



Alaska Marijuana Control Board

Marijuana Handler Permit

## Form MJ-10: Education Course Provider Application

Alcohol and Marijuana Control Office

550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

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

Phone: 907.269.0350

### What is this form?

This marijuana handler permit education course provider application is required for all persons and entities seeking to have a marijuana handler permit education course approved by the Marijuana Control Board. Applicants should review **3 AAC 306.700**.

### The course curriculum must cover at least the following topics:

- AS 17.37, AS17.38, and 3 AAC 306
- The effects of consumption of marijuana and marijuana products
- How to identify a person impaired by consumption of marijuana
- How to determine valid identification
- How to intervene to prevent unlawful marijuana consumption
- The penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment
- A written test, demonstrating that each student has learned the information correctly



**This form must be submitted to AMCO's main office, along with a copy of the course curriculum, before any marijuana handler permit education course provider application will be considered by the board.**

### Applicant Information

Enter information for the business seeking to be an approved marijuana handler permit education course.

<b>Applicant:</b>	Green CulturED				
<b>Course Name:</b>	Alaska Marijuana Handler Certification   Green CulturED				
<b>Mailing Address:</b>	757 East 20th Avenue, Suite 370-439				
<b>City:</b>	Denver	<b>State:</b>	CO	<b>ZIP:</b>	80205
<b>Email Address:</b>	Info@GreenCulturED.co	<b>Phone:</b>	(720) 446-8847		

In-person ☐ Online ☒

Do you intend to provide this course in-person in a classroom-type setting, or online? Check all that apply.



Signature of Applicant

Printed Name

April 2, 2018

Date

OFFICE USE ONLY					
<b>Board Meeting Date:</b>		<b>Approved Y/N?:</b>		<b>Course #:</b>	MHCP 026

# Alaska Marijuana Handler Permit

## Education Course Provider Application

 **Green CulturED**



April 2, 2018

**Alcohol and Marijuana Control Office**

**Attn: Marijuana Control Board**

**550 West 7<sup>th</sup> Avenue, Suite 1600**

**Anchorage, Alaska 99501**

To Marijuana Control Board:

Green CulturED is applying to be an Education Course Provider for the State of Alaska Marijuana Handler Permit. Issuing required course completion certificates for individuals interested in pursuing employment at a cannabis establishment; per AAC306.700 (a).

We are based in Denver, Colorado and Green CulturED will provide online course options for individuals to complete the handler permit education course. Individuals whom satisfactorily demonstrate an understanding of the required course material(s) will be issued course completion certificates; per AAC306.700 (b), so that these individuals may submit their certificate(s) of completion to the MCB Director for Handler Permit Cards; per AAC306.700 (c).

We understand that these Handler Permit Cards will be valid for a period of three years and that educational course material reviews(s) will take place at least once every three years and have our educational portal ready (<https://Learn.GreenCulturED.co>) to deploy courseware materials to individuals wishing to complete the handler certification course, per AAC306.700.

We are look forward to hearing from you and let us know if you have any questions.

Sincerely,



Evan Erickson | Chief Training Officer | Green CulturED

757 East 20<sup>th</sup> Avenue, Suite 370-439 | Denver, Colorado 80205

[Evan.Erickson@GreenCulturED.co](mailto:Evan.Erickson@GreenCulturED.co) | (720) 984.8569





## Alaska Marijuana Handler Outline (certification starts on Page 6)

### Certification Description

In the state of Alaska, every licensee, employee, or agent of a marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor of a marijuana establishment, must complete a state approved Alaska Marijuana Handlers Certification and obtain a marijuana handler permit card from Alcohol and Marijuana Control Office (AMCO) before being licensed or beginning employment at a marijuana establishment. Marijuana handler permits are valid for three years from the date of issue.

### 3 AAC 306.700. MJ 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 3 ACC 306;
- (2) The effects of consumption of marijuana and marijuana products;
- (3) How to identify a person impaired by consumption of marijuana;
- (4) How to determine valid identification;
- (5) How to intervene to prevent unlawful marijuana consumption;
- (6) The penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment; and
- (7) A written test, demonstrating that each student has learned the information correctly.

(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 to the Marijuana Control Board. The Marijuana Control Board 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 section (c) 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.

### **Certification Operational Features**

Green CulturED will offer this Handler Permit Education Course to individuals via an online, enterprise learning management system (LMS) portal called Moodle ([www.moodle.org](http://www.moodle.org)) and will develop course curriculum that utilizes Microsoft PowerPoint and Articulate Storyline with Professional Voice-Over (VO), media and videos, relevant primary documentation (Standard Operating Procedures, distributed health information) that correspond to each section.

Our Instructional Designers use instructional technology as a method for developing instruction for the Alaska Marijuana Handler Permit Education Course. The instructional design models specify a method of delivering training, that if completed by learners it will facilitate the transfer of knowledge, skills and attitude to the acquirer of the instruction.

Students will be able to complete course modules in the order outlined in the application. The online format allows students to work at their own pace, each module requires them to pass a written test to ensure they fully understand the material before the next module becomes available.

- Be deployed online through a secure LMS using identifiable logins.
- Certification will be developed to meet American Disability Act (ADA) Section 508 Accessibility Compliance requirements for people with disabilities.
- Consist of written materials, handouts, videos, reading and summation.
- Once completed, individuals will be provided with certificate of completion. A minimum score of 84% is required on randomized final exam questions to complete the written tests and receive certificate.
- Timed slides to ensure minimum training time limits are achieved and the system allows user to log out and resume training where he/she left off.
- Randomized personalized security questions to ensure user integrity.
- Course documents available for download by user (located on user account profile page).
- Copy of AS 17.37 PDF available for download.
- Copy of updated AS 17.38 PDF available for download.
- Copy of 3 AAC 306 PDF available for download.



- Auto generated certificate PDF provided to user upon passing final exam.
- Seamless user account creation and 24 Hour technical support.
- Secure interface with extended validated SSL encryption.
- Course player compatible with all devices, browser programs and operating systems.

**Section 1: Alaska State Law and Legal Penalties.**

- Module 1: AS 17.37
- Module 2: AS 17.38
- Module 3: 3 AAC 306

**Section 2: The effects of marijuana products.**

- Module 1: The effects of consumption of marijuana and marijuana products.
- Module 2: How to identify a person impaired by consumption of marijuana.

