



**Marijuana Control Board
Meeting Minutes
November 20, 2015
Anchorage, Alaska**

*Meeting minutes are 24 minutes fast

Board Members Present:

Bruce Schulte, Chair, Industry Member
Mark Springer, Vice Chair, Rural Member
Peter Mlynarik, Public Safety Member
Brandon Emmett, Industry Member
Loren Jones, Public Health Member

Staff Members Present:

Cynthia Franklin, Director
Sarah Oates, Records & Licensing Supervisor

Legal Counsel Present:

Harriet Milks, Assistant Attorney General
Virginia Rusch, Contracted Regulations Drafter

***Note:**

Words in **boldface and underlined** indicate language to be added.
Words [CAPITALIZED AND BRACKETED] indicate language being deleted.

Call to Order

9:32:37 AM

Loren Jones **motions to approve the agenda**

9:33:07 AM

Mark Springer **seconds the motion**

No objection

Bruce Schulte **discusses handout: Contributing Factors in Regulation
Development**

9:33:52 AM

Bruce Schulte passes the gavel to Mark Springer so that he may act as Chair while Bruce introduces suggested amendments from MCB staff.

[9:36:32 AM](#)

“Staff’s Amendment #1”

Bruce Schulte motions to replace 3 AAC 306.010(c)(3) with the following:

[9:37:13 AM](#)

“(3) has been convicted of a class A misdemeanor within two years of submitting an application, relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed contrary to state law.”

Peter Mlynarik seconds the motion

Motion carries, 4-1 (Brandon Emmett votes No)

“Staff’s Amendment #2”

Bruce Schulte motions to amend 3 AAC 306.020(b)(1) to remove requirement for employee identification number.

[9:43:15 AM](#)

Brandon Emmett seconds the motion

Motion carries unanimously

“Staff’s Amendment #3”

Bruce Schulte motions to replace 3 AAC 306.230 with the following:

[9:44:29 AM](#)

“When it receives a petition to adopt, change, or remove a local option under 3 AAC 306.200 3 AAC 306.220, the local government shall conduct the election in compliance with the initiative process under the local government’s election ordinances and regulations and the applicable provisions of AS 29.”

Peter Mlynarik seconds the motion

Motion carries unanimously

“Staff’s Amendment #4”

Bruce Schulte motions to remove the tax payment provisions in the following paragraphs or subsections because tax isn’t due until a month after marijuana is sold:

[9:46:10 AM](#)

3 AAC 306.310(c)

3 AAC 306.405(c)(6)

3 AAC 306.415(c)(5)

3 AAC 306.480(c)

3 AAC 306.510(d)

Peter Mlynarik seconds the motion

Motion carries unanimously

“Staff’s Amendment #5”

Bruce Schulte motions to amend 3 AAC 306.035(g) to delete the last sentence which reads:

[9:48:27 AM](#)

“[THE BOARD WILL NOT ISSUE A NEW LICENSE FOR THE SAME PREMISES TO THE HOLDER OF AN EXPIRED LICENSE UNLESS THE EXPIRED LICENSE HOLDER’S APPLICATION CONTAINS PROOF SATISFACTORY TO THE BOARD OF GOOD CAUSE FOR FAILURE TO FILE A LICENSE RENEWAL APPLICATION.]”

Brandon Emmett **seconds the motion**
Motion carries unanimously

“Staff’s Amendment #6”

Bruce Schulte **motions to amend 3 AAC 306.070 to replace the language as follows:**

[9:49:31 AM](#)

The director will send notice of a hearing under this section as provided in AS 44.62. [NOT LATER THAN 20 DAYS BEFORE THE HEARING DATE TO EACH PERSON THAT HAS FILED AN OBJECTION, TO EACH LOCAL GOVERNMENT THAT HAS FILED A PROTEST, TO EACH COMMUNITY COUNCIL IN THE AREA OF THE PROPOSED PREMISES AND TO ANY NONPROFIT COMMUNITY ORGANIZATION THAT HAS REQUESTED NOTICE. ANY INTERESTED PERSON MAY BE HEARD AT A HEARING UNDER THIS SUBSECTION UNLESS THE APPLICANT AND THE BOARD WAIVE THIS REQUIREMENT, THE BOARD WILL HOLD THE HEARING IN THE AREA WHERE THE PROPOSED LICENSED PREMISES ARE LOCATED, OR WILL ARRANGE FOR TELEPHONIC APPEARANCE.]

Brandon Emmett **seconds the motion**
Motion carries unanimously

“Staff’s Amendment #7”

Bruce Schulte **decides to skip past Staff’s Amendment #7, since he has addressed it in more detail in one of his own amendments later on.**

[9:51:46 AM](#)

“Staff’s Amendment #8”

Bruce Schulte **motions to amend 3 AAC 306.310)(b)(3)(B) to the following:**

[9:52:03 AM](#)

“(B) a consumable product other than marijuana or a marijuana product, including cigarettes, tobacco products, alcoholic or non alcoholic beverages, or food, free or for compensation.”

Peter Mlynarik **seconds the motion**
Motion carries unanimously

“Staff’s Amendment #9”

Bruce Schulte **motions to replace 3 AAC 306.355(a)(1) with the following:**

[9:53:21 AM](#)

“(1) one ounce of marijuana bud and flower;”

Peter Mlynarik **seconds the motion**

Motion fails, 2-3 (Loren Jones and Peter Mlynarik vote Yes)

[10:01:29 AM](#)

Brandon Emmett **motions to table the amendment until a later date**

[9:56:56 AM](#)

Peter Mlynarik **seconds the motion**

Motion fails, 2-3 (Brandon Emmett and Bruce Schulte vote Yes)

Brandon Emmett **motions to amend the amendment to add the following subsection:**

[10:00:04 AM](#)

“(2) one ounce of marijuana concentrate;”

No second

“Staff’s Amendment #10”

Bruce Schulte **motions to remove references to federal regulations in 3 AAC 306.470(b), 3 AAC 306.475(c), and 3 AAC 306.570**
Brandon Emmett **seconds the motion**
Motion carries unanimously

[10:01:48 AM](#)

“Staff’s Amendment #11”

Bruce Schulte **motions to amend 3 AAC 306.510(a)(5) to read:**

[10:04:35 AM](#)

“(5) operate in a location that is a retail or wholesale food establishment that is subject to the requirements of (A) AS 17.20 and 18 AAC 31(Alaska food Code); and (B) any food safety ordinances and regulations of a Municipality with authority delegated under AS 17.20.072 and 18 AAC 31.945.”

Peter Mlynarik **seconds the motion**

Bruce Schulte **informs the Board that he intends to propose an amendment later that will strike this entire section, but that he’s okay with adding this language at the moment for clarification.**

Motion carries unanimously

“Staff’s Amendment #12”

Bruce Schulte **motions to amend 3 AAC 306.520(1) to read:**

[10:09:29 AM](#)

“(1) a copy of a food safety permit if required under 18 AAC 31.020 from the Department of Environmental Conservation or a municipality with authority delegated under AS 17.20.072 and 18 AAC 31.945;”

Brandon Emmett **seconds the motion**

Motion carries unanimously

“Staff’s Amendment #13”

Bruce Schulte **motions to amend 3 AAC 306.635(b) as follows:**

[10:12:53 AM](#)

“(b) An applicant for a marijuana testing facility license and the holder of a marijuana testing facility license must observe good laboratory practices. [BE FAMILIAR WITH, AND TO THE EXTENT POSSIBLE, INTEGRATE INTO THE FACILITY’S OPERATIONS THE GOOD LABORATORY PRACTICES SET OUT IN THE FOLLOWING MATERIALS, HEREBY ADOPTED BY REFERENCE

(1) 21 C.F.R. 58, AS REVISED AS OF DEC. 22, 1978; AND

(2) *PRINCIPLES OF GOOD LABORATORY PRACTICE AND COMPLIANCE MONITORING* PUBLISHED BY THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), AS REVISED AS OF 1999.]”

