the adult use of marijuana, instead taxing and regulating marijuana in a manner similar to alcohol. A bipartisan coalition of members of Congress from around the country have introduced a series of bills to address the growing tension between state and federal marijuana laws and allow states to be what Justice Brandeis famously called “laboratories of democracy.”

H.R. 1940 – The “Respect State Marijuana Laws Act”

- Modifies the Controlled Substances Act so that anyone operating in compliance with state marijuana laws is immune from Federal prosecution. This would apply to all marijuana-related activities, medical and non-medical, in the states in which they are authorized.
- Sponsored by Rep. Dana Rohrabacher (R-CA); 14 co-sponsors (five Republicans)
- Assigned to House Judiciary and Energy and Commerce committees

S. 2237 – The “Ending Federal Marijuana Prohibition Act of 2015”

- Removes marijuana from the Controlled Substances Act and deletes out all marijuana-specific offenses and penalties, including current mandatory five and 10 year minimums for manufacture, distribution, or possession with intent to distribute certain amounts of marijuana. It also prohibits the shipping or transportation of marijuana if the recipient would be in violation of state laws prohibiting marijuana possession or sales.
- Sponsored by Sen. Bernie Sanders (D-VT)
- Assigned to the Senate Judiciary Committee

H.R. 1538 and S.683 – The “Compassionate Access, Research Expansion, and Respect States Act of 2015”

- Allows states to determine their own medical marijuana policies without federal interference, reschedules marijuana from Schedule 1 to schedule 2, revises banking laws to allow banks to provide financial services to legal marijuana businesses, eliminates burdensome and duplicative barriers to legitimate medical research, and allows Veterans Affairs physicians to discuss or recommend medical marijuana with their patients.
- Sponsored by Rep. Steve Cohen (D-TN) & Sen. Cory Booker (D-NJ); 22 House co-sponsors (11 Republicans), 15 Senate co-sponsors (two Republicans and one Independent)
- Assigned to the Senate Judiciary Committee and the following House committees: Financial Services, Veterans Affairs, Judiciary, and Energy and Commerce

H.R. 667 – The “Veterans Equal Access Act”

- Authorizes VA health care providers to provide veterans with recommendations and opinions regarding participation in their state’s marijuana programs.
- Sponsored by Rep. Earl Blumenauer (D-OR); 20 co-sponsors (seven Republicans)
- Assigned to the House Veterans’ Affairs Committee

H.R. 262 – The “States’ Medical Marijuana Property Rights Protection Act”

- Prevents federal officials from using asset forfeiture laws against property owners who lease to marijuana businesses in compliance with state medical marijuana laws.
- Sponsored by Rep. Barbara Lee (D-CA); one co-sponsor
- Assigned to House Judiciary and Energy and Commerce committees

H.R. 1013 & 1014 – The “Regulate Marijuana Like Alcohol Act” and “Marijuana Tax Revenue Act of 2015”

- Removes marijuana from all schedules of controlled substances under the Controlled Substances Act and subjects marijuana to the same regulations that apply to intoxicating liquors and distilled spirits. Grants the FDA the same authorities with respect to marijuana as it has for alcohol and transfers functions relating to marijuana enforcement from the DEA to the ATF.
- Sponsored by Reps. Jared Polis (D-CO) and Earl Blumenauer (D-OR); 18 co-sponsors (one Republican)
- Assigned to the following committees: Natural Resources, Ways and Means, Agriculture, and Energy and Commerce

H.R. 1855 and S. 987 – The “Small Business Tax Equity Act”

- Amends the IRS code to exempt a trade or business that conducts marijuana sales in compliance with state law from the prohibition against deductions for expenditures in connection with trafficking in controlled substances.
- Sponsored by Rep. Earl Blumenauer (D-OR) and Sen. Ron Wyden (D-OR); 16 House co-sponsors (five Republicans) and three Senate co-sponsors (one Republican)
- Assigned to House Ways and Means and Senate Finance committees

H.R. 2076 and S. 1726 – The “Marijuana Business Access to Banking Act”

- Updates federal banking laws and rules to allow banks to provide financial services to state-legal marijuana businesses, promoting community safety and financial security.
- Sponsored by Rep. Ed Perlmutter (D-CO) and Sen. Jeff Merkley; 33 House co-sponsors (three Republicans), and seven Senate co-sponsors (two Republicans, one Independent)
- Assigned to House Financial Services and Judiciary and Senate Banking committees

H.R. 3124 – The “Clean Slate for Marijuana Offenses Act of 2015”

- Allows individuals who have been convicted of a federal marijuana offense that was either legal under state law or involved less than one ounce to have the conviction expunged from their records following the completion of their sentences.
- Sponsored by Rep. Earl Blumenauer (D-OR)
- Assigned to the House Judiciary Committee

H.R. 3518 - The “Stop Civil Asset Forfeiture Funding for Marijuana Suppression Act”

- Eliminates the DEA’s Domestic Cannabis Eradication/Suppression Program, funded through asset forfeiture dollars given the trend toward regulating marijuana like alcohol, which disincentivizes cultivation on public lands, reducing need for eradication activities.
- Sponsored by Reps. Justin Amash (R-MI) and Ted Lieu (D-CA); four other co-sponsors
- Assigned to House Judiciary Committee