**Section 3: Determining valid identification and preventing unlawful marijuana consumption.**

- Module 1: How to determine valid identification.
- Module 2: How to intervene to prevent unlawful act by a licensee, an employee, or an agent of a marijuana establishment.
- Module 3: The penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment.

**Section 4: A written test, demonstrating that each student has learned the information correctly.**

**Assessment**

A total of three (3) online written tests will be required for each section demonstrating that each student has satisfactorily demonstrated the required information and they will be given one (1) comprehensive written test upon completion of all training modules to obtain a certificate.





## Alaska Marijuana Handler Certification

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## Section 1, Module 1

### Alaska Statutes (AS) 17.37

#### AS 17.37.010. Registry of Patients and Listing of Caregivers.

(a) The department shall create and maintain a confidential registry of patients who have applied for and are entitled to receive a registry identification card according to the criteria set out in this chapter. The registry must also contain the name of the primary caregiver and the name of the alternate caregiver of a patient, if either is designated by the patient. Only one primary caregiver and one alternate caregiver may be listed in the registry for a patient. The registry and the information contained within it are not a public record under AS 40.25.100 - 40.25.220. Peace officers and authorized employees of state or municipal law enforcement agencies shall be granted access to the information contained within the department's confidential registry only

(1) for the purpose of verifying that an individual who has presented a registry identification card to a state or municipal law enforcement official is lawfully in possession of such card; or

(2) for the purpose of determining that an individual who claims to be lawfully engaged in the medical use of marijuana is registered or listed with the department or is considered to be registered or listed under (g) of this section.

(b) Except as provided in (a) of this section, a person, other than authorized employees of the department in the course of their official duties, may not be permitted to gain access to names of patients, physicians, primary or alternate caregivers, or any information related to such persons maintained in connection with the department's confidential registry.

(c) In order to be placed on the state's confidential registry for the medical use of marijuana, an adult patient or a parent or guardian of a minor patient shall provide to the department

(1) a statement signed by the patient's physician

(A) stating that the physician personally examined the patient and that the examination took place in the context of a bona fide physician-patient relationship and setting out the date the examination occurred;

(B) stating that the patient has been diagnosed with a debilitating medical condition; and

(C) stating that the physician has considered other approved medications and treatments that might provide relief, that are reasonably available to the patient, and that can be tolerated by the patient, and that the physician has concluded that the patient might benefit from the medical use of marijuana;





(2) a sworn application on a form provided by the department containing the following information:

(A) the name, address, date of birth, and Alaska driver's license or identification card number of the patient;

(B) the name, address, and telephone number of the patient's physician; and

(C) the name, address, date of birth, and Alaska driver's license or identification card number of the patient's primary caregiver and alternate caregiver if either is designated at the time of application, along with the statements required under (d) of this section; and

(3) if the patient is a minor, a statement by the minor's parent or guardian that the patient's physician has explained the possible risks and benefits of medical use of marijuana and that the parent or guardian consents to serve as the primary caregiver for the patient and to control the acquisition, possession, dosage, and frequency of use of marijuana by the patient.

(d) A person may be listed under this section as the primary caregiver or alternate caregiver for a patient if the person submits a sworn statement on a form provided by the department that the person

(1) is at least 21 years of age;

(2) has never been convicted of a felony offense under AS 11.71 or AS 11.73 or a law or ordinance of another jurisdiction with elements similar to an offense under AS 11.71 or AS 11.73; and

(3) is not currently on probation or parole from this or another jurisdiction.

(e) A person may be a primary caregiver or alternate caregiver for only one patient at a time unless the primary caregiver or alternate caregiver is simultaneously caring for two or more patients who are related to the caregiver by at least the fourth degree of kinship by blood or marriage.

(f) The department shall review the application and all information submitted under (c) and (d) of this section within 30 days of receiving it. The department shall notify the patient that the patient's application for a registry identification card has been denied if the department's review of the information that the patient has provided discloses that the information required under (c) of this section has not been provided or has been falsified or that the patient is not otherwise qualified to be registered. If the department determines that the primary caregiver or alternate caregiver is not qualified under this section to be a primary caregiver or alternate caregiver, or if the information required under this section has not been provided or has been falsified, the department shall notify the patient of that determination and shall proceed to review the patient's application as if a primary caregiver or alternate caregiver was not designated. The patient may amend the application and designate a new primary caregiver or alternate caregiver at any time.





The department may not list a newly designated primary caregiver or alternate caregiver until it determines that the newly designated primary caregiver or alternate caregiver is qualified under this section and that the information required under this section has been provided. Otherwise, not more than five days after verifying the information, the department shall issue a registry identification card to the patient, and, if a primary caregiver for a patient has been listed in the registry, the department shall issue to the patient a duplicate of the patient's card clearly identified as the caregiver registry identification card, stating

(1) the patient's name, address, date of birth, and Alaska driver's license or identification card number;

(2) that the patient is registered with the department as a person who has a debilitating medical condition that the patient may address with the medical use of marijuana;

(3) the dates of issuance and expiration of the registry identification card; and

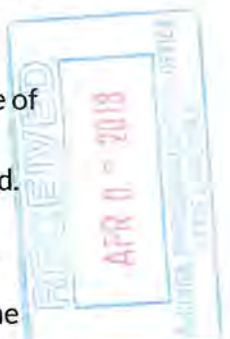
(4) the name, address, date of birth, and Alaska driver's license or identification card number of the patient's primary caregiver and alternate caregiver, if either is designated.

(g) If the department fails to deny the application and issue a registry identification card within 35 days of receipt of an application, the patient's application for the card is considered to have been approved. Receipt of an application shall be considered to have occurred upon delivery to the department. Notwithstanding this subsection, an application may not be considered to have been received before June 1, 1999. If the department subsequently registers a patient or lists a primary caregiver or alternate caregiver, if either is designated, or denies the application or listing, that registration or listing or denial revokes the approval that is considered to have occurred under this subsection.

