




## MEMORANDUM

TO: Marijuana Control Board

DATE: March 31, 2017

FROM:  James Hoelscher, Enforcement Supervisor

RE: Enforcement Report, Marijuana

AMCO Investigators have continued with the renewal inspections for alcohol premises and the new inspections for marijuana premises. We have also continued to contact licensees, agents, employees and members of the public to hear any concerns. The concerns are addressed quickly and have created a proactive enforcement aspect which in turn has reduced the number of reported violations.

The Enforcement staff has been assisting Director McConnell in her transition with regard to enforcement issues. We have also hired a new Investigator for Fairbanks, Michael Chiesa, who will join AMCO on April 10<sup>th</sup>, 2017. He is an experienced APSC Certified Officer with experience in urban and rural Alaska.

The Enforcement Team and I have conducted numerous walk-throughs, inspections and investigations. The investigations range from simple violations, product adulteration/misbranding, sale without a license and minimum operating requirements. We also have been reviewing Alcohol Server Courses, both new and renewals. We also have been answering numerous questions and listening to comments and responding to complaints. As you can see from the number of requests and questions, this has consumed a very large portion of our time and it is our hope that as time goes on, we will have educated licensees resulting in reduced violations due to the proactive stance we have taken.

### **Alcohol & Marijuana Stats 2017 (as of 3-24-17)**

Investigations – 58 (1 Rural)  
Alcohol Walk-throughs - 124  
Alcohol Inspections – 74 (36 Rural)  
Alcohol NOV's -9  
Alcohol Advisory Notices - 8  
Alcohol Permits reviewed - 164  
Marijuana Walk-throughs - 40  
Marijuana Inspections - 36  
Marijuana NOV's - 14  
Marijuana Advisory Notices - 3  
Marijuana Background Conducted (MJ-18) - 10  
Marijuana Handler Cards Issued - 407  
Enforcement Calls/Requests/General Enforcement Email – 1,532



**Items that need clarification from the board:**

**Air Cargo/Transportation (3 AAC 306.750):**

Does not comply with comply with 3 AAC 306.750(b)(c)(d)(e)

3 AAC 306.750. Transportation

(b) A marijuana establishment from which a shipment of marijuana or marijuana product originates is responsible for preparing, packaging, and securing the marijuana or marijuana product during shipment, for recording the transfer in the marijuana inventory tracking system, and for preparing the transport manifest. An individual transporting marijuana in compliance with this section shall have a marijuana handler permit required under 3 AAC 306.700.

(c) When marijuana or a marijuana product is transported, the marijuana establishment that originates the transport shall use the marijuana inventory tracking system to record the type, amount and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle. A complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times.

(d) During transport, the marijuana or marijuana product must be in a sealed package or container and in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product. The sealed package may not be opened during transport. A vehicle transporting marijuana or a marijuana product must travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and may not make unnecessary stops in between except to deliver or pick up marijuana or a marijuana product at another licensed marijuana establishment.

(e) When a marijuana establishment receives marijuana or a marijuana product transported in compliance with this section, the recipient of the shipment shall use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received. The recipient shall refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

**Social Media Advertising (3 AAC 306.360) :**

We have written a violation for an advertisement on social media.

**Kief:**

At the February 2nd, 2017 Marijuana Control Board Meeting there was a brief conversation regarding whether or not a cultivation or retail licensee could sell kief as a natural byproduct of packaging or processing. The Board informally agreed that this activity could be permitted.

Further review of regulations indicates that this type of activity is prohibited. Kief is a concentrate as defined by 3 AAC 306.990 (11) "concentrate" or "marijuana concentrate" means resin, oil, wax, or any other substance produced by extracting or isolating cannabinoids, THC, or other components from a marijuana plant or from materials harvested from a marijuana plant.

3 AAC 306.450 specifically prohibits this activity:



Production of marijuana concentrate prohibited. A marijuana cultivation facility may not produce or possess marijuana concentrate that was extracted using any process described in 3 AAC 306.555 on the marijuana cultivation facility's licensed premises unless the marijuana cultivation facility also has a marijuana product manufacturing facility license.

3 AAC 306.555 further states that (d) A marijuana product manufacturing facility may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create

(1) kief;

(2) hashish;

(3) bubble hash;

(4) infused dairy butter, or oils or fats derived from natural sources;

(5) other extracts.

In summary, any cultivation or retail store that is isolating kief for sale as a standalone product is in violation of the above regulations and must cease this practice immediately. Any kief or other isolated resinous Trichomes must be properly transferred to a licensed product manufacturing facility before being sold to a retail store.

### Possible Regulations Projects

Limit on quantity sold (3 AAC 306.355):

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 useable marijuana;

(2) seven grams of marijuana concentrate for inhalation, or

(3) marijuana or marijuana products containing more than 5600 Milligrams of THC.

Lines 1 and 3 may conflict because one ounce (28.35 grams) at higher than (5.6/28.35) 19.75% Total THC will be higher than 5600 Milligrams (5.6 grams) of THC.

- Suggest taking the "marijuana or" out of line 3.
- Potency of THC presents problems with multiple marijuana products or marijuana purchased at one time in one transaction.
- For example – Someone purchasing:
  - 3/4 ounce of marijuana with 20% THC – 4252mg
  - 2 Grams of concentrate at 90% THC – 1800mg
  - 10 marijuana products - 500mg
    - Equals 6552 mg of THC

Or

- 1/2 ounce of marijuana with 22% THC – 3119mg
- 3 Grams of concentrate at 90% - 2700mg
- 15 marijuana products – 750mg
  - Equals 6569 mg of THC