Brandon Emmett **seconds the motion**

Motion carries unanimously

“Staff’s Amendment #14”

[10:14:55 AM](#)

Bruce Schulte **skips this amendment, as he has his own amendment that he plans to offer later that will include this.**

“Bruce Schulte’s Amendment #B-1”

Bruce Schulte **motions to amend 3 AAC 306.010 as follows:**

[10:17:05 AM](#)

“(a) The board will not issue a marijuana establishment license if

the licensed premises will be located within 500 feet of a school, a recreation or youth center, **or a correctional facility, or within 200 feet of** a building in which religious services are regularly conducted [, OR A CORRECTIONAL FACILITY]. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the school, recreation or youth center, or the main public entrance of the building in which religious services are regularly conducted, or the correctional facility. This section does not prohibit the renewal of an existing marijuana establishment license or the transfer of an existing marijuana establishment license to another person if the licensed premises were in use before the school, recreation or youth center, or the correctional facility began use of a site within 500 feet, or the building in which religious services are regularly conducted,[OR THE CORRECTIONAL FACILITY] began use of a site within **200** [500] feet. If an existing marijuana establishment license for premises located within 500 feet of a school, a recreation or youth center, [A BUILDING IN WHICH RELIGIOUS SERVICES ARE REGULARLY CONDUCTED], or a correctional facility, **or within 200 feet of a building in which religious services are regularly conducted** is revoked, or expires, the board will not issue another marijuana establishment license for the same premises unless the school, the recreation or youth center, the building in which religious services are regularly conducted, or the correctional facility no longer occupies the site within 500 feet.

(b) The board will not issue a marijuana establishment license when a local government protests an application under 3 AAC 306.060 on the grounds [THAT] that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

(c) The board will not issue a marijuana establishment license to a person that

- (1) is prohibited under AS 17.38.100(i) from receiving a marijuana establishment license because of a conviction of a felony; if the applicant is a partnership, limited liability company, or corporation, the board will not issue a license if any person named in 3 AAC 306.020(b)(2) is prohibited under AS 17.38.100(i) from obtaining a license; in this paragraph, "conviction of a felony" includes a suspended imposition of sentence;
- (2) has been found guilty of
 - (A) selling alcohol without a license in violation of AS 04.11.010; or
 - (B) selling alcohol to a minor in violation of AS 04.16.051 or AS 04.16.052; or
- (3) operated a marijuana delivery service, a marijuana club, or a marijuana establishment illegally without a license issued under this chapter, or otherwise violated AS 17.38, during the two years before the date the person files the application, unless the board finds that person has diligently worked with the board to comply with all current laws and regulations relating to marijuana."

Brandon Emmett **seconds the motion**

Motion fails, 2-3 (Brandon Emmett and Bruce Schulte vote Yes)

[10:32:30 AM](#)

Brandon Emmett **motions to amend the amendment to change "200 feet" to "100 feet" when referencing a building in which religious services are regularly conducted.**

[10:19:31 AM](#)

Bruce Schulte **seconds the motion**

Motion fails, 2-3 (Brandon Emmett and Bruce Schulte vote Yes)

“Bruce Schulte’s Amendment #B-2 – Rev-1”

Bruce Schulte **motions to amend 3 AAC 306.015 as follows:**

[10:33:50 AM](#)

“(a) The board will issue each marijuana establishment license to a specific individual, to a partnership, including a limited partnership, to a limited liability company, to a corporation, or to a local government. A person other than a licensee may not have a direct or indirect financial interest in the business for which a marijuana establishment license is issued.

(b) The board will not issue a marijuana establishment license to

(1) an individual or a sole proprietorship unless the individual or proprietor is a resident of the state;

(2) a partnership unless **seventy-five percent (75%) of the partners or ownership interest are held by residents of the state** [EACH PARTNER IS A RESIDENT OF THE STATE];

(3) a limited liability company unless the limited liability company is qualified to do business in the state, and **at least seventy-five percent (75%) of the members and ownership interest are held by residents of the state** [EACH MEMBER OF THE LIMITED LIABILITY COMPANY IS A RESIDENT OF THE STATE]; or

(4) a corporation unless the corporation is incorporated or qualified to do business in the state, and **at least seventy-five (75%) of the shareholders and ownership interest are held by residents of the state** [EACH SHAREHOLDER WHO OWNS THE CORPORATION’S SHARES IS A RESIDENT OF THE STATE].

(c) The board will issue each license for a specific location identified on the license as the licensed premises. A marijuana establishment must have a right to possession of its licensed premises at all times, and may not lease its licensed premises to another person for any reason. If a marijuana establishment wishes to reduce or expand the area of the licensed premises used for a marijuana establishment, the marijuana establishment must submit a new line drawing showing the proposed changes to the premises, and must obtain the board’s written approval. A marijuana establishment may not relocate its licensed premises to a different place. A marijuana establishment that proposes to operate in any new premises must apply for a new marijuana establishment license.

(d) The board will impose other conditions or restrictions on a license issued under this chapter when it finds that it is in the interests of the public to do so.

(e) In this section,

(1) "direct or indirect financial interest" means

(A) a legal or equitable interest in the operation of a business licensed under this chapter;

(B) does not include a person’s right to receive

(i) rental charges on a graduated or percentage lease-rent agreement for real estate leased to a licensee; or

(ii) a consulting fee from a licensee for services that are allowed under this chapter;

(2) “resident of the state” means a person who meets the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which that person applies for a marijuana establishment license under this chapter.

(f) Any partner or ownership of the proposed marijuana establishment and not an accredited investor or resident of the state must agree to provide any and all information requested by the Marijuana Control Board, including name, address, date of birth, and criminal history report from their state of residence. Cost of such report shall be paid for by the applicant.”

Brandon Emmett **seconds the motion**
Motion fails, 2-3 (Bruce Schulte and Brandon Emmett vote Yes)

“Bruce Schulte’s Amendment #B-21”

Bruce Schulte **motions to remove 3 AAC 306.900 in its entirety** [10:54:10 AM](#)

Brandon Emmett **seconds the motion**

Board considers, and motion carries, 4-1 (Loren Jones votes No) [11:16:00 AM](#)

BREAK

[10:56:53 AM](#)

“Bruce Schulte’s Amendment #B-3”

Bruce Schulte **motions to amend 3 AAC 306.305, 3 AAC 306.310, and** [11:29:55 AM](#)
and 3 AAC 306.990 as follows:

“3 AAC 306.305. Retail marijuana store privileges. (a) A licensed retail marijuana store is authorized to

(1) sell marijuana purchased from a licensed marijuana cultivation facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.475 in an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises for consumption off the licensed premises;

(2) sell a marijuana product purchased from a licensed marijuana product manufacturing facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.565, and 3 AAC 306.570, in an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises. [FOR CONSUMPTION OFF THE LICENSED PREMISES];

(3) store marijuana and marijuana products on the licensed premises in a manner consistent with 3 AAC 306.710 – 3 AAC 306.720.

(4) with prior approval of the board, permit consumption of marijuana and marijuana products purchased on the licensed premises, in a designated area on the licensed premises.

(b) This section does not prohibit a licensed retail store from refusing to sell marijuana or marijuana product to any consumer.

