



MEMORANDUM

TO: Marijuana Control Board

DATE: Thursday, March 18, 2021

FROM: James Hoelscher, Enforcement Supervisor

RE: Enforcement Report, Marijuana

A handwritten signature in black ink, appearing to read "James Hoelscher".

AMCO enforcement welcomes the new board members to both boards. We understand public service, commitment and appreciate you volunteering to serve on the respective board.

I would like to thank the Director, ABC and MCB boards for their participation in the creation of the enforcement priorities/principles. I would also like to thank them on their participation in our policies and procedures, It was long overdue and we appreciate having more direction and updated policies.

AMCO enforcement would like to thank the licensees for the smooth transition when the emergency order expired this past January. Enforcement has not received any reports of any violations afterwards.

In the past year most of the inspections have been virtual. We have transitioned to having in person inspections as the priority.

We have implemented the new statistics tracking this past January. I ask the board to have an understanding that this will take time for us to adjust to the new format and any pattern of progress or degradation will take a few years to show.

Marijuana:

Enforcement has been asked to review special event permit agreements for marijuana. These can be legally binding documents that also can be extremely lengthy. We do not feel it is our place to set policy for or approve these events unless or until the board creates this type of permit due to this liability. We were asking for your support on the record in this decision.

Can a marijuana product manufacturing facility become a distribution point?

Example: A cultivation facility wholesales their marijuana products to a product manufacturer. The product manufacture then sizes down or re-packages the marijuana products to be transferred to and sold at a retail store.

3 AAC 306.505 restrictions do not allow for the repackaging of marijuana for redistribution, only products and concentrates.

We received a consumer complaint regarding when marijuana is tested. The complaint was that the marijuana tested is tested prior to manicure and trimming, which causes the separation of trichomes and that the test results, taken prior to trimming, are no longer an accurate representation of what is now packaged and sold. Enforcement does agree that this can cause a potential discrepancy in the test result numbers as compared to actual salable product.

Marijuana Control Enforcement Principles

- Sales to minors/underage persons/furnishing to minors **(2)**
- Sale of untested product
- Illegal/unlicensed Marijuana Cultivations **(2)**
- Diversion
- Focused enforcement on problem premises with history of assaults, fights, weapons violations disorderly conduct and/or DUI's where premises was place of last drink-/ public safety /public health complaints
- Server Education
- METRC Violations
- Sales to drunken persons
- New license Inspections **(15)**
- General Complaints **(19)**
- Renewal Inspections
- Odor Complaints **(40)**
- Advertisement Violations **(1)**
- Coordinate retail enforcement efforts with AST and local LE during maximum enforcement periods to help decrease DUI and DUI-related accidents
- Training for LE agencies **(15) Total for both alcohol and marijuana**
- Community outreach & training for licensees
- Annual Inspections & walk throughs- tied to some of the above- including trade shows and routine. **(63)**

Alcohol Beverage Control Enforcement Principles

- Sales to minors/underage persons/ furnishing to minors
- Over Service/Sale to Drunken Person **(2)**
- Illegal sales by unlicensed facilities/sellers
- Server Education **(1)**
- Focused enforcement on problem premises with history of assaults, fights, weapons violations disorderly conduct and/or DUI's where premises was place of last drink-/ public safety /public health complaints. **(3)**
- Undisclosed Financial Interest
- Gambling/prostitution (ties to human trafficking on licensed premises)
- General Complaints **(5)**
- Coordinate retail enforcement efforts with AST and local LE during maximum enforcement periods to help decrease DUI and DUI-related accidents
- Training for LE agencies. **(15) Total for both alcohol and marijuana.**
- Community outreach & training for licensees
- Inspections & walk throughs- tied to some of the above- include permitted events, initial inspections and routine. **(106)**

Alcohol Advisories – **(4)**

Marijuana Advisories- **(7)**

Alcohol Notice of Violations- **(12)**

Marijuana Notice of Violations- **(30)**

Non-Rural Investigations – **(21)**

Rural Investigations – **(10)**

Enforcement calls/Requests – **(1653)**



March 18, 2021

Marijuana Control Board
Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

Re: Failure to pay taxes under AS 43.61.010 by licensed marijuana cultivation facilities

Pursuant to Alaska Statutes and Regulations, AS 43.05.230(e), AS 43.61.030 and 15 AAC 61.020, the Department of Revenue will inform the Marijuana Control Board of licensed cultivators that have failed to pay tax due or file a return as required by law.

As of March 17, 2021, there were 19 licensed cultivation facilities that failed to pay marijuana excise taxes as required under AS 43.61.010. The list below does not include accounts that are compliant on payment plans or out of business. It also does not include accounts that have past due balances under \$200. If we reported the total number of past due accounts for tax periods through January 31, 2020, we would report 47 licensed cultivators owing a total of \$2,040,129.

AMCO Cultivator Name	License	Balance
50 SHADES OF GREEN LLC	14956	\$ 16,431
ACP, LLC	20716	\$ 39,206
ALASKA CANNABIS COMPANY	12618	\$ 146,975
ALASKA LOVEN IT, LLC	12833	\$ 2,850
ALASKAN BLOOMS, LLC	10073	\$ 719,338
ALASKAN PHARMS, LLC	13785	\$ 5,092
ALTHEA'S MORNING BEAR CULTIVATION	14352	\$ 48,484
BLUE BEAR CANNAFARM	11424	\$ 15,707
BRO BRO BUDZ, LLC.	18516	\$ 2,356
COTTONMOUTH ROAD	17079	\$ 3,038
DREAM GREEN FARMS	10080	\$ 11,814
FIBERFLITE	13577	\$ 3,808
FIELD'S OF GREEN LLC	14800	\$ 1,255
FROZEN NORTH FARMS	10500	\$ 1,382
GREEN DEGREE	12022	\$ 134,706
GREENDREAMS CULTIVATION	10308	\$ 934
LAST FRONTIER JOINT OPERATIONS LLC.	11957	\$ 31,316
STONED SALMON FARMS	11605	\$ 48,193
VAN GEER ENTERPRISES, LLC	12002	\$ 800

Sincerely,

Emily Walker, Tax Auditor
Department of Revenue – Tax Division