



MEMORANDUM

TO: Marijuana Control Board

DATE: November 7, 2023

FROM: Kristina Serezhenkov, Regulations
Specialist

RE: Regulations Project - Revoke
Acceptance, Transportation

The board approved the draft regulations for initial Law review at the June, 2023 meeting. Upon the Department of Law's approval, the draft was sent out for official public comment with the comment period closing 9.13.2023. Comments were received and are attached.

Options for the board:

- Move to adopt and send to Law for final review.
- Move to amend and adopt and then send to Law for final review.
- Move to send back to staff for more work
- Close the regulations project

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

3 AAC 306.305(a) is amended to read:

3 AAC 306.305. Retail marijuana store privileges. (a) A licensed retail marijuana store is authorized to

(1) sell marijuana purchased from a licensed marijuana cultivation facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.475 in an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises or as permitted under 3 AAC 306.995 for consumption off the licensed premises;

(2) reject or revoke acceptance of marijuana purchased from a licensed marijuana cultivation facility;

(3)[(2)] sell a marijuana product purchased from a licensed marijuana product manufacturing facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.565, and 3 AAC 306.570, in a quantity not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises or as permitted under 3 AAC 306.995 for consumption off the licensed premises;

(4) reject or revoke acceptance of a marijuana product purchased from a licensed marijuana product manufacturing facility;

(5) salvage and sell kief, trim, or flower separated from marijuana purchased from a licensed marijuana cultivation facility while preparing the marijuana with required packaging and labeling under 3 AAC 306.345, 3 AAC 306.565, and 3 AAC 306.570 to an individual on the licensed premises;

(6)[(3)] store marijuana and marijuana **product** [PRODUCTS] on the licensed premises in a manner consistent with 3 AAC 306.710 - 3 AAC 306.720;

(7)[(4)] with prior approval of the board, permit consumption of marijuana or a marijuana product purchased on the licensed premises, in a designated area on the licensed premises.

(Eff. 2/21/2016, Register 217; em am 4/17/2020 - 8/14/2020, Register 234; am 11/24/2020, Register 236; am 12/10/2020, Register 236; am ____/____/_____, Register _____)

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

3 AAC 306.330(a) is amended to read:

(a) A retail marijuana store shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana and marijuana product in the retail marijuana store's possession is identified and tracked from the time the retail marijuana store receives, **rejects, or revokes acceptance of** any batch of marijuana or lot of marijuana product through the sale, transfer to another licensed marijuana establishment, or disposal of the batch of marijuana or lot of marijuana product.

3 AAC 306.330(b) is amended to read:

(b) When marijuana from a marijuana cultivation facility or marijuana product from a marijuana product manufacturing facility is delivered or transported to the licensed premises of a retail marijuana store, the retail marijuana store shall immediately enter identification information for that batch of marijuana or lot of marijuana product into the retail marijuana

store's marijuana inventory tracking system. A retail marijuana store **shall reject** [MAY NOT ACCEPT] marijuana or a marijuana product that does not have a valid transport manifest generated from the marijuana inventory tracking system of the marijuana establishment that originated the delivery.

(Eff. 2/21/2016, Register 217; am 1/22/2023, Register 245; am ____/____/_____, Register _____)

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

3 AAC 306.405(a) is amended to read:

(a) A licensed standard marijuana cultivation facility is authorized to

- (1) propagate, cultivate, harvest, prepare, cure, package, store, and label marijuana;
- (2) sell marijuana only to a licensed retail marijuana store, to another licensed marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;
- (3) accept marijuana from a licensed retail marijuana store that**
 - (A) rejected a shipment of marijuana; or**
 - (B) revoked acceptance of a shipment of marijuana;**
- (4)**[(3)] provide samples to a licensed marijuana testing facility for testing;
- (5)**[(4)] store inventory on the licensed premises; any stored inventory must be secured in a restricted access area and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730;
- (6)**[(5)] transport marijuana in compliance with 3 AAC 306.750;

~~(7)~~[(6)] conduct in-house testing for the marijuana cultivation facility's own use;

