



MEMORANDUM

TO: Peter Mlynarik, Chair, and Members of the
Marijuana Control Board

DATE: May 4, 2017

FROM: Sarah Oates, Program Coordinator

RE: Licensing Report

Total Applications Received as of May 4, 2017

690

- 1) Applications by the Numbers
 - a. Voided 103
 - b. New Status 67
 - c. Initiated Status 292
 - d. Under Review Status 8
 - e. Incomplete Status 14
 - f. Complete Status 20
 - i. Determined Complete by April 28 20
 - g. Active Status 127
 - i. Operational / Preliminary Inspection Completed 83
 - h. Delegated Status 39
 - i. Tabled Status 3
 - j. Rescinded Status 13
 - k. Denied Status 2
 - l. Failed to Complete 2
- 2) Applications by License Type
 - a. Cultivation Facility applications 408
 - b. Testing Facility applications 11
 - c. Retail Marijuana Store applications 184
 - d. Product Manufacturing Facility applications 87

Agenda Closing Date

In order to be on the July, 2017 meeting agenda, applicants who have received incomplete letters must submit all corrections and complete documents by **June 23, 2017**. Any person wishing to provide documents or written comments for the Board packet must submit them no later than this date; otherwise, it is the responsibility of the individual to provide adequate printed copies for Board members and staff at the meeting.



Staff Updates

With the addition of Jacqlene Drulis to the team on April 17th, the licensing unit is fully-staffed for the first time in nearly a year. Jane Sawyer has been busy training Mark Bailey on procedures for processing new marijuana license applications, and I have been training Jacqlene the alcohol license and permit processing procedures. Mark and I have also been working on producing updated, detailed standard operating procedures for new licensing examiners.

Renewal Applications

Jane and I collaborated with IT staff to ensure that the online renewal applications would be functional. I sent out notices on May 1, 2017 to the holders of 80 licenses in Active status with an effective date. A copy of the notice, labeled as Attachment A, is attached to this report. A list of all licenses that are required to be renewed, along with renewal instructions and forms, is available on our website at <https://www.commerce.alaska.gov/web/amco/MarijuanaLicenseApplication.aspx>. The list will be updated weekly through June 30, 2017, as any establishment that passes a preliminary inspection and is given a license by the AMCO enforcement team on or before that date must renew the license during this renewal period, as required by 3 AAC 306.035. Form MJ-20: Renewal Application Certifications is available on the website for licensees to complete and submit as part of renewal applications. A copy of this form, labeled as Attachment B, is attached to this report.

Transfer Applications

Jane and I are working with Erika on necessary procedures for resuming progress on and increasing priority of a functional online license transfer application. We still do not have an idea of an expected roll-out date, but Erika has been brought up to speed on the increasing necessity for the online transfer application process to be up and running.

Delegation

I would highly recommend that the Board consider delegating the authority to approve renewal applications to the director. If the Board chooses to do so, then the staff would bring to the Board any renewal applications for which a protest or objection has been received, or any application that the staff feels the Board should review independently due to other concerns. The ABC Board has chosen this method in the interest of making efficient use of the Board's time. Although there are currently far fewer renewal applications for marijuana licenses this year than for liquor licenses, there are still over 80 applications that would each need to be reviewed and approved by this Board. It is my opinion that because licensees are not required to submit operating plans or documents that require a large amount of subjective evaluation, that delegation to the director for approval of license renewal applications would be a very useful and time-saving option for this Board. If the Board chooses this option, please determine what, if any, particular criteria you would like staff to evaluate when determining which applications should be independently considered by the Board (eg: two NOV's issued in 12 months).

If it is not in this Board's interest to delegate final approval to the director, then it should seriously consider delegating the authority to temporarily approve renewal applications, pending final Board



approval and local government action. Without doing so, licenses will end up lapsing before the September Board meeting, and there will be no means for the regulated industry to continue legal operation.

Questions for the Board

1. Public Participation on Renewal Applications

In addition to the concerns provided in the director's report regarding public participation (objection) to license applications, it is important that the Board understand an additional issue with 3 AAC 306.065. The current language states that *"A person may object to an application for... renewal of a license... by submitting a written statement of reasons for the objection to the board and the applicant not later than 30 days after notice of the application, but not later than the deadline for objections stated in a posted or published notice of the application."* However, only applicants for new marijuana establishment licenses are required to provide public notice (3 AAC 306.025) of the application; there is no requirement that public notice be given of a renewal application.

Because 3 AAC 306.065 clearly contemplates the ability for a member of the public to object to a renewal application, staff is currently considering the beginning of the 30-day deadline to be the date on which the written notices of the application, required by 3 AAC 306.035(c), are sent. Staff is seeking Board support in its interpretation of the existing regulation.