(h) A patient or a primary caregiver who is questioned by a state or municipal law enforcement official about the patient's or primary caregiver's medical use of marijuana shall immediately show proper identification to the official and inform the official that the person is a registered patient or listed primary caregiver for a registered patient and either show the official (1) the person's registry identification card, or (2) a copy of an application that has been pending without registration or denial for over 35 days since received by the department and proof of the date of delivery to the department, which shall be accorded the same legal effect as a registry identification card until the patient receives actual notice that the application has been denied.

(i) A person may not apply for a registry identification card more than once every six months.

(j) The denial or revocation of a registry identification card or the removal of a patient from the registry or the listing of a caregiver shall be considered a final agency action subject to judicial review. Only the patient, or the parent or guardian of a patient who is a minor, has standing to contest the final agency action.





(k) When there has been a change in the name, address, or physician of a patient who has qualified for a registry identification card, or a change in the name or address of the patient's primary caregiver or alternate caregiver, that patient must notify the department of the change within 10 days. To maintain an effective registry identification card, a patient must annually resubmit updated written documentation, including a statement signed by the patient's physician containing the information required to be submitted under (c)(1) of this section, to the department, as well as the name and address of the patient's primary caregiver or alternate caregiver, if any.

(l) A patient who no longer has a debilitating medical condition and the patient's primary caregiver, if any, shall return all registry identification cards to the department within 24 hours of receiving the diagnosis by the patient's physician.

(m) A copy of a registry identification card is not valid. A registry identification card is not valid if the card has been altered, mutilated in a way that impairs its legibility, or laminated.

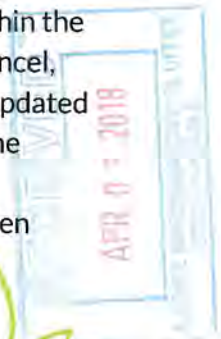
(n) The department may revoke a patient's registration if the department determines that the patient has violated a provision of this chapter or AS 11.71.

(o) The department may remove a primary caregiver or alternate caregiver from the registry if the department determines that the primary caregiver or alternate caregiver is not qualified to be listed or has violated a provision of this chapter or AS 11.71.

(p) The department may determine and levy reasonable fees to pay for any administrative costs associated with its role in administering this chapter.

(q) A primary caregiver may only act as the primary caregiver for the patient when the primary caregiver is in physical possession of the caregiver registry identification card. An alternate caregiver may only act as the primary caregiver for the patient when the alternate caregiver is in physical possession of the caregiver registry identification card.

(r) The department may not register a patient under this section unless the statement of the patient's physician discloses that the patient was personally examined by the physician within the 16-month period immediately preceding the patient's application. The department shall cancel, suspend, revoke, or not renew the registration of a patient whose annual resubmission of updated written documentation to the department under (k) of this section does not disclose that the patient was personally examined by the patient's physician within the 16-month period immediately preceding the date by which the patient is required to annually resubmit written documentation.





**AS 17.37.030. Privileged Medical Use of Marijuana.**

(a) A patient, primary caregiver, or alternate caregiver registered with the department under this chapter has an affirmative defense to a criminal prosecution related to marijuana to the extent provided in AS 11.71.090.

(b) Except as otherwise provided by law, a person is not subject to arrest, prosecution, or penalty in any manner for applying to have the person's name placed on the confidential registry maintained by the department under AS 17.37.010.

(c) A physician is not subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or privilege, for

(1) advising a patient whom the physician has diagnosed as having a debilitating medical condition about the risks and benefits of medical use of marijuana or that the patient might benefit from the medical use of marijuana, provided that the advice is based upon the physician's contemporaneous assessment in the context of a bona fide physician-patient relationship of

(A) the patient's medical history and current medical condition; and

(B) other approved medications and treatments that might provide relief and that are reasonably available to the patient and that can be tolerated by the patient; or

(2) providing a patient with a written statement in an application for registration under AS 17.37.010.

(d) Notwithstanding the provisions of this section, a person, including a patient, primary caregiver, or alternate caregiver, is not entitled to the protection of this chapter for the person's acquisition, possession, cultivation, use, sale, distribution, or transportation of marijuana for nonmedical use.

**AS 17.37.040. Restrictions On Medical Use of Marijuana.**

(a) A patient, primary caregiver, or alternate caregiver may not

(1) engage in the medical use of marijuana in a way that endangers the health or well-being of any person;

(2) engage in the medical use of marijuana in plain view of, or in a place open to, the general public; this paragraph does not prohibit a patient or primary caregiver from possessing marijuana in a place open to the general public if

(A) the person possesses, in a closed container carried on the person, one ounce or less of marijuana in usable form;

(B) the marijuana is not visible to anyone other than the patient or primary caregiver; and





(C) the possession is limited to that necessary to transport the marijuana directly to the patient or primary caregiver or directly to a place where the patient or primary caregiver may lawfully possess or use the marijuana;

(3) sell or distribute marijuana to any person, except that a patient may deliver marijuana to the patient's primary caregiver and a primary caregiver may deliver marijuana to the patient for whom the caregiver is listed; or

(4) possess in the aggregate more than

(A) one ounce of marijuana in usable form; and

(B) six marijuana plants, with no more than three mature and flowering plants producing usable marijuana at any one time.

(b) Any patient found by a preponderance of the evidence to have knowingly violated the provisions of this chapter shall be precluded from obtaining or using a registry identification card for the medical use of marijuana for a period of one year. In this subsection, "knowingly" has the meaning given in AS 11.81.900.

(c) A governmental, private, or other health insurance provider is not liable for any claim for reimbursement for expenses associated with medical use of marijuana.

(d) Nothing in this chapter requires any accommodation of any medical use of marijuana

(1) in any place of employment;

(2) in any correctional facility, medical facility, or facility monitored by the department or the Department of Administration;

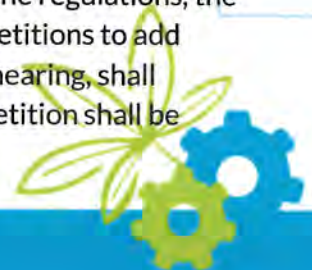
(3) on or within 500 feet of school grounds;

(4) at or within 500 feet of a recreation or youth center; or

(5) on a school bus.

