



MEMORANDUM

TO: Robert Klein, Chair, and
Members of the MC Board

DATE: April 6, 2017

FROM: Erika McConnell, Director

RE: Director's Report

I am very pleased to have been appointed director of AMCO. My background is in land use planning, and I've worked at the Municipality of Anchorage for the last fourteen years, most recently as the city's marijuana coordinator.

My goals as director are to provide accurate, consistent, and timely licensing, permitting, enforcement, and information to the marijuana and alcohol industries, and to the general public. I'm happy to be working with a competent and professional group who have been very supportive during my first weeks on the job. I'm also grateful to Ms. Sara Chambers for providing excellent and stable leadership as acting director, and for continuing to assist with the transition and my steep learning curve.

As you know, the staffing resources provided to AMCO over the last several years have created a challenge to implementing these goals, entirely because of work load. The entire staff has pitched in, often doing work that is not normally within their purview, to keep the office functioning and meet statutory requirements, but customer service has suffered and some of the staff are on the edge of burnout. AMCO requested three additional positions in its 2018 budget: 2 examiners and 1 administrative assistant. So far, these positions have remained in the budget as it goes through the legislative process. We are trying to complete needed paperwork in advance so that if the positions are approved, we can hire as close to July 1 as possible.

In addition to day to day operational duties, I see the need for some structural work in the division. Roles and responsibilities need clarifying, additional process and procedure manuals need to be created, and training programs for some positions needs to be developed. My management team and I will be addressing these over time.

I look forward to working with the board, and I encourage you to contact me if you have questions, thoughts, or observations you'd like to discuss.

LEGISLATION

- **HB34: Alcohol Sales Near School/Church:**

This bill increases the separation distance from schools and churches from 200 feet to 500 feet.

HB 34 has not had a hearing in its first committee (Community and Regional Affairs).

- **HB42: Forfeiture & Seizure; Procedures; Limits**

This bill reduces the existing conditions under which law enforcement may seize property for forfeiture when used in commission of a crime, and expands the procedural requirements in the seizure and forfeiture of property.

This bill passed out of House Judiciary with amendments and is now in House Finance.

- **SB 76: Alcoholic Beverage Control; Alcohol Reg**

SB 76 is a 112-page rewrite of the alcohol statutes that has been in the works since 2012. If/when this bill passes, the office will begin a regulations project to rewrite the alcohol regulations.

The bill has been introduced and referred to Labor and Commerce, and Judiciary, but no hearings have been scheduled yet. A substitute version is expected shortly after additional work on the bill due to concerns expressed by CHARR.

AUDITS

- FBI Audit of Criminal Justice Information Security (CJIS) in late April
- Legislative audit of MCB and ABC is currently underway

TRAVEL AND CONFERENCES

I traveled to Juneau last week to participate in a meeting on SB 76 and meet some of my counterparts in the department.

In mid-April, I and several others will be traveling to Olympia, Washington, to meet with the state marijuana regulators from Washington, Oregon, and Colorado.

SPECIFIC ISSUES

Theatre Licenses

The intent of the theatre license is to allow an existing BDL or REPL, who holds the theatre license, to serve alcoholic beverages in a theatre lobby, before a performance and during intermission. 3 AAC 304.105 requires application submittal documents in addition to those required by statute. One required submittal is proof of right, title, or interest in the licensed premises. This has been problematic for theatre licenses, as a BDL or REPL would not be expected to own a theatre. As we examined the regulations more closely due to a concern brought forth by the Fairbanks Drama Association, staff noticed that 3 AAC 304.105(b) states that the application must contain the additional information "as appropriate..." We request an interpretation from the board that proof of right, title, and interest in a theatre is not an appropriate submittal requirement for an application for a theatre license.

NEXT MEETINGS

The July meetings of the MCB and ABC board were originally scheduled to be held in Denali Park, but a comparison between the cost of holding the meetings in Denali versus holding the meetings in Fairbanks (the traditional location for the July meetings) showed that the Denali meetings would cost about \$4,500 more; approximately 250% of the cost of meeting in Fairbanks. Due to budget considerations, we will hold the July meetings in Fairbanks this year, and explore meeting in Denali next year.