3 AAC 306.310. Acts prohibited at retail marijuana store. (a) A licensed retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver, marijuana or any marijuana product

(1) to any person under the age of 21;

(2) that is not labeled and packaged as required in 3 AAC 306.345, and in 3 AAC 306.470 and 3 AAC 306.475 or 3 AAC 306.565 and 3 AAC 306.570;

(3) in a quantity exceeding the limit set out in 3 AAC 306.355;

(4) over the internet; a licensed retail marijuana store may only sell marijuana or marijuana product to a consumer who is physically present on the licensed premises;

(5) after the expiration date shown on the label of the marijuana or marijuana product.

(b) A licensed retail marijuana store may not

(1) conduct any business on, or allow any consumer to access, the retail marijuana store’s licensed premises between the hours of 5:00 a.m. and 8:00 a.m. each day;

(2) allow any person to consume marijuana or any marijuana product on the retail marijuana store’s licensed premises **except as provided in 3 AAC 306.305(a)(4)**;

(3) offer or deliver to a consumer, as a marketing promotion or for any other reason:

- (A) free marijuana or marijuana product, including a sample; or
- (B) a consumable product other than marijuana, including cigarettes, tobacco products, alcoholic or non alcoholic beverages, or food, free or for compensation.
- (c) A retail marijuana store may not purchase any marijuana or marijuana product for resale without a certificate showing the tax due under AS 43.61.010 has been paid to the state.

3 AAC 306.990. Definitions. (a) In AS 17.38 and this chapter,

“in public”

(A) means in a place to which the public or a substantial group of persons has access [AND INCLUDES HIGHWAYS, TRANSPORTATION FACILITIES, SCHOOLS, PLACES OF AMUSEMENT OR BUSINESS, PARKS, PLAYGROUNDS, PRISONS, AND HALLWAYS, LOBBIES, AND OTHER PORTIONS OF APARTMENT HOUSES AND HOTELS NOT CONSTITUTING ROOMS OR APARTMENTS DESIGNED FOR ACTUAL RESIDENCE];

(B) except as provided in (C) of this paragraph, includes highways, transportation facilities, schools, places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies, and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence;

(C) does not include an area on the premises of a licensed marijuana retail store designated for on-site consumption under 3 AAC 306.305.”

Brandon Emmett **seconds the motion**

Motion carries, 3-2 (Loren Jones and Peter Mlynarik vote No)

“Bruce Schulte’s Amendment #B-4”

Bruce Schulte **motions to amend 3 AAC 306.310(b)(3)(B) as follows:**

[11:44:46 AM](#)

“(B) [A CONSUMABLE PRODUCT OTHER THAN MARIJUANA, INCLUDING CIGARETTES, TOBACCO PRODUCTS,] alcoholic [OR NON ALCOHOLIC] beverages, [OR FOOD,] free or for compensation.”

Brandon Emmett **seconds the motion**

Motion carries, 3-2 (Loren Jones and Peter Mlynarik vote No)

“Bruce Schulte’s Amendment #B-5”

Board **does not find that Bruce Schulte and Brandon Emmett have a conflict of interest or need to recuse themselves from discussion or voting of this section.**

Bruce Schulte **motions to amend 3 AAC 306.320, 3 AAC 306.425, and 3 AAC 306.530 as follows:**

[12:08:04 PM](#)

“3 AAC 306.320. Marijuana handler permit required. A retail marijuana store shall ensure that (1) each licensee, employee, or agent obtains a marijuana handler permit as provided in 3 AAC 306.700 before being licensed or employed at a retail marijuana store; and (2) each licensee, employee, or agent has that person’s marijuana handler permit card in that person’s immediate possession, **or a valid copy on file on the premises,** when on the licensed premises of the retail marijuana store.

3 AAC 306.425. Marijuana handler permit required. A marijuana cultivation facility must ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana cultivation facility’s licensed premises; and

(2) has the marijuana handler permit card in the person’s immediate possession **or a valid copy**

on file on the premises, at all times while on the marijuana cultivation facility's licensed premises.

3 AAC 306.530. Marijuana handler permit and food safety worker training. (a) A marijuana

product manufacturing facility shall ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana product manufacturing facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession, or a valid copy on file on the premises, at all times while on the marijuana product manufacturing facility's licensed premises.

(b) A licensee, employee, or agent of a licensed marijuana product manufacturing facility who handles marijuana at the facility shall obtain a food safety worker card in compliance with AS 18.31.330, and keep that card in that person's possession at all times while on the licensed premises of the marijuana product manufacturing facility."

Brandon Emmett **seconds the motion**

Motion carries, 4-1 (Peter Mlynarik votes No)

"Bruce Schulte's Amendment #B-6"

Bruce Schulte **motions to amend 3 AAC 306.320, 3 AAC 306.425,**

[12:16:26 PM](#)

3 AAC 306.530, and 3 AAC 306.700 as follows:

3 AAC 306.320. Marijuana handler permit required. A retail marijuana store shall ensure that

(1) each licensee, employee, or agent who is required or permitted to be physically present

on the licensed premises at any time obtains a marijuana handler permit as provided in 3 AAC 306.700 before being licensed or employed at a retail marijuana store; and

(2) each licensee, employee, or agent has that person's marijuana handler permit card in that person's immediate possession when on the licensed premises of the retail marijuana store.

3 AAC 306.425. Marijuana handler permit required. A marijuana cultivation facility must ensure that each licensee, employee, or agent who is required or permitted to be physically present on the licensed premises at any time

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana cultivation facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession at all times while on the marijuana cultivation facility's licensed premises.

3 AAC 306.530. Marijuana handler permit and food safety worker training. (a) A marijuana product manufacturing facility shall ensure that each licensee, employee, or agent who is required or permitted to be physically present on the licensed premises at any time

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana product manufacturing facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession at all times while on the marijuana product manufacturing facility's licensed premises.

(b) A licensee, employee, or agent of a licensed marijuana product manufacturing facility who handles marijuana at the facility shall obtain a food safety worker card in compliance with AS 18.31.330, and keep that card in that person's possession at all times while on the licensed premises of the marijuana product manufacturing facility.

3 AAC 306.700. Marijuana handler permit. (a) A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or

visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

(b) To obtain a marijuana handler permit, a person shall complete a marijuana handler permit education course approved by the board, pass a written test demonstrating an understanding of the course material, and obtain a certificate of course completion from the course provider. An approved marijuana handler permit education course must cover at least the following topics:

- (1) AS 17.37, AS 17.38, and this chapter;
- (2) the effects of consumption of marijuana and marijuana products;
- (3) how to identify a person impaired by consumption of marijuana;
- (3) how to determine valid identification;
- (4) how to intervene to prevent unlawful marijuana consumption; and
- (5) the penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment.

(c) To obtain a marijuana handler permit, a person who has completed the marijuana handler permit course described under (b) of this section shall present the course completion certificate[, ALONG WITH A REPORT OF CRIMINAL JUSTICE INFORMATION OBTAINED FROM THE DEPARTMENT OF PUBLIC SAFETY UNDER AS 12.62.160] to the director. The director shall issue a marijuana handler permit card valid for three years from the date of issue. A person may renew a card issued under this section by passing a written test demonstrating an understanding of the course subjects.

(d) A licensee, employee, or agent of a marijuana establishment shall keep the marijuana handler permit card described in (c) of this section in that person's immediate possession when on the licensed premises of the retail marijuana store.

(e) The board will review an approved marijuana handler permit education course at least once every three years, and may rescind approval of the course if the board finds that the education course contents are insufficient or inaccurate."