#### **AS 17.37.060. Addition of Debilitating Medical Conditions.**

Not later than August 31, 1999, the department shall adopt regulations under AS 44.62 (Administrative Procedure Act) governing the manner in which it may consider adding debilitating medical conditions to the list provided in AS 17.37.070. After the adoption of the regulations, the department shall also accept for consideration physician or patient-initiated petitions to add debilitating medical conditions to the list provided in AS 17.37.070 and, after hearing, shall approve or deny the petitions within 180 days of submission. The denial of a petition shall be considered a final agency action subject to judicial review.





### AS 17.37.070. Definitions.

In this chapter, unless the context clearly requires otherwise,

(1) "alternate caregiver" means a person who is listed as an alternate caregiver under AS 17.37.010;

(2) "bona fide physician-patient relationship" means that the physician obtained a patient history, performed an in-person physical examination of the patient, and documented written findings, diagnoses, recommendations, and prescriptions in written patient medical records maintained by the physician;

(3) "correctional facility" has the meaning given in AS 33.30.901;

(4) "debilitating medical condition" means

(A) cancer, glaucoma, positive status for human immunodeficiency virus, or acquired immune deficiency syndrome, or treatment for any of these conditions;

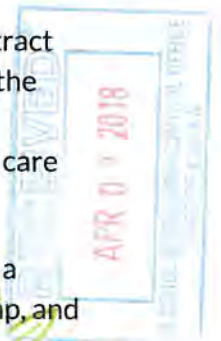
(B) any chronic or debilitating disease or treatment for such diseases, which produces, for a specific patient, one or more of the following, and for which, in the professional opinion of the patient's physician, such condition or conditions reasonably may be alleviated by the medical use of marijuana: cachexia; severe pain; severe nausea; seizures, including those that are characteristic of epilepsy; or persistent muscle spasms, including those that are characteristic of multiple sclerosis; or

(C) any other medical condition, or treatment for such condition, approved by the department, under regulations adopted under AS 17.37.060 or approval of a petition submitted under AS 17.37.060;

(5) "department" means the Department of Health and Social Services;

(6) "facility monitored by the department or the Department of Administration" means an institution, building, office, or home operated by the department or the Department of Administration, funded by the department or the Department of Administration, under contract with the department or the Department of Administration, inspected by the department or the Department of Administration, designated by the department or the Department of Administration, or licensed by the department or the Department of Administration, for the care of

(A) juveniles; for the purposes of this subparagraph, "institution" includes a foster home and a group home, and a juvenile detention facility, a juvenile detention home, a juvenile work camp, and a treatment facility, as those terms are defined in AS 47.14.990;





- (B) the elderly; for the purposes of this subparagraph, "institution" includes
- (i) an assisted living home as defined in AS 47.33.990; and
  - (ii) the Alaska Pioneers' Home or the Alaska Veterans' Home, operated under AS 47.55;
- (C) the mentally ill; for the purposes of this subparagraph, "institution" includes a designated treatment facility and an evaluation facility, as those terms are defined in AS 47.30.915;
- (7) "medical facility" means an institution, building, office, or home providing medical services, and includes a hospital, clinic, physician's office, or health facility as defined in AS 47.07.900, and a facility providing hospice care or rehabilitative services, as those terms are defined in AS 47.07.900;
- (8) "medical use" means the acquisition, possession, cultivation, use or transportation of marijuana or paraphernalia related to the administration of marijuana to alleviate a debilitating medical condition under the provisions of this chapter and AS 11.71.090;
- (9) "patient" means a person who has a debilitating medical condition;
- (10) "physician" means a person licensed to practice medicine in this state or an officer in the regular medical service of the armed forces of the United States or the United States Public Health Service while in the discharge of their official duties, or while volunteering services without pay or other remuneration to a hospital, clinic, medical office, or other medical facility in this state;
- (11) "primary caregiver" means a person listed as a primary caregiver under AS 17.37.010 and in physical possession of a caregiver registry identification card; "primary caregiver" also includes an alternate caregiver when the alternate caregiver is in physical possession of the caregiver registry identification card;
- (12) "usable form" and "usable marijuana" means the seeds, leaves, buds, and flowers of the plant (genus) cannabis, but does not include the stalks or roots.

**AS 17.37.080. Short Title.**

AS 17.37.010 - 17.37.070 may be cited as the Medical Uses of Marijuana for Persons Suffering from Debilitating Medical Conditions Act.



## Section 1, Module 2

### Alaska Statutes (AS) 17.38

#### AK Stat § 17.38.010 Purpose and findings.

(a) In the interest of allowing law enforcement to focus on violent and property crimes, and to enhance individual freedom, the people of the state of Alaska find and declare that the use of marijuana should be legal for persons 21 years of age or older.

(b) In the interest of the health and public safety of our citizenry, the people of the state of Alaska further find and declare that the production and sale of marijuana should be regulated so that

(1) individuals will have to show proof of age before purchasing marijuana;

(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; and

(3) marijuana sold by regulated businesses will be labeled and subject to additional regulations to ensure that consumers are informed and protected.

(c) The people of the state of Alaska further declare that the provisions of this Act are not intended to diminish the right to privacy as interpreted by the Alaska Supreme Court in *Ravin v. State of Alaska*.

(d) Nothing in this Act proposes or intends to require any individual or entity to engage in any conduct that violates federal law or exempt any individual or entity from any requirement of federal law or pose any obstacle to federal enforcement of federal law.

#### Sec. 17.38.020 Personal use of marijuana.

Notwithstanding any other provision of law, except as otherwise provided in this chapter, the following acts, by persons 21 years of age or older, are lawful and shall not be a criminal or civil offense under Alaska law or the law of any political subdivision of Alaska or be a basis for seizure or forfeiture of assets under Alaska law:

(1) possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana;

(2) possessing, growing, processing, or transporting no more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown;

(3) transferring one ounce or less of marijuana and up to six immature marijuana plants to a person who is 21 years of age or older without remuneration;





(4) consumption of marijuana, except that nothing in this chapter shall permit the consumption of marijuana in public; and

(5) assisting another person who is 21 years of age or older in any of the acts described in (1) - (4) of this section.

**Sec. 17.38.030 Restrictions on personal cultivation, penalty.**

(a) The personal cultivation of marijuana described in AS 17.38.020(2) is subject to the following terms:

(1) marijuana plants shall be cultivated in a location where the plants are not subject to public view without the use of binoculars, aircraft, or other optical aids;

(2) a person who cultivates marijuana must take reasonable precautions to ensure the plants are secure from unauthorized access;

(3) marijuana cultivation may only occur on property lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property.