~~(8)~~[(7)] provide marijuana samples to a licensed retail marijuana store or marijuana product manufacturing facility for the purpose of negotiating a sale;

~~(9)~~[(8)] begin initial operations at the time of preliminary inspection by an employee or agent of the board with

(A) 12 or fewer mature, non-flowering plants, designated and used as mother plants;

(B) any number of immature plants; and

(C) any number of seeds for cultivation on the licensed premises;

~~(10)~~[(9)] introduce a new strain after written approval by the director on a form prescribed by the board, by

(A) receiving not more than six clones or cuttings from a person 21 years of age or older, without compensation; or

(B) receiving not more than 10 seeds from a person 21 years of age or older, without compensation, for cultivation on the licensed premises.

(Eff. 2/21/2016, Register 217; am 10/20/2018, Register 228; am 12/10/2020, Register 236; am ___/___/___, Register ___)

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

3 AAC 306.480 is amended to read:

3 AAC 306.480. Marijuana tax to be paid. A marijuana cultivation facility[, INCLUDING A STANDARD MARIJUANA CULTIVATION FACILITY AND A LIMITED

MARIJUANA CULTIVATION FACILITY,] shall submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment. (Eff. 2/21/2016, Register 217; am ___ / ___ / _____, Register _____)

Authority: AS 17.38.010 AS 17.38.121 AS 17.38.200
[AS 17.38.030] AS 17.38.150 AS 17.38.900
AS 17.38.070 AS 17.38.190

3 AAC 306.505(a) is amended to read:

(a) Except as provided in 3 AAC 306.515, a licensed marijuana product manufacturing facility, including a marijuana concentrate manufacturing facility, is authorized to

(1) purchase marijuana from a marijuana cultivation facility or from another marijuana product manufacturing facility;

(2) extract marijuana concentrate in compliance with 3 AAC 306.555;

(3) manufacture, refine, process, cook, package, label, and store marijuana

product [PRODUCTS] approved under 3 AAC 306.525, including

(A) marijuana concentrate; or

(B) any product intended for consumption or use on the body that is comprised of marijuana and other ingredients, including edible products, ointments, salves, patches, or tinctures;

(4) sell, distribute, or deliver marijuana extract or any marijuana product only to a licensed retail marijuana store or to another licensed marijuana product manufacturing facility;

(5) reject or revoke acceptance of marijuana purchased from a licensed marijuana cultivation facility or another marijuana product manufacturing facility;

(6) accept marijuana product from a licensed retail marijuana store or another marijuana product manufacturing facility that

(A) rejected a shipment of marijuana product; or

(B) revoked acceptance of a shipment of marijuana product;

(7)[(5)] provide and transport samples of marijuana concentrate or other marijuana product to a licensed marijuana testing facility for testing;

(8)[(6)] provide a sample of marijuana concentrate or a marijuana product approved under 3 AAC 306.525 to a licensed retail marijuana store for the purpose of negotiating a sale;

(9)[(7)] store inventory in a restricted access area on the licensed premises as provided in 3 AAC 306.535;

(10)[(8)] transport marijuana in compliance with 3 AAC 306.750;

(11)[(9)] conduct in-house testing for the marijuana product manufacturing facility's own use.

(Eff. 2/21/2016, Register 217; am 12/10/2020, Register 236; am ____/____/_____, Register ____)

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

3 AAC 306.540(a) is amended to read:

(a) A marijuana product manufacturing facility shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure that the marijuana product manufacturing facility identifies and tracks any marijuana or marijuana product from the time the marijuana or

marijuana product is received, through

(1) use of the marijuana or marijuana product in manufacturing any other marijuana product;

(2) sale or transfer of the marijuana or marijuana product originally received, or any marijuana product manufactured at that marijuana product manufacturing facility to another licensed marijuana establishment; [AND]

(3) return of marijuana product from a licensed retail marijuana store or another marijuana product manufacturing facility that

(A) rejected a shipment of marijuana product; or

(B) revoked acceptance of a shipment of marijuana product;

(4)[(3)] disposal of any expired or outdated marijuana or marijuana product that is not sold or transferred to another licensed marijuana establishment **and**

(5) [(4)] relocation of marijuana or marijuana **product** [PRODUCTS] to the new licensed premises in the case of a transfer of a marijuana establishment license to another location approved by the board.

