

Date: 11/03/2023

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

From: Alaska Marijuana Industry Association (AMIA)  
[president@alaskamia.org](mailto: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 (AMIA) would like to acknowledge the strong teamwork being displayed between the Marijuana Control Board and the Alcohol & Marijuana Control Office. This team effort has resulted in many positive advances over the past months. We recognize and applaud the hard work of everyone involved. Thank you for hearing our concerns and helping to promote commerce in the Alaska cannabis industry.

The recent special meeting on testing facilities was insightful. This meeting helped the industry understand, from the testing facility perspective, how heavy metals and pesticide testing regulations could affect our industry. The AMIA supports implementing randomized testing of pesticides and heavy metals as well as allowing testing facilities to pursue out-of-state investment to accommodate the intense capital expenditures required for the new testing regiment.

The AMIA would like to remind the Marijuana Control Board that we are in support of a full Title 3, Chapter 306 rewrite. We believe that Director Joan Wilson is the right person to lead this effort. Director Wilson has already offered to draft a revision to the regulations that will eliminate redundancy and increase efficiency, all while keeping public health and safety a priority. After 9 years since regulation creation and implementation, and with 7 years of business operations under these regulations, we believe there is enough information to revise the regulations in a way that will improve commerce, regulatory efficiency, while maintaining public health and safety.

This last quarter we saw AMCO release advisories that promoted industry safety, and we want to acknowledge enforcement's role in these efforts. As an industry, we have been outspoken about our concerns about the safety of marijuana transportation across the state of Alaska. It was not a matter of if but when current transportation practices were going to result in dramatic and harmful incidents. These new changes help reduce security concerns and decrease the chances of adverse events. Thank you to enforcement for acknowledging the changes that needed to be made to protect industry employees and the public. Today we operate in a safer industry, and many of our members will rest more peacefully knowing that staff and the public is not continuously being placed in harm's way.

Lastly, we want to thank the Marijuana Control Board for hearing our concerns about the loophole of intoxicating hemp products in Alaska. This has been one of the most important issues for our industry since the adoption of the hemp program in Alaska. The Division of Agriculture has released new regulations that will better protect the public from confusion and concerns of unintended intoxication. Changes like these take a whole community, and we are very grateful for AMCO's effort to help address this issue.

Respectfully,

AMIA Board of Directors  
Public Relations and Governance Committee

## **Governor's Task Force on Recreational Marijuana Monthly Report – November 2023**

Honorable Governor Dunleavy,

Your Advisory Task Force on Recreational Marijuana continues to meet at least monthly. Our last meeting was on October 10, 2023. We have been very productive over the past year and believe that we are making meaningful and positive recommendations. A complete copy of our task force report<sup>1</sup> can be found on the AMCO website.

Tax remains our top priority. Currently there is a proposed bill (HB119)<sup>2</sup> that would shift the tax burden from cultivation to retail and allow for the tax amount to fluctuate based on market price for the product, since the tax would be a percentage of sales. We believe that this is a necessary first step towards improving the viability of Alaska's cannabis industry. We will continue to keep you updated on this bill and will work with your office to ensure it is line with priorities of this Administration, most specifically, fostering a vital and strong business climate in Alaska.

Intoxicating hemp was also a main focus area. New regulations closing the loophole were recently signed by Lieutenant Governor Dahlstrom<sup>3</sup>. They will be effective November 3, 2023. We fully supported these regulation changes and appreciated the support of your office as we navigated this complex issue. These regulations will end the lawful sales of intoxicating hemp products in Alaska, particularly to minors. They also remove the unintended consequence of having untaxed intoxicating products unfairly competing against highly taxed and regulated recreational marijuana products.

We remain focused on identifying opportunities that will improve the business landscape for Alaskans. As you are aware, the US Dept. of Health and Human Services has recommended to the US Drug Enforcement Agency that Marijuana be rescheduled from a Class I Controlled Substance to a Class III Controlled Substance<sup>4</sup>. We are in full support of this change and may request a letter of concurrence from your office. This change would remove unnecessary tax burdens on cannabis businesses by removing them from the IRS 280E rule, thereby allowing them to deduct business expenses before determining taxable revenue. We will continue to engage your office on this issue, as well as other federal issues including safe access to banking.

At the state level, we continue to focus on opportunities to streamline regulations and support the AMCO office. Recently changes were made, after thoughtful consultation with industry and AMCO staff, that improved the safety of our industry by removing detailed route information from transport manifests. This change highlights the positive and productive working relationship that exists within the industry, AMCO staff, and the Control Board.

There are several areas that we will be focusing on over the next month including: identifying solutions to our current testing regulations to include heavy metal and pesticide testing, developing best practices guidelines for licensed operators, reviewing regulations applicable to marijuana handler courses to ensure proficiency in key regulatory requirements, and identifying further opportunities to lessen the tax liabilities on our marijuana farmers.

Currently, three regulatory projects – intended to reduce administrative burdens but still protect public health and safety are out for public comment. These include reduced fees for changes in ownership applications, increases to the number of clones or cuttings that may be introduced on a cultivator's licensed premises to test and improve strains, and to change packaging requirements to allow for variety packs.

We will continue to provide your office with monthly updates. If there is anything specific that you would like us to include or items that you feel we are not appropriately addressing, please let us know. We are excited to continue to provide value to Alaskans through this task force and thank you for your continued support.

