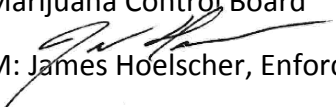




MEMORANDUM

TO: Marijuana Control Board

DATE: March 27, 2018

FROM:  James Hoelscher, Enforcement Supervisor

RE: Enforcement Report, Marijuana

AMCO Enforcement has received numerous requests from local law enforcement agencies for training on Title 4 and Title 17.38. In order to provide current, clear, consistent, and accurate information, we have started working on a syllabus this past week and plan on having a completed syllabus with instructional material completed prior to the end of April. In addition to the syllabus for Law Enforcement, we have identified a need for a syllabus for the general public to help educate them on Title 17.38 laws, focusing on the role of AMCO, approved products, minors, public consumption, and locating resources.

It is my belief that having more informed law enforcement, licensees, and the general public will help enhance the public's health and safety while strengthening our ability to work collaboratively with various stakeholders on enforcing our regulations, Title 4, and Title 17.38.

We are continuing to work with Department of Health and Social Services, Tobacco Enforcement, to reinstate our compliance/shoulder tap program. The memorandum of understanding between both departments is currently under review. In the interim, we have partnered with the Air Force, Office of Special Investigations, on conducting compliance checks. We hope to continue to build and foster these relationships to achieve our shared goal of compliance with law.

Alcohol & Marijuana Current Stats, as of March, 23, 2018

Investigations – 111 (89 Urban – 22 Rural)
Alcohol Walk-throughs - 75
Alcohol Inspections – 24 (2 Rural)
Alcohol NOV's -61 (46 of these NOV's were change of ownership)
Alcohol Advisory Notices – 7
Alcohol Permits reviewed - 200
Marijuana Walk-throughs - 30
Marijuana Inspections – 43 (31 Urban - 12 Rural)
Marijuana NOV's - 4
Marijuana Advisory Notices - 13
Marijuana Background Conducted (MJ-18) - 8
Marijuana Handler Cards Issued – 526
Compliance Checks/Shoulder Taps – 5
Criminal Charges - 2
Enforcement Calls/Requests/General Enforcement Email – 2,367



Suggested legislative requests for amendments to AS 17.38:

Indemnification for Marijuana Purchases by persons under the age of 21 for the purpose of compliance checks and shoulder taps.

Title 4 allows for persons under the age of 21 to assist in the enforcement of alcohol with indemnification:

- AS 04.16.049(f) Access of persons under the age of 21 to licensed premises
A person under 21 years of age does not violate this section if the person enters or remains on premises licensed under this title at the request of a peace officer, if the peace officer accompanies, supervises, or otherwise observes the person's entry or remaining on premises, and the purpose for the entry or remaining on premises is to assist in the enforcement of this section.

AS 17.38.070. Lawful operation of marijuana-related facilities and 3 AAC 306.750. Transportation

Enforcement has recently received numerous questions regarding transport and transfer of marijuana and marijuana products. The Statute clearly defines how marijuana and marijuana product are to be delivered and received from each respective license type.

The new transport regulation made it so a licensee, an agent, or an employee can transport marijuana or marijuana product to a licensed establishment. While this may have simplified things, it has caused some confusion regarding transport of marijuana and/or marijuana product because a large number of licensees assumed that this gave *carte blanche* on transports and reasons for transports with disregard or ignorance of the statute and of their own license type permissions and restrictions. Another issue is that the old transport regulation allowed for transfers/transports between retail license holders but this permission is absent the statute and is not allowed in our current regulations.

I am seeking clarification on two specific areas:

- “Backflow” transports - What reason(s), if any, would be allowed for a retailer or product manufacturer to return product to a cultivator? Request guidelines on what would be allowed for “backflow” between licensees and customers returning marijuana or marijuana product back to retailer.
 - We have received requests, ranging from product not selling out after an extended amount of time, to mold, and to quality of marijuana or marijuana product.
- Can a retailer transfer to another retailer? ***Requesting boards interpretation and for the board to request the Legislature for an amendment to AS 17.38.070(a)***

*****See attached Chart***



Proposed Regulations Projects:

3 AAC 306.460(a). Samples

- (a) A marijuana cultivation facility may provide a free sample of marijuana to a retail marijuana store if packaged in a sample jar containing not more than three and one-half grams of marijuana and protected by a plastic or metal mesh screen to allow customers to smell the product before purchase.
- This section appears to be in the wrong area, as it should apply to article 3 (retailers) and it is only located in article 4 (cultivation), unless “customers” references another licensee who would be purchasing the marijuana. I recommend a regulation change to put sample jar requirements in the retail store regulations in article 3 to cover security as well as types of jars permitted.

3AAC 306.555(d)(1) Production of marijuana concentrate

- Cultivators are producing kief Kief is defined as a concentrate and production of concentrate is prohibited by cultivators.
- The last direction from the board says that it is ok to do that if it happens “naturally,” the cultivators are not purposely separating kief, and it is tested separately for potency. Without any regulatory language exempting this, the direction given is in contradiction with current regulation.