(Eff. 2/21/2016, Register 217; am 1/22/2023, Register 245; am ___ / ___ / _____, Register _____)

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

3 AAC 306.750(d) is amended to read:

(d) During transport, the marijuana or marijuana product must be in a sealed package or container and in a locked, safe, and secure storage compartment in the vehicle transporting the

marijuana or marijuana product. **While the secure storage compartment may be opened to access or rearrange its contents, the** [THE] sealed package **containing the marijuana or marijuana product** may not be opened during transport. A vehicle transporting marijuana or a marijuana product must travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and may not make unnecessary stops in between except to deliver or pick up marijuana or a marijuana product at another licensed marijuana establishment. **For the purposes of this subsection, “unnecessary stops” do not include stops for the safe delivery of marijuana or marijuana products, including**

(1) transport vehicle refueling;

(2) basic transport vehicle maintenance;

(3) necessary rest and food breaks for a person transporting marijuana or marijuana product;

(4) delivery or deposit of monetary receipts at a financial institution or payment of state excise taxes if the delivery, deposit, or payment location is not significantly off the transport route.

(Eff. 2/21/2016, Register 217; am 10/11/2017, Register 224; am 8/11/2018, Register 227; em am 4/17/2020 - 8/14/2020, Register 234; em am 5/7/2020 - 8/14/2020, Register 234; am 1/22/2023, Register 245; am ___/___/_____, Register _____)

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

From: [Alaska Online Public Notices](#)
To: [Serezhenkov, Kristina R \(CED\)](#)
Subject: New Comment on NOTICE OF PROPOSED CHANGES TO REJECT OR REVOKE ACCEPTANCE OF MARIJUANA PRODUCT AND TO TRANSPORTATION IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD
Date: Monday, August 14, 2023 10:04:04 AM

A new comment has been submitted on the public notice [NOTICE OF PROPOSED CHANGES TO REJECT OR REVOKE ACCEPTANCE OF MARIJUANA PRODUCT AND TO TRANSPORTATION IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD](#).

Submitted:

8/14/2023 10:03:57 AM

Jenny Koenig
jenny@kreativekonfections.com

Wasilla, AK, US
Anonymous User

Comment:

Thank you for creating these much-needed clarifications! OF COURSE both retail stores and manufacturers should be able to reject a transfer without having issues with AMCO enforcement. We have to be able to run our businesses properly. Sometimes that means rejecting product that is incorrect in some way or even inferior in quality.

Thank you also for the clarifications of what is NOT "unnecessary" stops. The last thing we've all needed while on 8-hour+ delivery trips is to be hassled for stopping for gas, food, bathroom breaks, or other completely necessary stops just because those reasons were not clearly called out in the regs.

You can review all comments on this notice by [clicking here](#).

[Alaska Online Public Notices](#)

From: [Ryan Tunseth](#)
To: [CED AMCO REGS \(CED sponsored\)](#)
Cc: [Aaron Stiassny](#); [Nick Miller](#); [Brandon Emmett](#); [chelsea foster](#); [Jana Weltzin](#); [Jane Stinson](#); [Lacy Wilcox](#); [mike](#); [Tina Smith](#); [Trevor Haynes](#); [Kim Kole \(via Google Docs\)](#); [Bailey Stuart](#)
Subject: Reject / Revoke Comment
Date: Wednesday, September 13, 2023 3:55:50 PM
Attachments: [AMIA 9.13.23 Reject or Revoke Accpetance of Marijuana Comment Final letter.pdf](#)

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Attached,

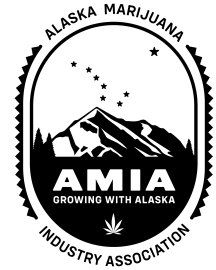
Thank you

AMIA Board of Directors.