Respectfully on behalf of the Task Force,

Brandon Emmett  
Chair, Governor's Task Force on Recreational Marijuana

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<sup>1</sup> [Governors Advisory Task Force on Recreational Marijuana – Task Force Report](#)

<sup>2</sup> [HB 119](#)

<sup>3</sup> [Industrial Hemp Regulation Changes 2023](#)

<sup>4</sup> [HHS Recommends Rescheduling to DEA August 2023](#)

**From:** [Sawyer, Jane Preston \(CED\)](#)  
**To:** [Marijuana, CED ABC \(CED sponsored\)](#)  
**Subject:** FW: Clarification: Product Sampling at a Retail Location  
**Date:** Monday, October 30, 2023 12:10:18 PM  
**Attachments:** [image001.png](#)

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Please include this email thread for the board for the November meeting.

Jane

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**From:** Lloyd Stiassny <lloyd@edenalaska.com>  
**Sent:** Monday, October 30, 2023 11:55 AM  
**To:** Sawyer, Jane Preston (CED) <jane.sawyer@alaska.gov>  
**Cc:** Aaron Stiassny <aaron@edenalaska.com>  
**Subject:** Re: Clarification: Product Sampling at a Retail Location

Jane, Thank you for the response. Candidly, the lack of guidance is creating tremendous confusion for the industry, which you have acknowledged. There is abuse currently by some license holders that clearly creates opportunity for distribution to minors. I would ask and request that the Board repeal the removal of the prohibition on providing samples. My recommendation would be to develop a regulation that addresses samples by retail license holders that maintains property regulation and clarity for all. There is nothing more important for our industry than sound regulations that provide clarity and consistency for all license holders.

Please let me know if there is anything I can do to help mitigate the confusion surrounding "sampling" and your recommendation for how best to proceed as an industry.

Sincerely,

Lloyd Stiassny  
Eden Management Group LLC dba Uncle Herbs

On Mon, Oct 30, 2023 at 11:39 AM Sawyer, Jane Preston (CED) <[jane.sawyer@alaska.gov](mailto:jane.sawyer@alaska.gov)> wrote:

Good morning, Lloyd,

The board did not give guidance on free samples, and a licensee is, by no means, mandated to provide free samples.

What creates the confusion is that 3 AAC 306.310(b)(3) was amended to remove the prohibition of free samples. In other words, the board did not create a regulation that allows for free sample; it just removed the prohibition of it. Attached is the approved, signed, and final draft.

Respectfully,  
Jane

Jane P. Sawyer

Program Coordinator  
DCCED-Alcohol and Marijuana Control Office  
550 W. 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
907-269-0490



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**From:** Lloyd Stiasny <[lloyd@edenalaska.com](mailto:lloyd@edenalaska.com)>  
**Sent:** Thursday, October 26, 2023 9:28 AM  
**To:** Wilson, Joan M (CED) <[joan.wilson@alaska.gov](mailto:joan.wilson@alaska.gov)>  
**Subject:** Fwd: Clarification: Product Sampling at a Retail Location

You don't often get email from [lloyd@edenalaska.com](mailto:lloyd@edenalaska.com). [Learn why this is important](#)

**CAUTION:** This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Joan, Good Morning. Resending the attached email as I'm not sure you received it.

Thank-you,

Lloyd Stiasny  
Eden Management Group  
(907) 230-6436

----- Forwarded message -----

From: **Lloyd Stiasny** <[lloyd@edenalaska.com](mailto:lloyd@edenalaska.com)>  
Date: Fri, Oct 20, 2023 at 7:52 AM  
Subject: Clarification: Product Sampling at a Retail Location  
To: <[joan.wilson@alaska.gov](mailto:joan.wilson@alaska.gov)>  
Cc: Aaron Stiasny <[aaron@edenalaska.com](mailto:aaron@edenalaska.com)>

Joan, good morning. I would very much appreciate it if you or a staff member would please clarify the AMCO regulation changes that I understand may allow product sampling at a Retail location. I have not been able to succinctly understand from a review of regulation what change may have occurred and how it will affect our operating procedures.

I do know that we have had numerous customers come into our retail store(s) recently, requesting product samples. We are unclear as to what guidance to offer our staff. I am aware that we will not be making any changes until the City of Anchorage adopts the regulation change.

I do not support, nor do I believe that product "sampling" at the retail level is healthy for the industry. If it is allowable for retail stores to offer customers "samples", I honestly believe we are creating a disruptive environment for the industry that will have unintended consequences. If the intent is to allow "free" samples this would be particularly disruptive, and contrary to the goal of maintaining a safe, compliant, well regulated industry for the public. If an individual is allowed to visit multiple shops daily, and secure samples for consumption, I am certain many of these samples will find their way to our youth under 21, or other unregulated markets.

Hopefully I'm misinformed, and this change in regulation is not an open door for retail "sampling". I was not aware of the change, if one has occurred, although I have had health issues over the past 6-months and may have missed it. Was there a public comment period?

Your clarification would be very much appreciated and I am available to meet with you and/or a staff member at your convenience as well.

Thank you for your time, and we appreciate the work you and your staff do for the industry.

Very Truly Yours,

Lloyd Stiasny, Owner  
Eden Management Group dba Uncle Herbs  
(907) 230-6436