(b) A person who violates this section while otherwise acting in compliance with AS 17.38.020 (2) is guilty of a violation punishable by a fine of up to \$750.

**Sec. 17.38.040 Public consumption banned, penalty.**

It is unlawful to consume marijuana in public. A person who violates this section is guilty of a violation punishable by a fine of up to \$100.

**Sec. 17.38.050 False identification, penalty.**

(a) A person who is under 21 years of age may not present or offer to a marijuana establishment or the marijuana establishment's agent or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of

(1) purchasing, attempting to purchase, or otherwise procuring or attempting to procure marijuana or marijuana products; or

(2) gaining access to a marijuana establishment.

(b) A person who violates this section is guilty of a violation punishable by a fine of up to \$400.

**Sec. 17.38.060 Marijuana accessories authorized.**

Notwithstanding any other provision of law, it is lawful and shall not be an offense under Alaska law or the law of any political subdivision of Alaska or be a basis for seizure or forfeiture of assets





under Alaska law for persons 21 years of age or older to manufacture, possess, or purchase marijuana accessories, or to distribute or sell marijuana accessories to a person who is 21 years of age or older.

**Sec. 17.38.070 Lawful operation of marijuana-related facilities.**

(a) Notwithstanding any other provision of law, the following acts, when performed by a retail marijuana store with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a retail marijuana store, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

- (1) possessing, displaying, storing, or transporting marijuana or marijuana products, except that marijuana and marijuana products may not be displayed in a manner that is visible to the general public from a public right-of-way;
- (2) delivering or transferring marijuana or marijuana products to a marijuana testing facility;
- (3) receiving marijuana or marijuana products from a marijuana testing facility;
- (4) purchasing marijuana from a marijuana cultivation facility;
- (5) purchasing marijuana or marijuana products from a marijuana product manufacturing facility; and
- (6) delivering, distributing, or selling marijuana or marijuana products to consumers.

(b) Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

- (1) cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing marijuana;
- (2) delivering or transferring marijuana to a marijuana testing facility;
- (3) receiving marijuana from a marijuana testing facility;
- (4) delivering, distributing, or selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store;
- (5) receiving or purchasing marijuana from a marijuana cultivation facility; and





(6) receiving marijuana seeds or immature marijuana plants from a person 21 years of age or older.

(c) Notwithstanding any other provision of law, the following acts, when performed by a marijuana product manufacturing facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana product manufacturing facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(1) packaging, processing, transporting, manufacturing, displaying, or possessing marijuana or marijuana products;

(2) delivering or transferring marijuana or marijuana products to a marijuana testing facility;

(3) receiving marijuana or marijuana products from a marijuana testing facility;

(4) delivering or selling marijuana or marijuana products to a retail marijuana store or a marijuana product manufacturing facility;

(5) purchasing marijuana from a marijuana cultivation facility; and

(6) purchasing of marijuana or marijuana products from a marijuana product manufacturing facility.

(d) Notwithstanding any other provision of law, the following acts, when performed by a marijuana testing facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana testing facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(1) possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring, or delivering marijuana;

(2) receiving marijuana or marijuana products from a marijuana cultivation facility, a marijuana retail store, a marijuana products manufacturer, or a person 21 years of age or older; and

(3) returning marijuana or marijuana products to a marijuana cultivation facility, marijuana retail store, marijuana products manufacturer, or a person 21 years of age or older.

(e) Notwithstanding any other provision of law, it is lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law to lease or otherwise allow the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with (a) - (d) of this section.





(f) Nothing in this section prevents the imposition of penalties upon marijuana establishments for violating this chapter or rules adopted by the board or local governments pursuant to this chapter.

(g) The provisions of AS 17.30.020 do not apply to marijuana establishments.

**Sec. 17.38.080 Marijuana Control Board.**

(a) The Marijuana Control Board is established in the Department of Commerce, Community, and Economic Development as a regulatory and quasi-judicial agency. The board is in the Department of Commerce, Community, and Economic Development for administrative purposes only.

(b) The board members shall be appointed by the governor and confirmed by a majority of the members of the legislature in joint session. A member of the board may not hold any other state or federal office, either elective or appointive. The board consists of five voting members as follows:

(1) one person from the public safety sector;

(2) one person from the public health sector;

(3) one person currently residing in a rural area;

(4) one person actively engaged in the marijuana industry; and

(5) one person who is either from the general public or actively engaged in the marijuana industry.

(c) Not more than two members of the board may be engaged in the same business, occupation, or profession.

(d) A board member representing the general public, the public safety sector, the public health sector, or a rural area, or the member's immediate family member, may not have a financial interest in the marijuana industry.

(e) In this section,

(1) "financial interest" means holding, directly or indirectly, a legal or equitable interest in the operation of a business licensed under this chapter;

(2) "immediate family member" means a spouse, child, or parent;

(3) "marijuana industry" means a business or profession related to marijuana in which the person is lawfully engaged and that is in compliance with the provisions of state law, including this chapter and regulations adopted under this chapter;





(4) “public health sector” means a state, federal, or local entity that works to ensure the health and safety of persons and communities through education, policymaking, treatment and prevention of injury and disease, and promotion of wellness;

(5) “public safety sector” means a state, federal, or local law enforcement authority that provides for the welfare and protection of the general public through the enforcement of applicable laws;

(6) “rural area” means a community with a population of 7,000 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 2,000 or less that is connected by road or rail to Anchorage or Fairbanks.