Brandon Emmett **seconds the motion**

Motion carries unanimously

LUNCH

[12:24:37 PM](#)

"Bruce Schulte's Amendment #B-7"

Bruce Schulte **motions to amend 3 AAC 306.345 and 3 AAC 306.355 as**

[1:18:48 PM](#)

follows:

"3 AAC 306.345. Packaging and labeling. (a) A retail marijuana store shall assure that

- (1) any marijuana sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475, except that 3 AAC 306.470(b)(2) does not apply to the packaging of wholesale flower and bud sold by weight to a consumer; and
- (2) any marijuana product sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.565 and 3 AAC 306.570, except that 3 AAC 306.565(b)(2) does not apply to the packaging of wholesale marijuana products that are not edible marijuana products.

(b) In addition to labeling requirements provided in (a) of this section, a retail marijuana store shall affix a label to each package of marijuana or marijuana product that

- (1) identifies the marijuana retail store selling the marijuana product by name or distinctive logo and marijuana establishment license number; and
- (2) contains the following statements:

- (A) "Marijuana has intoxicating effects and may be habit forming;"
- (B) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"
- (C) "There may be health risks associated with consumption of marijuana;" and
- (D) "For use only by adults twenty-one and older. Keep out of the reach of children"
- (E) "Marijuana should not be used by women who are pregnant or breast feeding."

(3) States the total estimated amount of THC contained in the labeled product.

3 AAC 306.355. Limit on quantity sold. (a) A licensed retail marijuana store shall not sell more than the following quantity of marijuana or marijuana product in a single transaction:

- (1) one ounce of usable marijuana;
- [(2) SIXTEEN OUNCES OF MARIJUANA-INFUSED PRODUCT IN SOLID FORM;]
- (3) seven grams of marijuana-[INFUSED] extract for inhalation, or
- [(4) SEVENTY-TWO OUNCES OF MARIJUANA-INFUSED PRODUCT IN LIQUID FORM].

(3) Marijuana or marijuana products containing more than 5600 milligrams of THC."

Brandon Emmett **seconds the motion**

Motion carries, 4-1 (Loren Jones votes No)

"Bruce Schulte's Amendment #B-8"

Bruce Schulte **motions to amend 3 AAC 306.360 as follows:**

[1:25:24 PM](#)

"3 AAC 306.360. Restriction on advertising of marijuana and marijuana products. (a) A retail marijuana store may have no more than three signs, visible to the general public from the public right of way, that identify the store by its business name. A sign may be placed in the store's window or attached to the outside of the licensed premises. The size of each sign may not exceed 4800 square inches.

(b) An advertisement for marijuana or marijuana product may not contain any statement or illustration that

- (1) is false or misleading;
- (2) promotes excessive consumption;
- (3) represents that the use of marijuana has curative or therapeutic effects;
- (4) depicts a person under the age of 21 consuming marijuana; or
- (5) includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana.

(c) A retail marijuana store may not place an advertisement for marijuana or a marijuana product, except as provided in (a) of this section,

- (1) within one thousand feet of the perimeter of any child-centered facility, including a school, daycare or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21;
- (2) on or in a public transit vehicle or public transit shelter; or
- (3) on or in a publicly owned or operated property;
- (4) within 1000 feet of a substance or treatment facility; or
- (5) on a college campus.

(d) A retail marijuana store may not use giveaway coupons [, OR DISTRIBUTE BRANDED MERCHANDISE] as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products.

(e) All advertising for marijuana or any marijuana product must contain the following warnings:

- (1) "Marijuana has intoxicating effects and may be habit forming;"
- (2) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"
- (3) "There may be health risks associated with consumption of marijuana;" and
- (4) "For use only by adults twenty-one and older. Keep out of the reach of children"
- (5) "Marijuana should not be used by women who are pregnant or breast feeding.""

Brandon Emmett **seconds the motion**

Motion carries, 3-2 (Loren Jones and Peter Mlynarik vote No)

Mark Springer **asks if Bruce Schulte would like to prioritize his amendments, as other board members have amendments they'd like to entertain.**

[1:31:30 PM](#)

Bruce Schulte **agrees.**

"Bruce Schulte's Amendment #B-17"

Bruce Schulte **motions to amend 3 AAC 306.525 as follows:**

[1:31:55 PM](#)

"3 AAC 306.525. Approval of concentrates and marijuana products. (a) A marijuana product manufacturing facility, including a marijuana concentrate manufacturing facility, must obtain the board's approval for each product it will manufacture for sale or transfer to another licensed marijuana establishment. The board will not approve

[(1) ANY MARIJUANA CONCENTRATE OR PRODUCT INTENDED FOR SALE DIRECTLY TO A CONSUMER IF THE CONCENTRATE OR PRODUCT WILL HAVE THC POTENCY EQUAL TO OR GREATER THAN 76 PERCENT; OR]

(2) any product that is prohibited under 3 AAC 306.510(a)(4).

(b) An applicant for a marijuana product manufacturing facility license may request the board's approval of its intended products with a new license application by including, in its operating plan (1) a photograph, drawing, or graphic representation of the expected appearance of each final product; and

(2) the proposed standard production procedure and detailed manufacturing process for each product.

(c) A licensed marijuana product manufacturing facility may at any time submit a new product approval request to the board on a form the board prescribes along with a fee of \$250.

(d) A licensed marijuana product manufacturing facility shall keep its ingredient list and potency limits for any food product containing marijuana on file at the marijuana product manufacturing facility's licensed premises. The ingredient list and potency limits for any product manufactured at the facility must be made available for inspection on request by the director, or an employee or agent of the board."

Brandon Emmett **seconds the motion**

Motion carries, 3-2 (Peter Mlynarik and Loren Jones vote No)

"Bruce Schulte's Amendment #B-18"

Bruce Schulte **motions to amend 3 AAC 306.560 as follows:**

[1:44:09 PM](#)

"3 AAC 306.560. Potency limits per serving and package [TRANSACTION] for edible marijuana products. (a) A marijuana product manufacturing facility may not prepare any product with potency levels exceeding the following, as tested in compliance with 3 AAC 306.645:

(1) for a single serving of marijuana product, [FIVE] ten milligrams active tetrahydrocannabinol

(THC) or Delta 9;

(2) in a single packaged unit of marijuana product to be eaten or swallowed, not more than ten servings, or [FIFTY] **one hundred** milligrams of active THC or Delta 9; the THC content must be homogenous, or evenly distributed throughout the marijuana infused product.”

Brandon Emmett **seconds the motion**

Motion fails, 2-3 (Brandon Emmett and Bruce Schulte vote Yes)

“Bruce Schulte’s Amendment #B-19”

Bruce Schulte **informs the Chair that in the interest in saving time, he had another amendment that would propose a single-serving potency limit of 25mg for medical marijuana card holders, but he doesn’t think the Board is going to get there, and he’s also been advised that it may not be supported legally, so he’s going to put it on the back of the pile.**

[1:50:33 PM](#)

“Bruce Schulte’s Amendment #B-15”

Bruce Schulte **motions to amend 3 AAC 306.510 as follows:**

[1:50:57 PM](#)

“3 AAC 306.510. Acts prohibited at marijuana product manufacturing facility. (a) A licensed marijuana product manufacturing facility, including a licensed marijuana concentrate manufacturing facility, may not

(1) sell, deliver, distribute, or transfer marijuana, marijuana concentrate, or a marijuana product directly to a consumer, with or without compensation;

(2) sell marijuana, marijuana concentrate, or a marijuana product that is not manufactured, packaged, and labeled in compliance with 3 AAC 306.500 – 3 AAC 306.570;

(3) allow any person, including a licensee, employee, or agent, to consume marijuana, marijuana concentrate, or a marijuana product on its licensed premises;

(4) manufacture or sell any product that

(A) is an adulterated food or drink;

(B) is a marijuana product containing any food that requires temperature-controlled storage to keep it safe for human consumption;

(C) closely resembles any familiar food or drink item including candy; or

(D) is packaged to look like candy, or in bright colors or with cartoon characters or other pictures or images that would appeal to children; and

[(5) OPERATE IN A LOCATION THAT IS A RETAIL OR WHOLESALE FOOD ESTABLISHMENT.]