2. Multiple Buildings or Structures for a Single Licensed Premises

The staff has recently been seeing a number of applications and change documents submitted that include multiple buildings for the proposed licensed premises. In Title 04, this would typically require a duplicate license. The existing regulation, 3 AAC 306.990(b)(23), states that *"'licensed premises' means any or all designation portions of a building or structure, or rooms or enclosures in the building or structure, at the specific address for which a marijuana establishment license is issued, and used, controlled, or operated by the marijuana establishment to carry out the business for which it is licensed."*

The language in the current definition seems to clearly contemplate a single building or structure, or portion thereof, to be used as a licensed premises. Staff is looking for direction on whether or not this is the Board's intent, as the current regulation seems to clearly require that a separate license application be submitted for each building an applicant intends to request licensure for. Multiple applicants have submitted applications with language indicating that there are "phases" for licensing multiple areas or buildings, with the first phase being for one building, and additional phases occurring over a period of time to add additional buildings or structures. Staff is requiring applicants to amend this language, as the Board should only be considering what the applicant intends to be the licensed premises at the time of preliminary inspection. Additions or changes at a later date would require the licensee to submit and receive approval of change forms, or of additional licenses applications, depending upon the Board's determination of whether or not multiple buildings could be included for a single licensed premises.

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Marijuana Licensing \(CED sponsored\)](#)
Cc: [Oates, Sarah D \(CED\)](#); [Hoelscher, James C \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#); [McConnell, Erika B \(CED\)](#)
Subject: Clarification Regarding the 2017/2018 Marijuana Establishment License Renewal Application Notice
Date: Wednesday, May 03, 2017 12:20:42 PM
Attachments: [Marijuana Establishment License Renewal Application Notice.pdf](#)
[image001.png](#)
Importance: High

Good afternoon,

It has been brought to our attention that there may be some confusion among licensees regarding which licenses are required to be renewed. The May 1, 2017 renewal application notice was sent to the contact email on file for each license that is required to be renewed. Because some licensees use the same contact email for multiple licenses, there were some email addresses that were included in the email list more than once. It is unclear whether more than one copy of the email notice was delivered in this circumstance.

A renewal application is required for any license that is in Active status with an effective date on or before June 30, 2017, per 3 AAC 306.035. A list of all licenses that are required to be renewed, along with renewal instructions and forms, will be available on our website at the following link for the duration of this renewal period:

<https://www.commerce.alaska.gov/web/amco/MarijuanaLicenseApplication.aspx>

This list will be updated weekly through June 30, 2017.

Licensees have access through myAlaska to the following “Renew Your License” button on the License Home Page for each license that is required to be renewed.

ACTIONS & DOCUMENTS

[Renew Your License](#)

[Advertisement Notice](#)

[Public Notice](#)

[Standard Cover Page](#)

Please note that a marijuana establishment is not excused from filing a renewal application as required under 3 AAC 306.035(a), even if the marijuana establishment fails to receive a renewal notice from AMCO.

If you have any questions or concerns about your renewal application, please email them to marijuana.licensing@alaska.gov.

Sincerely,

Sarah Daulton Oates

Program Coordinator
Alcohol & Marijuana Control Office
Phone: 907.269.0350
alcohol.licensing@alaska.gov
marijuana.licensing@alaska.gov



Please consider the environment before printing this e-mail.

From: Marijuana Licensing (CED sponsored)
Sent: Monday, May 01, 2017 3:06 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Cc: Oates, Sarah D (CED) <sarah.oates@alaska.gov>; Hoelscher, James C (CED) <james.hoelscher@alaska.gov>; CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov>; McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
Subject: 2017/2018 Marijuana Establishment License Renewal Application Notice
Importance: High

Dear Licensee:

Attached is a formal notification that your marijuana establishment license is due to expire on June 30, 2017. Included in the notice are a hyperlink to the online renewal application, as well as instructions on how to complete and submit the application, as required by 3 AAC 306.035.

Please read the instructions carefully and note all deadlines in the notice. If you have any questions or concerns about your renewal application, you may email them to marijuana.licensing@alaska.gov.

