



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce,
Community, and Economic
Development**

ALCOHOL AND MARIJUANA CONTROL OFFICE
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MEMORANDUM

TO: The Marijuana Control Board
DATE: June 24, 2022
FROM: Joan M. Wilson, Director *Jmw*
RE: Director's Report

INTRODUCTION

This is my inaugural report as AMCO Director to this Board. This report provides you a history of actions of AMCO since the last meeting of the Marijuana Control Board ("MCB") and a blueprint for the future.

STAFF UPDATES/CHANGES

AMCO's Administration, Licensing, and Enforcement Sections are fully staffed and trained. After training new marijuana licensing examiners, AMCO's Local Government Specialist is positioned to undertake the duties of this position on a full-time basis.

Despite full staffing, the queue for both alcoholic beverage and marijuana licensing still requires attention. After consultation with the Records and Licensing Supervisor and the Department of Commerce, Community, and Economic Development Deputy Commissioner, AMCO is positioned to recruit and hire a non-permanent administrative assistant for a limited period of time to assist licensing examiners on application intake, thereby freeing up examiners to review applications and reduce the queue.

ACH PAYMENTS FOR LICENSING AND PERMITTING FEES AND DROPBOXES FOR EXCISE TAXES

AMCO will have the capability to accept ACH payment of all marijuana licensing and permitting fees. Knowing how important this capability is to licensees, AMCO will endeavor to have this in place as soon as possible. I hope to have a specific timeframe to report to the Board at its meeting.

At the request of the Board Chair, I have also begun discussions with the Governor's Office and the Department of Revenue to have dropboxes in Juneau and Fairbanks for the payment of excise

taxes. As an initial matter, the estimated cost of each dropbox is considerably high. AMIA representatives have suggested that AMCO reach out to representatives of the Alaska Municipal League (“AML”) to determine if local governments might be able to accept the taxes on behalf of the State. I will follow-up on each of these options upon our return from Nome. In addition, it is possible a statutory change to Title 43 (Revenue) may permit the acceptance of ACH payments for taxes as well. I will be exploring this option as well.

QUEUE REVIEW

Although I have held the Director position for less than two months, I can ensure the MCB that during that time I have seen nothing but hard-working licensing examiners and administrative assistants. AMCO is dedicated to treating applicants fairly and equally. That said, licensees may have ideas on how AMCO can better address its backlog in applications and address queue priorities. Upon our return from Nome, the Program Coordinator, Records and Licensing Supervisor, and I will schedule a publicly noticed listening session to hear concerns from applicants. Any and all practical ideas will then be presented to this Board for its consideration. At a minimum, I believe AMCO can look at deadlines for Board meetings and perhaps make them more realistic so that completed applications that are submitted by the deadline will be presented to the Board. I am also discussions with the Department of Commerce on whether consent agenda items might be presented to the Board for electronic votes between Board meetings. Currently, the Department of Commerce utilizes an Open-Meetings-Act-compliant program for professional licensing boards that may be applicable to this Board as well. An initial meeting and demonstration of the program is scheduled for July 13, 2022.

ENFORCEMENT DATABASE SOFTWARE

Upon my initial meeting with AMCO’s enforcement team, nearly each member discussed the need for Enforcement’s own database for its investigations. AMCO has already received a \$200,000 capital budget to implement this request. The Program Coordinator, Chief Enforcement Officer, and I will work with both OIT and the Department of Commerce to contract for this work as soon as possible. The Chief of Enforcement and I will meet with Department of Commerce to determine whether the professional licensing enforcement program, built by Department of Commerce with outside vendor support, might be compatible or made compatible with AMCO Enforcement’s objectives.

METRC TRAINING

The Enforcement Report will no doubt summarize this important week of training, site visits, and user group discussions held June 20 through June 24, 2022.

FY2023 BUDGET AND CLOSE OF FY 2022 LICENSING FEES REPORT

Unless directed otherwise by this Board and effective at the Board’s September 2022 meetings, Board reports will include reports from AMCO’s Administrative Officer. Subject matters may include summaries of collected licensing fees, summaries of projected licensing fees, fiscal year

budget closeouts, requested operational and capital appropriations per fiscal year, and additional requests from the Board.