(b) In this section, “closely resemble” or “look like” means the product or its packaging has a shape, color, markings, or decorative patterns that are familiar to the public from a widely distributed branded food product, so that the marijuana product could easily be mistaken for that branded product, especially by children.

(c) A marijuana product manufacturing facility may not accept any marijuana from a marijuana cultivation facility or another marijuana product manufacturing facility unless

(1) all marijuana in the shipment is properly identified with a label generated in the marijuana inventory tracking system of the licensed marijuana establishment that provided the marijuana; and

(2) a valid transport manifest showing the source and destination of the marijuana is attached to the shipment.

(d) A marijuana product manufacturing facility may not purchase or receive any marijuana from a

marijuana cultivation facility, or another marijuana product manufacturing facility unless it receives evidence that tax due under AS 43.61.010 has been paid. If a marijuana product manufacturing facility has marijuana on its premises without a certificate showing the excise tax imposed under AS 43.61.010 has been paid on that marijuana, the marijuana product manufacturing facility is liable for payment of the tax.”

Brandon Emmett **seconds the motion**

Motion carries, 3-2 (Peter Mlynarik and Loren Jones vote No)

“Bruce Schulte’s Amendment #B-14”

Bruce Schulte **motions to amend 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.565 as follows:**

[2:09:16 PM](#)

“3 AAC 306.345. Packaging and labeling. (a) A retail marijuana store shall assure that (1) any marijuana sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475, except that 3 AAC 306.470(b)(2) does not apply to the packaging of wholesale flower and bud sold by weight to a consumer; and (2) any marijuana product sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.565 and 3 AAC 306.570, except that 3 AAC 306.565(b)(2) does not apply to the packaging of wholesale marijuana products that are not edible marijuana products.

(3) All marijuana products must be packaged in opaque, re-sealable, child-resistant packaging upon exiting the retail premises. Exit packaging must be designed or constructed in compliance with 16 C.F.R. 1700.01 – 1700.20, as amended Dec.30, 1983 to be significantly difficult for children under five years of age to open; but not normally difficult for adults to use properly;

(b) In addition to labeling requirements provided in (a) of this section, a retail marijuana store shall affix a label to each package of marijuana or marijuana product that

(1) identifies the marijuana retail store selling the marijuana product by name or distinctive logo and marijuana establishment license number; and

(2) contains the following statements:

(A) "Marijuana has intoxicating effects and may be habit forming;"

(B) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"

(C) "There may be health risks associated with consumption of marijuana;" and

(D) "For use only by adults twenty-one and older. Keep out of the reach of children"

(E) "Marijuana should not be used by women who are pregnant or breast feeding."

(3) States the total estimated amount of THC contained in the labeled product.

3 AAC 306.470. Packaging of marijuana. (a) A licensed marijuana cultivation facility, including a marijuana cultivation broker facility, shall package its marijuana bud and flower for sale as follows:

(1) to a retail marijuana store, either

(A) in a package not exceeding one ounce for resale to consumers without additional handling by the retail marijuana store except to add the retail marijuana store’s own identifying name or logo and license number; or

(B) in a wholesale package not exceeding five pounds for re - packaging by the retail marijuana store; or

(2) to a marijuana product manufacturing facility in a wholesale package not exceeding five pounds,

consisting of a single strain or a mixture of strains as identified on the label.

(b) When a licensed marijuana cultivation facility packages marijuana for a retail marijuana store to sell to a consumer without re-packaging, the [PACKAGING MUST BE DESIGNED OR CONSTRUCTED IN COMPLIANCE WITH 16 C.F.R. 1700.01 – 1700.20, AS AMENDED DEC.30, 1983 TO BE SIGNIFICANTLY DIFFICULT FOR CHILDREN UNDER FIVE YEARS OF AGE TO OPEN; BUT NOT NORMALLY DIFFICULT FOR ADULTS TO USE PROPERLY.

THE] packaging may not have any printed images, including cartoon characters, that specifically target individuals under the age of 21. In addition, the packaging must

(1) protect the product from contamination and must not impart any toxic or damaging substance to the marijuana;

[(2) BE FOUR MIL OR GREATER THICKNESS PLASTIC, HEAT SEALED, AND WITH NO EASY-OPEN CORNER, DIMPLE OR FLAP;

(3) BE OPAQUE SO THAT THE PRODUCT CANNOT BE SEEN WITHOUT OPENING THE PACKAGING MATERIAL.]

(c) Each package prepared in compliance with this section must be identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana inventory control system.

(d) A marijuana cultivation facility shall prepare marijuana for transport or transfer to another marijuana establishment by

(1) placing marijuana packaged in compliance with (a) - (c) of this section within a sealed, tamper-evident shipping container;

(2) affixing a label in compliance with 3 AAC 306.475 to the shipping container; and

(3) generating a transport manifest from the marijuana cultivation facility's marijuana inventory system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

3 AAC 306.565. Packaging of marijuana products. (a) A marijuana product manufacturing facility shall observe the potency limits set out in 3 AAC 306.560 in packaging each product for resale by a retail marijuana store.

(b) A container or packaging for any edible marijuana product produced by a marijuana product manufacturing facility [MUST BE DESIGNED OR CONSTRUCTED IN COMPLIANCE WITH 16 C.F.R. 1700.01 – 1700.20, AS AMENDED DEC. 30, 1983 TO BE SIGNIFICANTLY DIFFICULT FOR CHILDREN UNDER FIVE YEARS OF AGE TO OPEN; BUT NOT NORMALLY DIFFICULT FOR ADULTS TO USE PROPERLY. THE CONTAINER OR PACKAGING] may not have any printed images, including cartoon characters, that specifically target individuals under the age of 21. In addition, the packaging must

(1) protect the product from contamination and not impart any toxic or damaging substance to the product;

[(2) BE FOUR MIL OR GREATER THICKNESS PLASTIC, HEAT SEALED AND WITH NO EASY-OPEN CORNER, DIMPLE OR FLAP; MARIJUANA PRODUCT IN LIQUID FORM MAY ALSO BE SEALED USING A METAL CROWN PRODUCT;

(3) BE OPAQUE SO THAT THE PRODUCT CANNOT BE SEEN WITHOUT OPENING THE PACKAGING MATERIAL;

(4) IF THE MARIJUANA PACKAGE CONTAINS MULTIPLE SERVINGS OR IS INTENDED FOR MORE THAN A SINGLE USE, THE PACKAGING MUST BE RESEALABLE TO CHILDPROOF STANDARDS IN COMPLIANCE WITH C.F.R. 1700.01 – 1700.20, AS AMENDED DEC. 30, 198; AND]

- (5) if the marijuana product contains multiple servings, the product itself must have markings or demarcations clearly delineating each serving of the product. For liquid marijuana products with multiple servings the packaging must indicate the number and size of individual servings.
- (c) A licensed marijuana product manufacturing facility may transfer marijuana products that are not edible marijuana products to another licensed facility in wholesale packages not to exceed 5 pounds.
- (d) Each packaged marijuana product must be identified by a tracking label generated by the marijuana product manufacturing facility's marijuana inventory control system.
- (e) A licensed marijuana product manufacturing facility shall prepare marijuana products for transfer to another marijuana establishment by
- (1) placing marijuana products within a sealed, tamper-evident shipping container;
 - (2) affixing a label that complies with 3 AAC 306.570(d) to the shipping container; and
 - (3) generating a transport manifest from the marijuana product manufacturing facility's marijuana inventory system; the transport manifest must remain with the marijuana products at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment."