Sincerely,

Sarah Daulton Oates

Program Coordinator
Alcohol & Marijuana Control Office
Phone: 907.269.0350
<https://www.commerce.alaska.gov/web/amco>
alcohol.licensing@alaska.gov
marijuana.licensing@alaska.gov



Please consider the environment before printing this e-mail.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

MARIJUANA CONTROL BOARD
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

May 1, 2017

Re: Marijuana Establishment License Renewal Application Notice

Dear Licensee:

Your marijuana establishment license is due to expire on June 30, 2017. The complete electronic renewal application, corresponding fees, and supplemental documents must be submitted to the Alcohol and Marijuana Control Office (AMCO) not later than **June 30, 2017**, as required under 3 AAC 306.035. Any corporations or limited liability organizations that apply for renewal must be in good standing with the Alaska Division of Corporations in order for the renewal application to be considered complete.

The following documents and items must be submitted for all license types before any renewal application will be considered complete:

- ☐ **Online Renewal Application** (accessible through myAlaska or at the hyperlink below)
- ☐ **Form MJ-20:** Renewal Application Certifications (must be completed by each licensee)
- ☐ **Proof of Right to Possession of the Licensed Premises** (current lease/title/deed)
- ☐ **Entity Documents** (please review 3 AAC 306.020(b)(3) for details)
- ☐ **Renewal Application Fee** (\$600 for each license type)
- ☐ **License Fee**
 - **\$1,000:** Limited Cultivation; Concentrate Manufacturing; Testing; **OR**
 - **\$5,000:** Standard Cultivation; Product Manufacturing; Retail Store
- ☐ **Other Documents or Information** (any other information the Board requires)

To access the Online Renewal Application, please log in to your myAlaska account or visit the following hyperlink:
<https://www.commerce.alaska.gov/abc/Marijuana/secure>

To access a fillable PDF of Form MJ-20: Renewal Application Certifications, please visit the following hyperlink:
<https://www.commerce.alaska.gov/web/Portals/9/pub/MCB/MJRenewals/MJ-20.pdf>

AN APPLICATION WILL BE CONSIDERED INCOMPLETE UNLESS AND UNTIL ALL REQUIRED SUPPLEMENTAL DOCUMENTS HAVE BEEN ACCURATELY COMPLETED AND SUBMITTED, AND ALL REQUIRED FEES HAVE BEEN PAID.

Personal or bank checks, cashier's checks, and money orders are the only acceptable forms of payment at this time.
Payment for all fees must be submitted to AMCO's main office not later than 4:30pm on June 30, 2017.

Please remember that any change to your marijuana establishment's business name, licensed premises diagram, operating plan, or ownership, or any new proposed marijuana product or concentrate must be reported to the Board by completing and submitting required forms and fees. If you have made any of the above changes and have not yet submitted required documentation to AMCO staff, you must do so before your renewal application can be considered complete, as required by 3 AAC 306.035(b)(3). Instructions on how to report or request any of the above changes can be found at the following link: <https://www.commerce.alaska.gov/web/Portals/9/pub/MCB/MJRenewals/MJRenewalInstructions.pdf>

Any application that is submitted or incomplete after June 30, 2017 is delinquent and will be assessed an additional non-refundable \$1,000 late renewal application fee under 3 AAC 306.100(b).

Any marijuana establishment that fails to submit a complete license renewal application on or before August 31, 2017 for any reason, including failure to pay any required fees or submit accurate and complete copies of any required supplemental documents, will have its license expire at 12:00 midnight on August 31, 2017. Any holder of an expired license must immediately surrender the license to the Board. Any holder of an expired license that seeks authority to operate must file a complete new license application. If you do not intend to seek a renewal of your license, please send a written notification to the director by emailing marijuana.licensing@alaska.gov.

The Marijuana Control Board (MCB) will decide whether to grant or deny an application not later than 90 days after receiving the complete application. The MCB may hold a hearing under 3 AAC 306.070 to ascertain the reaction of the public or a local government to any complete application, either on its own initiative or in response to an objection or protest received under 3 AAC 306.060 or 3 AAC 306.065 respectively. If the MCB approves your renewal application, your 2017/2018 marijuana establishment license will be delivered to you by an AMCO investigator or mailed to you at the mailing address on file.

Please scan and email complete supplemental documents and send any questions or concerns about your renewal application to marijuana.licensing@alaska.gov.

Sincerely,



Sarah Daulton Oates
Program Coordinator
Alcohol & Marijuana Control Office



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:		License Number:			
License Type:					
Doing Business As:					
Premises Address:					
City:		State:		ZIP:	

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	
Title:	

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications**Section 4 – Certifications****Read each line below, and then sign your initials in the box to the right of any applicable statements:**

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.**Sign your initials to the following statement only if you are unable to certify one or both of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee_____
Notary Public in and for the State of Alaska_____
Printed name of licensee

My commission expires: _____

Subscribed and sworn to before me this _____ day of _____, 20_____.