Date: 9/13/2023

To: Alaska Marijuana Control Board (MCB)
amco.regs@alaska.gov

From: Alaska Marijuana Industry Association (AMIA)
president@alaskamia.org



Re: Comment on MCB proposed changes to regulations in Title 3, Chapter 306 of the Alaska Administrative Code

The Alaska Marijuana Industry Association is in support of the proposed regulation changes. These changes in regulation language are a welcome addition by industry. The proposed changes will allow our industry to operate in a normalized capacity that promotes public health by not placing our industry members in a position where a product has been purchased but may be of questionable safety. These regulations allow us to back track products and for these products to be repurposed in a manner that is safe for the consumer.

The proposed transportation regulation clarity is also a welcome addition. The definition of unnecessary stops provides assurance the industry has been looking for. Many of our members want to operate within the boundaries of regulations, however, when confronted with confusing regulation language that is not in favor of our industry and public safety, it is hard to know what is allowable. These proposed language changes provide the industry with the latitude we have been seeking.

As written it seems to allow for transfers back to where the product originated. The proposed regulation changes do not seem to allow for retail licensees to move products to manufacturing licensees that came from cultivators. Being able to move cultivation products from a retail to a manufacturing is an important addition to this product flow. The proposed regulations are written, so that a retail licensee can return product to a cultivator, but what happens if the cultivator does not want to accept it back because the product was purchased too long ago? Allowing the transfer to a manufacturing license for processing would allow the retailer to utilize the product instead of wasting the product. This would lessen the likelihood of diversion, and lead to less monetary loss in the industry.

Please consider allowing retailers to transfer cultivated marijuana to manufacturers within these regulation changes. If it is possible to incorporate this additional change without risking the department of laws interference in the change moving forward, I would think this would be a welcome addition. However, if council believes this addition would reduce the chance of the regulation moving forward, we still view this as progress and remain in support of the change.

Respectfully,

AMIA Board of Directors
Ryan Tunseth, President

From: [Barret Goodale](#)
To: [CED AMCO REGS \(CED sponsored\)](#)
Subject: Public Comment on: PROPOSED CHANGES TO REJECT OR REVOKE ACCEPTANCE OF MARIJUANA PRODUCT AND TO TRANSPORTATION
Date: Wednesday, September 13, 2023 4:14:57 PM

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Dear Members of the Marijuana Control Board,

I would like to thank you for taking the initiative to change the regulation in a manner to allow for the free movement of products through the industry in order to facilitate normal business practices.

Staff did an excellent job drafting this regulation change. As written it seems to allow for transfers back to where the product originated. The proposed regulation changes do not seem to allow for retail licensees to move products to manufacturing licensees that came from cultivators.

Being able to move cultivation products from a retail to a manufacturing is an important addition to this product flow. The proposed regulations are written, so that a retail licensee can return product to a cultivator, but what happens if the cultivator does not want to accept it back because the product was purchased too long ago? Allowing the transfer to a manufacturing license for processing would allow the retailer to utilize the product instead of wasting the product. This would de-incentivise diversion, and lead to less monetary loss in the industry.

Please consider allowing retailers to transfer cultivated marijuana to manufacturers within these regulation changes.

I understand that the regulation changes may have been drafted to only include the revocation of acceptance to skirt having to worry about the gray area of the statute. If it is possible to incorporate this additional change without risking the department of laws interference in the change moving forward, I would think this would be a welcome addition. However, if council believes this addition would reduce the chance of the regulation moving forward, then I understand that as written it is still progress and I would be in support of the change.

Finally, I believe the regulation as written may cause potential issues. When a product is rejected in Metrc it returns to the originating facility's Metrc inventory. Presumably, revoking acceptance would work in the same manner. This could be an issue as it does not take into consideration how long the retailer had the product or how it was stored. A cultivator should not be forced to take their product back after it has been sitting in unknown conditions in another party's possession for an extended period of time unless they agree to do so. The regulation would be more appealing if that transfer from a retailer back to the cultivator was an option, but had to be mutually agreed upon to be conducted.

Thank you for your consideration.

Sincerely,
C. Barret Goodale
GOOD Cultivation Manager
907-699-9478

Follow GOOD on [Instagram](#), [Twitter](#), and [Facebook](#)
Alaska Marijuana Industry Association member