Brandon Emmett **seconds the motion**

Motion carries, 4-1 (Peter Mlynarik votes No)

Bruce Schulte **informs the Chair that he's worked diligently to weed out his amendments. He has three that he thinks are pertinent, however, two of them relate to an amendment that Mr. Mlynarik has, so he's going to defer to Mr. Mlynarik for those. He only has one more that he'd like to introduce.**

[2:18:39 PM](#)

"Bruce Schulte's Amendment #B-16"

Bruce Schulte **motions to amend 3 AAC 306.510 as follows:**

[2:18:59 PM](#)

"3 AAC 306.510. Acts prohibited at marijuana product manufacturing facility. (a) A licensed marijuana product manufacturing facility, including a licensed marijuana concentrate manufacturing facility, may not

- (1) sell, deliver, distribute, or transfer marijuana, marijuana concentrate, or a marijuana product directly to a consumer, with or without compensation;
- (2) sell marijuana, marijuana concentrate, or a marijuana product that is not manufactured, packaged, and labeled in compliance with 3 AAC 306.500 – 3 AAC 306.570;
- (3) allow any person, including a licensee, employee, or agent, to consume marijuana, marijuana concentrate, or a marijuana product on its licensed premises;
- (4) manufacture or sell any product that
 - (A) is an adulterated food or drink;
 - [(B) IS A MARIJUANA PRODUCT CONTAINING ANY FOOD THAT REQUIRES TEMPERATURE-CONTROLLED STORAGE TO KEEP IT SAFE FOR HUMAN CONSUMPTION;]
 - (C) closely resembles any familiar food or drink item including candy; or
 - (D) is packaged to look like candy, or in bright colors or with cartoon characters or other pictures or images that would appeal to children; and
- (5) operate in a location that is a retail or wholesale food establishment.

(b) In this section, "closely resemble" or "look like" means the product or its packaging has a shape, color, markings, or decorative patterns that are familiar to the public from a widely distributed branded food product, so that the marijuana product could easily be mistaken for that branded

product, especially by children.

(c) A marijuana product manufacturing facility may not accept any marijuana from a marijuana cultivation facility or another marijuana product manufacturing facility unless

(1) all marijuana in the shipment is properly identified with a label generated in the marijuana inventory tracking system of the licensed marijuana establishment that provided the marijuana; and
(2) a valid transport manifest showing the source and destination of the marijuana is attached to the shipment.

(d) A marijuana product manufacturing facility may not purchase or receive any marijuana from a marijuana cultivation facility, or another marijuana product manufacturing facility unless it receives evidence that tax due under AS 43.61.010 has been paid. If a marijuana product manufacturing facility has marijuana on its premises without a certificate showing the excise tax imposed under AS 43.61.010 has been paid on that marijuana, the marijuana product manufacturing facility is liable for payment of the tax.”

Brandon Emmett **seconds the motion**

Motion carries unanimously

Harriet Milks **asks Mr. Schulte about his proposed amendment B-20.**

[2:22:20 PM](#)

Bruce Schulte **confirms that in the interest of saving time, he decided not to talk about certain proposed amendments (B-9, B-10, B-11, B-12, B-13, and B-20). He has a resolution that he would like to discuss later, but he’s going to yield to the other Board members for now.**

“Brandon Emmett’s Amendment #E-1”

Brandon Emmett **motions to amend 3 AAC 306.015(a) to add at the end of the last sentence in subsection (a) the following text:**

[2:25:07 PM](#)

“unless information required by the board, such as, but not limited to, that person’s name and address, is provided in the license application.”

Bruce Schulte **seconds the motion**

Loren Jones **asks for confirmation from Mr. Emmett about whether the Board is considering only the changes to (a), or if the addition of (f) is included.**

Brandon Emmett **confirms that the added subsection (f) with the following language is also part of his amendment for the Board to consider:**

“(f)Any partner or ownership of the proposed marijuana establishment and not an accredited investor must agree to provide any and all information requested by the Marijuana Control Board, including name, address, date of birth, and criminal history report. Cost of such report shall be paid for by the applicant.”

Motion fails, 2-3 (Bruce Schulte and Brandon Emmett vote Yes)

“Loren Jones’s Amendment #1”

Loren Jones **motions to amend 3 AAC 306.010 to insert a subsection that reads:**

[2:49:14 PM](#)

“The board will not issue a marijuana establishment license if the licensed premises will be located in a liquor licensed premises.”

Peter Mlynarik **seconds the motion**

Motion carries unanimously

“Peter Mlynarik’s Amendment #1”

Peter Mlynarik motions to strike the marijuana cultivation broker facility license type and all references including those in the following sections and subsections:

[2:52:38 PM](#)

3 AAC 306.415

3 AAC 306.100(d)

3 AAC 306.400(a)

3 AAC 306.410(a) and (b)

3 AAC 306.420(c)

3 AAC 306.455(d)

3 AAC 306.470(a)

3 AAC 306.480(b)

3 AAC 306.505(a)

3 AAC 306.750(a)

Bruce Schulte seconds the motion

Peter Mlynarik confirms that the intent of his amendment is to have the limited marijuana cultivation facility’s privileges and prohibited acts be copied from the standard marijuana cultivation facility, with the only two differences being the size limitation and the licensing fees.

Motion carries unanimously

“Peter Mlynarik’s Amendment #2”

Peter Mlynarik motions to amend 3 AAC 306.350(a) to add “photo” before “*identification*”.

[3:04:33 PM](#)

Brandon Emmett seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #3”

Peter Mlynarik motions to amend 3 AAC 306.310(a) to add a new subsection that reads:

[3:07:08 PM](#)

“to any person that is under the influence of an alcoholic beverage, inhalant, or controlled substance;”

Loren Jones seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #4”

Peter Mlynarik motions to amend 3 AAC 306.475(b)(1) by adding the following language to the end of the subsection:

[3:11:22 PM](#)

“including any pesticide, herbicide, or fungicide that was used;”

Brandon Emmett seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #5”

Peter Mlynarik motions to amend 3 AAC 306.830 to the following:

[3:16:14 PM](#)

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“3 AAC 306.830. Seizure of marijuana or marijuana product. (a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may seize marijuana or any marijuana product from a licensed or previously licensed marijuana establishment if the marijuana establishment has

- (1) any marijuana or marijuana product not properly logged into the marijuana establishment’s marijuana inventory tracking system;
- (2) any adulterated marijuana food or drink product forbidden under 3 AAC 306.510(a)(4); or
- (3) any marijuana or marijuana product that is not properly packaged and labeled as provided in 3 AAC 306.465 and 3 AAC 306.470 or 3 AAC 306.565 and 3 AAC 306.570.