#### **Sec. 17.38.090 Rulemaking.**

(a) Not later than nine months after February 24, 2015, the board shall adopt regulations necessary for implementation of this chapter. Such regulations shall not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable. Such regulations shall include

(1) procedures for the issuance, renewal, suspension, and revocation of a registration to operate a marijuana establishment, with such procedures subject to all requirements of AS 44.62 (Administrative Procedure Act);

(2) a schedule of application, registration, and renewal fees, provided, application fees shall not exceed \$5,000, with this upper limit adjusted annually for inflation, unless the board determines a greater fee is necessary to carry out its responsibilities under this chapter;

(3) qualifications for registration that are directly and demonstrably related to the operation of a marijuana establishment;

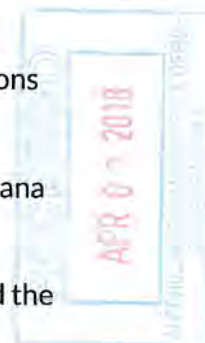
(4) security requirements for marijuana establishments, including for the transportation of marijuana by marijuana establishments;

(5) requirements to prevent the sale or diversion of marijuana and marijuana products to persons under the age of 21;

(6) labeling requirements for marijuana and marijuana products sold or distributed by a marijuana establishment;

(7) health and safety regulations and standards for the manufacture of marijuana products and the cultivation of marijuana;

(8) reasonable restrictions on the advertising and display of marijuana and marijuana products; and





(9) civil penalties for the failure to comply with regulations made pursuant to this chapter.

(b) In order to ensure that individual privacy is protected, the board shall not require a consumer to provide a retail marijuana store with personal information other than government-issued identification to determine the consumer's age, and a retail marijuana store shall not be required to acquire and record personal information about consumers.

#### **Sec.17.38.091 – Terms of office**

(a) Members of the board serve staggered three-year terms.

(b) Except as provided in AS 39.05.080 (4), a member of the board serves until a successor is appointed.

(c) A vacancy occurring in the membership of the board shall be filled within 30 days by appointment of the governor for the unexpired portion of the vacated term.

(d) A member who has served all or part of three successive terms on the board may not be reappointed to the board unless three years have elapsed since the person has last served on the board.

(e) The board shall select a chair from among its members.

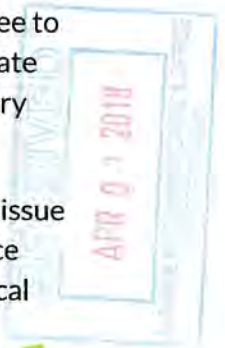
#### **Sec. 17.38.100 Marijuana establishment registrations.**

(a) Each application or renewal application for a registration to operate a marijuana establishment shall be submitted to the board. A renewal application may be submitted up to 90 days prior to the expiration of the marijuana establishment's registration.

(b) The board shall begin accepting and processing applications to operate marijuana establishments one year after February 24, 2015.

(c) Upon receiving an application or renewal application for a marijuana establishment, the board shall immediately forward a copy of each application and half of the registration application fee to the local regulatory authority for the local government in which the applicant desires to operate the marijuana establishment, unless the local government has not designated a local regulatory authority pursuant to AS 17.38.110 (c).

(d) Within 45 to 90 days after receiving an application or renewal application, the board shall issue an annual registration to the applicant unless the board finds the applicant is not in compliance with regulations enacted pursuant to AS 17.38.090 or the board is notified by the relevant local government that the applicant is not in compliance with ordinances and regulations made pursuant to AS 17.38.110 and in effect at the time of application.





(e) If a local government has enacted a numerical limit on the number of marijuana establishments and a greater number of applicants seek registrations, the board shall solicit and consider input from the local regulatory authority as to the local government's preference or preferences for registration.

(f) Upon denial of an application, the board shall notify the applicant in writing of the specific reason for its denial.

(g) Every marijuana establishment registration shall specify the location where the marijuana establishment will operate. A separate registration shall be required for each location at which a marijuana establishment operates.

(h) Marijuana establishments and the books and records maintained and created by marijuana establishments are subject to inspection by the board.

#### **Sec. 17.38.101 – Per diem and expenses.**

Members of the board do not receive a salary but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

#### **Sec. 17.38.110 Local control.**

(a) A local government may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by a voter initiative.

(b) A local government may enact ordinances or regulations not in conflict with this chapter or with regulations enacted pursuant to this chapter, governing the time, place, manner, and number of marijuana establishment operations. A local government may establish civil penalties for violation of an ordinance or regulation governing the time, place, and manner of a marijuana establishment that may operate in such local government.

(c) A local government may designate a local regulatory authority that is responsible for processing applications submitted for a registration to operate a marijuana establishment within the boundaries of the local government. The local government may provide that the local regulatory authority may issue such registrations should the issuance by the local government become necessary because of a failure by the board to adopt regulations pursuant to AS 17.38.090 or to accept or process applications in accordance with AS 17.38.100.

(d) A local government may establish procedures for the issuance, suspension, and revocation of a registration issued by the local government in accordance with (f) of this section or (g) of this section. These procedures shall be subject to all requirements of AS 44.62 (Administrative Procedure Act).





(e) A local government may establish a schedule of annual operating, registration, and application fees for marijuana establishments, provided, the application fee shall only be due if an application is submitted to a local government in accordance with (f) of this section and a registration fee shall only be due if a registration is issued by a local government in accordance with (f) of this section or (g) of this section.

(f) If the board does not issue a registration to an applicant within 90 days of receipt of the application filed in accordance with AS 17.38.100 and does not notify the applicant of the specific, permissible reason for its denial, in writing and within such time period, or if the board has adopted regulations pursuant to AS 17.38.090 and has accepted applications pursuant to AS 17.38.100 but has not issued any registrations by 15 months after the effective date of this Act, the applicant may resubmit its application directly to the local regulatory authority, pursuant to (c) of this section, and the local regulatory authority may issue an annual registration to the applicant. If an application is submitted to a local regulatory authority under this subsection, the board shall forward to the local regulatory authority the application fee paid by the applicant to the board upon request by the local regulatory authority.

(g) If the board does not adopt regulations required by AS 17.38.090, an applicant may submit an application directly to a local regulatory authority after one year after February 24, 2015 and the local regulatory authority may issue an annual registration to the applicant.

(h) A local regulatory authority issuing a registration to an applicant shall do so within 90 days of receipt of the submitted or resubmitted application unless the local regulatory authority finds and notifies the applicant that the applicant is not in compliance with ordinances and regulations made pursuant to (b) of this section in effect at the time the application is submitted to the local regulatory authority. The local government shall notify the board if an annual registration has been issued to the applicant.

(i) A registration issued by a local government in accordance with (f) of this section or (g) of this section shall have the same force and effect as a registration issued by the board in accordance with AS 17.38.100. The holder of such registration shall not be subject to regulation or enforcement by the board during the term of that registration.