WORKING GROUPS

The Program Coordinator will summarize the working groups that have occurred since the last meeting of the MCB. Each summary will include a request for additional board action, which might include continuing discussions, create a regulations project, or close the working group.

LEGISLATIVE PROPOSALS

Legislative proposals for Department of Commerce Division Directors were due to the Commissioner on June 8, 2022. I advanced the following legislative proposals to the Commissioner. They are contingent on this Board's approval and recommendation of the same:

- Marijuana Task Force similar to last session's HB 289.
- Change from annual to biennial licenses
- Align the definitions of hemp and cannabis to address, tax, and regulate the sale of hemp derived intoxicating or impairing products (such as hemp derived Delta 9 edibles)
- Permit individuals aged 18 to 20.5 on licensed premises for compliance checks under AMCO oversight

CANNRA ANNUAL BOARD MEETING

The Program Coordinator and I attended the annual meetings of the Cannabis Regulators Association (CANNRA) in Seattle and Olympia Washington the week of June 6, 2022. CANNRA is composed of regulators from 43 states and territories, including all the states that have legalized adult use cannabis. The meeting is well attended. Many of the lower-48 states had from 7 to 15 representatives in attendance. Subjects covered included:

- U.S. Policy Level Setting: Results from the 2022 CANNRA Policy Tracker
- Special Committee Round Robins, including committees on testing, licensing, and compliance
- Cannabis Testing: Moving from Tracking Approaches Across States to Standards
- Creating a state reference or quality assurance lab
- Novel cannabinoids, biosynthetics, and hemp: State approaches to keeping pace with the industry and protecting consumer safety
- Working with Tribal Nations: Approaches to compacts and market engagement
- Packaging, labeling, and advertising restrictions: Approaches to protect consumers and prevent appeal to minors
- Best practices and ongoing challenges in enforcement, compliance, and education
- Banking, finance, and taxation: Inter and intra-state considerations
- Lessons learned in state approaches to social and economic equity: from crafting policy to evaluating success

- Novel approaches to preserve medical cannabis programs as markets expand

There is no dispute AMCO is responsive to this Board and its delegation of priorities. Nevertheless, there is a benefit in meeting with other states facing similar concerns. CANNRA sections meet virtually on a monthly basis. It is my intent to expand AMCO's attendance of these groups with more individuals from AMCO in attendance based on their subject matter expertise. If Board members have interest in any of these discussions, I believe I can send invitations to board members as well.

BOARD PRIORITIES AND IMPLEMENTATION PLAN

I believe it is emphatically important that this Director be responsive to this Board and its requests. One way of doing so is updating the AMCO Director Job Description and providing it to this Board for review. Per Department of Commerce, that job description has not been updated for a period of time. In addition to the job description, and based on my time in private practice, I find it is helpful to have an annual plan with objectives to be achieved during that period of time. I intend to present such a plan to the Board by the December 2022 meeting to guide 2023 performance. I would welcome comments from this Board on what you might request based on the sectors you represent. I am happy to meet with each of you individually. Beyond an annual plan, I would love to develop a five-year plan that is useful to the current Director and any future Directors. I believe this, because no one is irreplaceable and transition planning, especially in times of crisis, is important. I welcome your thoughts on the same.

In addition to responding to the Board, I hope licensees, industry representatives, local governments, public health and safety advocates, and individuals know my phone line and door is open. As with the Board, I welcome all comments and criticisms. I also welcome invitations from licensees to visit your facilities and learn more about you, your staff, and the important work, services, and products you provide.

CONCLUSION AND NEXT MEETING

I write this report both energized and humbled to serve as AMCO's Director. I hold my obligations as a public servant close to my heart. My hope is to continue to serve the Board, the Governor, and the people of Alaska with integrity.

The next MCB is scheduled for September 21 - 22, 2022 in Fairbanks, Alaska.