(4) not renewed its license per the requirements set forth in 3 AAC 306.035”

Loren Jones **seconds the motion**

Motion carries unanimously

“Peter Mlynarik’s Amendment #6”

Peter Mlynarik **motions to amend 3 AAC 306.020(b)(8) to the following:** [3:19:26 PM](#)

“(8)the address of the premises to include GPS coordinates where the applicant intends to operate a marijuana establishment; and a detailed diagram of the proposed licensed premises; the diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas;”

Bruce Schulte **seconds the motion**

Motion carries, 3-2 (Brandon Emmett and Bruce Schulte vote No)

“Peter Mlynarik’s Amendment #7”

[3:24:54 PM](#)

Peter Mlynarik **decides to skip this proposed amendment as this section has already been amended.**

“Peter Mlynarik’s Amendment #8”

[3:25:08 PM](#)

Peter Mlynarik **decides to skip this proposed amendment.**

“Peter Mlynarik’s Amendment #9”

Peter Mlynarik **motions to amend 3 AAC 306.640(a) to the following:** [3:25:19 PM](#)

“An applicant for a marijuana testing facility license and a licensed marijuana testing facility must have a written procedures manual with detailed instructions explaining how to perform each testing method the applicant or marijuana testing facility uses, and minimum standards for each test. The written procedures manual must be available to each employee of the marijuana testing facility at all times. A standard operating procedures manual must cover at least the following procedures:

- (1) sample preparation; **for each matrix that will be tested;**
- (2) reagent, solution, and reference standard preparation;
- (3) instrument setup, where applicable;
- (4) standardization of volumetric reagent solutions, as applicable;
- (5) data acquisition; [AND]
- (6) calculation of results;[.]

(7) identification criteria;

(8) QC frequency;

(9) QC acceptance criteria; and

(10) corrective action protocol.”

Loren Jones **seconds the motion**

Motion carries, 4-1 (Brandon Emmett votes No)
Peter Mlynarik confirms that “QC” stands for quality control

“Peter Mlynarik’s Amendment #10”

Peter Mlynarik motions to amend 3 AAC 306.645(b)(3) to change the acceptable limits per gram for Benzene to be .025 Parts Per Million (PPM) instead of 1 Parts Per Million (PPM) and remove the reference to Colorado’s Rule R 605.

[3:29:40 PM](#)

Bruce Schulte seconds the motion

Motion carries unanimously

BREAK

[3:32:29 PM](#)

“Peter Mlynarik’s Amendment #11”

Peter Mlynarik motions to strike 3 AAC 306.655(b) in its entirety

[3:51:28 PM](#)

Bruce Schulte seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #12”

Peter Mlynarik motions to amend 3 AAC 306.990(b)(20) by adding a subsection (C) that reads:

[3:53:45 PM](#)

“(C)does not meet the requirements of 3 AAC 306.645.”

Bruce Schulte seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #13”

Peter Mlynarik motions to amend 3 AAC 306.990(b) by adding a subsection (28) that reads:

[3:56:38 PM](#)

“(28)”Marijuana-Infused Product” means a product that contains marijuana or marijuana concentrates and are intended for human use.

The term “marijuana-infused product” does not include usable marijuana.”

Brandon Emmett seconds the motion

Motion carries unanimously

[4:00:26 PM](#)

Brandon Emmett motions to amend the amendment by replacing “usable marijuana” with **“bud and flower”**

[3:59:00 PM](#)

Bruce Schulte seconds the motion

Motion carries unanimously

“Peter Mlynarik’s Amendment #14”

Peter Mlynarik motions to amend 3 AAC 306.010(c)(2) by adding a subsection (C) that reads:

[4:00:40 PM](#)

“(C) a misdemeanor crime involving controlled substances, violence against a person, a weapon, or dishonesty within the preceding five years.”

Brandon Emmett seconds the motion

Motion carries, 3-2 (Brandon Emmett and Bruce Schulte vote No)

[4:09:36 PM](#)

Brandon Emmett **motions to amend the amendment by striking:**

[4:02:08 PM](#)

“a misdemeanor crime involving controlled substances”

Peter Mlynarik **seconds the motion**

Motion fails, 2-3 (Brandon Emmett and Bruce Schulte vote Yes)

“Peter Mlynarik’s Amendment #15”

Peter Mlynarik **motions to amend 3 AAC 306.010(a) to read:**

[4:09:46 PM](#)

“The board will not issue a marijuana establishment license if the licensed premises will be located within 1000 feet of a school, a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility.”

No second

“Peter Mlynarik’s Amendment #16”

Peter Mlynarik **motions to amend 3 AAC 306.310(b)(1) by changing the text to read, “11:00p.m. and 10:00a.m.” instead of “5:00a.m. and 8:00a.m.”**

[4:11:25 PM](#)

Loren Jones **seconds the motion**

Motion fails, 2-3 (Peter Mlynarik and Loren Jones vote Yes)

“Peter Mlynarik’s Amendment #17”

Peter Mlynarik **motions to amend the language regarding labeling requirements in subsections 3 AAC 306.345(b)(2)(A)-(E),**

[4:18:14 PM](#)

3 AAC 306.475(a)(1)-(5), and 3 AAC 306.570(c)(4)(A)-(E) to the following:

““Marijuana has intoxicating effects and may be habit forming and addictive;”

“Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;”

“There are health risks associated with consumption of marijuana;”

“For use only by adults twenty-one and older. Keep out of the reach of children” and

“Marijuana should not be used by women who are pregnant or breast feeding””

Loren Jones **seconds the motion**

Motion carries, 3-2 (Brandon Emmett and Bruce Schulte vote No)

“Peter Mlynarik’s Amendment #18”

Peter Mlynarik **motions to amend 3 AAC 306.810(a) to the following:**

[4:23:30 PM](#)

“The board will suspend or revoke a marijuana establishment license issued under this chapter if any licensee is convicted of a felony or a crime listed in 3 AAC 306.010 (c) (2) or (3), or if the board becomes aware that a licensee did not disclose a previous felony conviction or a conviction of a crime listed in 3 AAC 306.010 (c) (2) or (3).”

Bruce Schulte **seconds the motion**

Motion carries unanimously

Brandon Emmett **requests that the Board vote to have the staff open a file with Department of Law to start developing a more detailed regulation regarding an endorsement for on-premises consumption in a retail marijuana store.**

[4:27:04 PM](#)

Mark Springer passes the gavel back to Bruce Schulte to Chair [4:30:18 PM](#)

Mark Springer motions to amend 3 AAC 306.015(e)(2) to read: [4:30:22 PM](#)

“resident of the state” means a person who meets the residency requirement for voter registration in the State of Alaska.”

Brandon Emmett seconds the motion

Mark Springer revises his amendment by adding the following language at [4:45:41 PM](#)

the end: *“and is not registered to vote in any other state”*

Motion carries, 3-2 (Peter Mlynarik and Loren Jones vote No)

Bruce Schulte hands the gavel back to Mark Springer to Chair [4:51:11 PM](#)

“Bruce Schulte’s Amendment #B-13”

Bruce Schulte motions to amend 3 AAC 306.455 and 3 AAC 306.550 as [4:51:31 PM](#)

follows:

“3 AAC 306.455. Required laboratory testing. (a) Except as provided in (d) of this section, a marijuana cultivation facility shall provide a sample of each harvest batch of marijuana produced at the facility to a marijuana testing facility, and may not sell or transport any marijuana until all laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana cultivation facility shall

(1) collect a random, homogenous sample for testing by segregating harvested marijuana into batches of individual strains of bud and flower, then selecting a random sample from each batch in an amount required by the marijuana testing facility;

(2) designate an individual responsible for collecting each sample; that individual shall (A) prepare a signed statement showing that each sample has been randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755;

(3) transport the sample to the marijuana testing facility’s licensed premises in compliance with 3 AAC 306.750.