(j) A subsequent or renewed registration may be issued under (f) of this section on an annual basis only upon resubmission to the local government of a new application submitted to the board pursuant to AS 17.38.100.

(k) A subsequent or renewed registration may be issued under (g) of this section on an annual basis if the board has not adopted regulations required by AS 17.38.090 at least 90 days prior to the date upon which such subsequent or renewed registration would be effective or if the board has adopted regulations pursuant to AS 17.38.090 but has not, at least 90 days after the adoption of such regulations, issued registrations pursuant to AS 17.38.100.





(l) Nothing in this section shall limit such relief as may be available to an aggrieved party under AS 44.62 (Administrative Procedure Act).

#### **Sec. 17.38.111 – Meetings**

(a) The board shall meet at the call of the chair. The board shall also meet at least once each year in each judicial district of the state to study this chapter and existing board regulations in light of statewide and local issues. Unless impracticable, the board shall hold its regular meetings at the same location as and within 24 hours of the regular meetings of the Alcoholic Beverage Control Board.

(b) Three members of the board constitute a quorum for the conduct of business. A majority of the whole membership of the board must approve applications for new licenses, renewals, transfers, suspensions, and revocations of existing licenses, and product approvals as provided in regulations adopted by the board.

#### **Sec. 17.38.120 Employers, driving, minors, and control of property.**

(a) Nothing in this chapter is intended to require an employer to permit or accommodate the use, consumptions, possession, transfer, display, transportation, sale, or growing of marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees.

(b) Nothing in this chapter is intended to allow driving under the influence of marijuana or to supersede laws related to driving under the influence of marijuana.

(c) Nothing in this chapter is intended to permit the transfer of marijuana, with or without remuneration, to a person under the age of 21.

(d) Nothing in this chapter shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation, or any other entity who occupies, owns, or controls private property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property.

#### **Sec. 17.38.121 – Powers and duties of the board**

(a) The board shall control the cultivation, manufacture, and sale of marijuana in the state. The board is vested with the powers and duties necessary to enforce this chapter.

(b) The board shall

(1) propose and adopt regulations;





(2) establish by regulation the qualifications for licensure including fees and factors related to the applicant's experience, criminal justice history, and financial interests;

(3) review applications for licensure made under this chapter and may order the executive director to issue, renew, suspend, or revoke a license authorized under this chapter; and

(4) hear appeals from actions of the director and from actions of officers and employees charged with enforcing this chapter and the regulations adopted under this chapter.

(c) When considering an application for licensure, the board may reduce the area to be designated as the licensed premises from the area applied for if the board determines that a reduction in area is necessary to ensure control over the sale and consumption of marijuana on the premises or is otherwise in the public interest.

(d) The board shall adopt regulations under this chapter in accordance with AS 44.62 (Administrative Procedure Act).

(e) The board may employ, directly or through contracts with other departments and agencies of the state, enforcement agents and staff it considers necessary to carry out the purposes of this chapter. The salaries of personnel of the board in the exempt service shall be set by the Department of Administration.

(f) The board shall promptly notify all licensees and municipalities of major changes to this chapter and to regulations adopted under this chapter. However, if changes affect only specific classifications of licenses and permits, the board need only notify those licensees and municipalities directly affected by the changes. Current copies of this chapter and current copies of the regulations adopted under this chapter shall be made available at all offices in the state of the Department of Commerce, Community, and Economic Development and the detachment headquarters and posts maintained by the division of Alaska state troopers in the Department of Public Safety.

#### **Sec. 17.38.130 Impact on medical marijuana law.**

Nothing in this chapter shall be construed to limit any privileges or rights of a medical marijuana patient or medical marijuana caregiver under AS 17.37.

#### **Sec. 17.38.131 – Enforcement powers**

The director and the persons employed for the administration and enforcement of this chapter may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board. Powers granted by the board under this section may be exercised only when necessary for the enforcement of the criminally punishable provisions of this chapter, other criminal statutes relating to substances or activities





regulated or permitted under this chapter, regulations of the board, and other criminally punishable laws and regulations relating to marijuana.

**Sec. 17.38.140 – Appointment and removal of director; staff.**

(a) The director of the Alcoholic Beverage Control Board appointed under AS 04.06.070 shall serve as the director of the board. The board may remove the director by a majority vote of the full membership of the board and a majority vote of the full membership of the Alcoholic Beverage Control Board. The governor may remove the executive director as provided in AS 04.06.070.

(b) The paid staff of the Alcoholic Beverage Control Board created in AS 04.06.010 shall also be the staff for the board.

**Sec. 17.38.150 – Duties of director.**

The director shall enforce this chapter and regulations adopted by the board. The director shall issue, renew, transfer, suspend, or revoke all licenses and permits and issue product approvals at the direction of the board. The board may delegate to the director the authority to temporarily grant or deny the issuance, renewal, or transfer of licenses and permits. The director's temporary grant or denial of the issuance, renewal, or transfer of a license or permit is not binding on the board. The board may delegate to the director any duty imposed by this chapter except its power to propose and adopt regulations.

**Sec. 17.38.190 – Rulemaking.**

(a) Not later than nine months after February 24, 2015, the board shall adopt regulations necessary for implementation of this chapter. Such regulations shall not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable. Such regulations shall include

(1) procedures for the issuance, renewal, suspension, and revocation of a registration to operate a marijuana establishment, with such procedures subject to all requirements of AS 44.62

(Administrative Procedure Act);

(2) a schedule of application, registration, and renewal fees, provided, application fees shall not exceed \$5,000, with this upper limit adjusted annually for inflation, unless the board determines a greater fee is necessary to carry out its responsibilities under this chapter;

(3) qualifications for registration that are directly and demonstrably related to the operation of a marijuana establishment;

(4) security requirements for marijuana establishments, including for the transportation of marijuana by marijuana establishments;





- (5) requirements to prevent the sale or diversion of marijuana and marijuana products to persons under the age of 21;
  - (6) labeling requirements for marijuana and marijuana products sold or distributed by a marijuana establishment;
  - (7) health and safety regulations and standards for the manufacture of marijuana products and the cultivation of marijuana;
  - (8) reasonable restrictions on the advertising and display of marijuana and marijuana products; and
  - (9) civil penalties for the failure to comply with regulations made pursuant to this chapter.
- (b) In order to ensure that individual privacy is protected, the board shall not require a consumer to provide a retail marijuana store with personal information other than government-issued identification to determine the consumer's age, and a retail marijuana store shall not be required to acquire and record personal information about consumers.

