



MEMORANDUM

TO: Peter Mlynarik, Chair, and Members of the Marijuana Control Board DATE: July 1, 2016

FROM: Sarah Daulton Oates, Program Coordinator RE: Licensing Update

Total Applications Received as of July 1, 2016 **373**

1) Applications by the Numbers	
a. Voided	52
b. New Status	39
c. Initiated Status	218
d. Under Review Status	8
i. Under Review, Retail Marijuana Stores	4
ii. Under Review, in Mat-Su Borough	3
iii. Under Review, Yet to be Reviewed	1
e. Incomplete Status	7
f. Complete Status	23
i. Determined Complete by June 23	19
g. Active Status	4
h. Delegated Status	18
i. Tabled Status	2
j. Rescinded Status	2
2) Applications by License Type	
a. Cultivation Facility applications	230
b. Testing Facility applications	7
c. Retail Marijuana Store applications	94
d. Product Manufacturing Facility applications	42

Licensing Database

AMCO staff has continued to work with IT on completing and fixing pieces of the online licensing database. In addition to processing applications and its numerous other tasks, the licensing team has needed to spend many work hours over the past few weeks testing future components of the database, including online transfer and renewal applications.



Board Meeting Deadlines

There has been some confusion about the board-approved two-week deadline for applications to make it onto a board meeting agenda. To clarify: any applications that have been *deemed complete* by the Director by the two-week deadline will make it onto a board meeting agenda. This deadline does not mean that an applicant may submit documents the day of the deadline and expect to make it onto the agenda. The licensing team has received extreme pressure and angry calls and emails from individuals who submitted documents at the very last minute and were informed that they could not be processed in time to make the agenda. Licensing staff needs adequate time to review and process the documents before deeming an application to be complete, and we have been doing our best to make that clear to applicants. The deadline for applications to be *deemed complete* in order to be on the September 7, 2016 meeting agenda is August 24, 2016.

Food Safety Permits

AMCO staff has consulted with the Department of Environmental Conservation and has agreed upon a procedure that will allow license applications requiring food safety permits to be filed with AMCO. Staff has earmarked 3 AAC 306.315 and 3 AAC 306.520 for a potential future regulation project to clarify regulatory language relating to timing of permits.

Application Roll-Backs

At the April 27, 2016 MCB meeting, the board supported my request to discontinue the process of licensing staff “rolling back” applications to the “New” status when applicants need to fix errors. In the past few weeks, it has come to the licensing unit’s attention that many applicants are requiring additional funding and are bringing in new investors, thus needing to add new licensees to their applications. In order to do this under current policy, the applicant would have to start an entirely new license application, losing all existing work.

I am now requesting that the board support the licensing team’s proposed new policy of doing a *one-time only* roll-back for applicants in “Initiated”, “Under Review”, “Incomplete”, or “Complete” statuses, and *only* if it’s for the purpose of adding additional licensees or affiliates. Any other changes to an application (eg: change in premises location) would require the applicant to start a new application, as supported by the MCB at the April meeting. Any applicants in the “Complete” status who request a roll-back will be informed that the local government and any applicable community councils and state officials will be notified that the original notices are rescinded. Once the application is again deemed complete after the necessary changes are made and new documents are submitted, new notices will be sent out, and a new 60-day protest period for the local government will begin. Any applicants requesting a roll-back will be agreeing to lose their reserved places in the processing queue.



Forms

It has come to our attention that many applicants have proposed premises within buildings or building complexes that contain other tenants with identical premises addresses, and that a suite number or specific address that clearly delineates the proposed licensed premises from other tenants is not always provided in the application. In order for the board to ensure that the applicant has sole right of possession to the proposed premises, I have added the following language to Form MJ-02: Premises Diagram:

“If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.”

Additionally, I consulted with our AAG about creating two new forms (Form MJ-14: Licensed Premises Diagram Change and Form MJ-15: Operating Plan Change) as a result of recent demand from applicants to change premises diagrams and operating plans that were approved with delegation at the June 9-10, 2016 MCB meeting. I was advised that these forms templates did not require board approval, as the parent forms (MJ-01 through MJ-06) were approved by the board at the February 11, 2016 meeting. You will see completed copies of the original draft of these forms in Tabs 25-28 of this board packet. 3 AAC 306.705 requires the Director to approve any completed Form MJ-14, whereas 3 AAC 306.100 requires board approval of any completed Form MJ-15.

The regulations do not specifically address how an applicant makes changes to an operating plan, premises diagram, business name, or ownership after the application has received board approval with delegation but before the license has actually been issued. 3 AAC 306.040, 3 AAC 306.100, and 3 AAC 306.705 outline the procedures that a “licensed marijuana establishment” must follow in order to make these types of changes, which requires completion of forms approved by the board and, in most cases, \$250 fees. AMCO staff’s interpretation of these regulations is that any proposed change to an operating plan, premises diagram, business name, or ownership that the board *has not reviewed and approved* would necessitate completion and submission of the contemplated forms and fees, followed by the corresponding Director or board approval, as outlined in the regulations. AMCO staff has been challenged on this interpretation and is seeking board support and/or guidance on preventing this apparent loophole.