(c) A marijuana cultivation facility shall segregate the entire batch from which the testing sample was selected until the marijuana testing facility reports the results from its tests. During this period of segregation, the marijuana cultivation facility that provided the sample shall maintain the batch in a secure, cool, and dry location to prevent the marijuana from becoming contaminated or losing its efficacy. The facility that provided the sample may not sell or transport any marijuana from the segregated batch until the marijuana testing facility has completed its testing and provided those results, in writing, to the marijuana cultivation facility that provided the sample. The marijuana cultivation facility shall maintain the testing results as part of its business books and records.

(d) A limited marijuana cultivation facility may contract with a marijuana cultivation broker facility to arrange the laboratory testing required in this section, and transportation of marijuana to the marijuana testing facility. A marijuana cultivation broker facility’s contract to perform these services must be in writing and must be maintained in the limited marijuana cultivation facility’s business records.

(e) When geographic location and transportation limitations make it unfeasible for a cultivation facility to transport testing samples to a lab, an applicant for licensure may propose

alternative means of testing to meet the requirements of this code.

3 AAC 306.550. Required laboratory testing. (a) A marijuana product manufacturing facility shall provide a sample of each marijuana product manufactured at the facility to a licensed marijuana testing facility, and may not sell or transport any marijuana product until all laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana product manufacturing facility shall

(1) collect a random sample for testing by selecting a product from each production lot in an amount required by the marijuana testing facility;

(2) designate an individual responsible for collecting each sample; that individual shall

(A) prepare a signed statement showing that each sample has been randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755, and

(3) transport the sample to the marijuana testing facility in compliance with 3 AAC 306.750.

(c) After collecting and transporting a sample for testing, a marijuana product manufacturing facility shall segregate the entire production lot from which the testing sample was selected until the marijuana testing facility reports the results from its tests. During this period of segregation, the marijuana product manufacturing facility that provided the sample shall maintain the production lot in a secure, cool, and dry location to prevent the marijuana product from becoming contaminated or losing its efficacy. The marijuana product manufacturing facility may not sell or transport any marijuana product from the segregated lot until the marijuana testing facility has completed its testing and analysis and provided those results, in writing, to the marijuana product manufacturing facility that provided the sample. The marijuana product manufacturing facility shall maintain the testing results as part of its business records.

(e) When geographic location and transportation limitations make it unfeasible for a manufacturing facility to transport testing samples to a lab, an applicant for licensure may propose alternative means of testing to meet the requirements of this code.”

Brandon Emmett **seconds the motion**

Harriet Milks **advises the Board that the Department of Law does not support this amendment.**

Motion carries, 3-2 (Loren Jones and Peter Mlynarik vote No)

Bruce Schulte **informs the Chair that he has no additional amendments.**

[5:06:45 PM](#)

Mark Springer **passes the gavel back to Bruce Schulte to resume as Chair.**

[5:07:16 PM](#)

Mark Springer **motions to adopt Articles 1-9 of 3 AAC Chapter 306:**

[5:08:00 PM](#)

Regulation of Marijuana Industry, as amended

Peter Mlynarik **seconds the motion**

Motion carries unanimously

Bruce Schulte **reads the following resolution:**

[5:09:22 PM](#)

“Whereas Ballot Measure 2 specified a fifty-dollar (\$50) per ounce excise tax on marijuana to be paid to the State of Alaska;

Whereas Ballot Measure 2 included provisions (43.61.010) for a lesser tax on certain parts of the marijuana plant stating: “The Department may establish a rate lower than

*\$50 per ounce for certain parts of the marijuana plant”; and
Whereas the lower-grade byproduct or “Trim” that is produced during harvest and
processing has a significantly lower value; now, therefore, be it
Resolved, that the Marijuana Control Board:*

*1) Recommends that the Alaska Department of Revenue exercise its option to tax
different parts of the cannabis plant at different levels by establishing a tax rate for
lower-grade byproduct or “trim” at a level equal to 20% of the tax rate for marijuana.”*

Brandon Emmett motions to accept the resolution

Mark Springer seconds the motion

Motion carries, 3-2 (Loren Jones and Peter Mlynarik vote No)

Mark Springer motions to adjourn

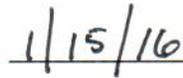
[5:13:24 PM](#)

No objection

Minutes reviewed and approved by:



Cynthia A. Franklin, Director



Date



Sarah D. Oates, Records & Licensing Supervisor



Date



**Marijuana Control Board
Meeting Minutes
December 1, 2015
Anchorage, Alaska**

*Meeting minutes are 25 minutes fast

Board Members Present:

Bruce Schulte, Chair, Industry Member
Mark Springer, Vice Chair, Rural Member
Peter Mlynarik, Public Safety Member
Brandon Emmett, Industry Member
Loren Jones, Public Health Member (telephonic)

Staff Members Present:

Cynthia Franklin, Director (telephonic)
Sarah Oates, Records & Licensing Supervisor

Legal Counsel Present:

Harriet Milks, Assistant Attorney General (telephonic)

***Note:**

Words in **boldface and underlined** indicate language to be added.

Words [CAPITALIZED AND BRACKETED] indicate language being deleted.

Call to Order

10:26:17 AM

Mark Springer **motions to adopt the agenda**

10:26:57 AM

Brandon Emmett **seconds the motion**

No objection

Mark Springer **motions to amend 3 AAC 306.015(e)(2) as follows:**

10:28:21 AM

“resident of the state’ means [A PERSON WHO MEETS THE RESIDENCY
REQUIREMENT FOR VOTING IN ALASKA AND IS NOT REGISTERED

TO VOTE IN ANY OTHER STATE.] **a person who meets the residency**

requirement under AS 43.23 for a permanent fund dividend in the calendar

year in which that person applies for a marijuana establishment license under

this chapter.

Peter Mlynarik **seconds the motion**

Motion carries unanimously

Brandon Emmett **motions to amend 3 AAC 306.015(b) and add subsection (f) as follows:**

[10:30:11 AM](#)

- “(b) The board will not issue a marijuana establishment license to
- (1) an individual or a sole proprietorship unless the individual or proprietor is a resident of the state;
 - (2) a partnership unless **eighty-seven point five percent (87.5%) of the partners or ownership interest are held by residents of the state** [EACH PARTNER IS A RESIDENT OF THE STATE];
 - (3) a limited liability company unless the limited liability company is qualified to do business in the state, and **at least eighty-seven point five percent (87.5%) of the members and ownership interest are held by residents of the state** [EACH MEMBER OF THE LIMITED LIABILITY COMPANY IS A RESIDENT OF THE STATE]; or
 - (4) a corporation unless the corporation is incorporated or qualified to do Business in the state, and **at least eighty-seven point five percent (87.5%) of the shareholders and ownership interest are held by residents of the state** [EACH SHAREHOLDER WHO OWNS THE CORPORATION’S SHARES IS A RESIDENT OF THE STATE]...

...(f) Any partner or ownership of the proposed marijuana establishment and not an accredited investor or resident of the state must agree to provide any and all information requested by the Marijuana Control Board, including name, address, date of birth, and criminal history report from their state of residence. Cost of such report shall be paid for by the applicant.

Mark Springer **seconds the motion**

Harriet Milks **advises that the Department of Law feels that this amendment is outside of the scope of what can be discussed in today’s meeting.**

Brandon Emmett **removes his motion**

Mark Springer **motions to adjourn**

[10:39:54 AM](#)

No objection

Minutes reviewed and approved by:



Cynthia A. Franklin, Director

2/5/16

Date



Sarah D. Oates, Records & Licensing Supervisor

02/05/16

Date