Marijuana Tax Task Force

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Proposed Changes to 3 AAC 306.435. Marijuana inventory tracking system

Dear Honorable Members of the Marijuana Tax Task Force:

As a cannabis producer in the state of Alaska, I am familiar with the requirement to use plant tags to track our plants throughout their growth cycle. While this requirement may seem necessary for regulatory compliance and public safety, there are several reasons why plant tags are not needed and can actually be detrimental to the industry.

First and foremost, plant tags are an additional cost to producers that do not provide any real value to the producer. The cost of purchasing, labeling, and tracking plants can add up quickly, especially for smaller producers. This cost can be a significant burden, especially for producers who are just starting out and trying to establish their businesses.

Additionally, mistakes can be made when recording information on the tags, leading to inaccurate data tracking. One of the main concerns with the use of plant tags is the potential for clerical errors made by employees. If a mistake is made when recording information on a tag, this can lead to inaccurate tracking data and potentially put the owner of the plant at risk of liability. This can be a significant concern for producers, as any errors made could potentially harm their business. This can create confusion and potentially even harm public safety efforts, as accurate information tracking is crucial for effective regulation.

Moreover, the tracking of individual plants is not necessary for public safety purposes. The focus should be on ensuring that the end product is safe for consumption, rather than tracking the movement of individual plants throughout the growth cycle. This can be achieved through regular testing and monitoring of the product, rather than relying solely on plant tags.

In fact, the use of plant tags can actually detract from public safety efforts. If producers are solely focused on compliance with plant tagging regulations, they may overlook other important safety measures, such as proper sanitation and pest management. This can lead to the production of unsafe products, which is a much greater concern than the movement of individual plants.

Finally, it is important to consider the environmental impact of plant tags. These tags are made from plastic, which contributes to pollution and waste. By eliminating the requirement for plant tags, producers can reduce their environmental footprint and promote sustainability within the industry.

That being said, there may be some value in using plant tags to track plants through the system. For example, using one tracking number per batch of plants can provide some level of tracking without requiring excessive labeling and tracking of individual plants. This can be a useful compromise that allows for some level of tracking without imposing an undue burden on producers.

Proposed amendments to 3 AAC 306.435:

**3 AAC 306.435. Marijuana inventory tracking system**

(a) A marijuana cultivation facility shall use a marijuana inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown, or cultivated on the marijuana cultivation facility's premises is identified and tracked from the time the marijuana is propagated through transfer to another licensed marijuana establishment, including when marijuana or marijuana product is relocated to the new licensed premises in the case of a transfer of a marijuana establishment license to another location approved by the board, or destruction. The marijuana cultivation facility shall assign a tracking number to (a batch of plants not exceeding 100 plants per tracking number) ~~each plant over eight inches tall~~ and each package of marijuana to be transferred to another facility. A package of marijuana may not exceed 10 pounds. ~~The marijuana cultivation facility shall also assign a plant batch name or number to each batch of clones or cuttings. A batch may not consist of more than 50 clones or cuttings.~~

(b) A marijuana cultivation facility shall record each sale and transport of any plants or seeds and each package in its marijuana inventory tracking system and shall generate a valid transport manifest to accompany any transported plants and seeds and each transported package.

(c) A marijuana cultivation facility shall record in its marijuana inventory tracking system all marijuana used to provide a sample authorized under 3 AAC 306.460 for the purpose of negotiating sales, including

(1) the amount of each sample;

(2) the retail marijuana store or marijuana product manufacturing facility that received the sample; and

(3) the disposal of any expired or outdated promotional sample returned to the marijuana cultivation facility. (Eff. 2/21/2016, Register 217; am 03/13/2020, Register 233; am 1/22/2023, Register 245)