**Sec. 17.38.200 – Marijuana establishment registrations.**

- (a) Each application or renewal application for a registration to operate a marijuana establishment shall be submitted to the board. A renewal application may be submitted up to 90 days before the expiration of the marijuana establishment's registration. When filing an application under this subsection, the applicant shall submit the applicant's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information and a national criminal history record check. The board shall forward the fingerprints and fees to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400.
- (b) The board shall begin accepting and processing applications to operate marijuana establishments one year after February 24, 2015.
- (c) Upon receiving an application or renewal application for a marijuana establishment, the board shall immediately forward a copy of each application and half of the registration application fee to the local regulatory authority for the local government in which the applicant desires to operate the marijuana establishment, unless the local government has not designated a local regulatory authority pursuant to AS 17.38.210 (c).
- (d) Within 45 to 90 days after receiving an application or renewal application, the board shall issue an annual registration to the applicant unless the board finds the applicant is not in compliance with regulations enacted pursuant to AS 17.38.190 or the board is notified by the relevant local





government that the applicant is not in compliance with ordinances and regulations made pursuant to AS 17.38.210 and in effect at the time of application.

(e) If a local government has enacted a numerical limit on the number of marijuana establishments and a greater number of applicants seek registrations, the board shall solicit and consider input from the local regulatory authority as to the local government's preference or preferences for registration.

(f) Upon denial of an application, the board shall notify the applicant in writing of the specific reason for its denial.

(g) Every marijuana establishment registration shall specify the location where the marijuana establishment will operate. A separate registration shall be required for each location at which a marijuana establishment operates.

(h) Marijuana establishments and the books and records maintained and created by marijuana establishments are subject to inspection by the board.

(i) A marijuana establishment may not be registered under this chapter if a person who is an owner, officer, or agent of the marijuana establishment has been convicted of a felony and either

(1) less than five years have elapsed from the time of the person's conviction; or

(2) the person is currently on probation or parole for that felony.

#### **Sec. 17.38.210 – Local control.**

(a) A local government may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by a voter initiative. An established village may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores as provided in AS 17.38.300.

(b) A local government may enact ordinances or regulations not in conflict with this chapter or with regulations enacted pursuant to this chapter, governing the time, place, manner, and number of marijuana establishment operations. A local government may establish civil penalties for violation of an ordinance or regulation governing the time, place, and manner of a marijuana establishment that may operate in such local government.

(c) A local government may designate a local regulatory authority that is responsible for processing applications submitted for a registration to operate a marijuana establishment within the boundaries of the local government. The local government may provide that the local regulatory authority may issue such registrations should the issuance by the local government





become necessary because of a failure by the board to adopt regulations pursuant to AS 17.38.190 or to accept or process applications in accordance with AS 17.38.200.

(d) A local government may establish procedures for the issuance, suspension, and revocation of a registration issued by the local government in accordance with (f) of this section or (g) of this section. These procedures shall be subject to all requirements of AS 44.62 (Administrative Procedure Act).

(e) A local government may establish a schedule of annual operating, registration, and application fees for marijuana establishments, provided, the application fee shall only be due if an application is submitted to a local government in accordance with (f) of this section and a registration fee shall only be due if a registration is issued by a local government in accordance with (f) of this section or (g) of this section.

(f) If the board does not issue a registration to an applicant within 90 days of receipt of the application filed in accordance with AS 17.38.200 and does not notify the applicant of the specific, permissible reason for its denial, in writing and within such time period, or if the board has adopted regulations pursuant to AS 17.38.190 and has accepted applications pursuant to AS 17.38.200 but has not issued any registrations by 15 months after the effective date of this Act, the applicant may resubmit its application directly to the local regulatory authority, pursuant to (c) of this section, and the local regulatory authority may issue an annual registration to the applicant. If an application is submitted to a local regulatory authority under this subsection, the board shall forward to the local regulatory authority the application fee paid by the applicant to the board upon request by the local regulatory authority.

(g) If the board does not adopt regulations required by AS 17.38.190, an applicant may submit an application directly to a local regulatory authority after one year after February 24, 2015 and the local regulatory authority may issue an annual registration to the applicant.

(h) A local regulatory authority issuing a registration to an applicant shall do so within 90 days of receipt of the submitted or resubmitted application unless the local regulatory authority finds and notifies the applicant that the applicant is not in compliance with ordinances and regulations made pursuant to (b) of this section in effect at the time the application is submitted to the local regulatory authority. The local government shall notify the board if an annual registration has been issued to the applicant.

(i) A registration issued by a local government in accordance with (f) of this section or (g) of this section shall have the same force and effect as a registration issued by the board in accordance with AS 17.38.200. The holder of such registration shall not be subject to regulation or enforcement by the board during the term of that registration.





(j) A subsequent or renewed registration may be issued under (f) of this section on an annual basis only upon resubmission to the local government of a new application submitted to the board pursuant to AS 17.38.200.

(k) A subsequent or renewed registration may be issued under (g) of this section on an annual basis if the board has not adopted regulations required by AS 17.38.190 at least 90 days prior to the date upon which such subsequent or renewed registration would be effective or if the board has adopted regulations pursuant to AS 17.38.190 but has not, at least 90 days after the adoption of such regulations, issued registrations pursuant to AS 17.38.200 .

(l) Nothing in this section shall limit such relief as may be available to an aggrieved party under AS 44.62 (Administrative Procedure Act).

(m) Except as provided in AS 29, the exercise of the powers authorized by this section by a borough may be exercised only on a nonareawide basis. In this subsection, "nonareawide" means throughout the area of a borough outside all cities in the borough.

#### **Sec. 17.38.220 – Employers, driving, minors, and control of property.**

(a) Nothing in this chapter is intended to require an employer to permit or accommodate the use, consumptions, possession, transfer, display, transportation, sale, or growing of marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees.

(b) Nothing in this chapter is intended to allow driving under the influence of marijuana or to supersede laws related to driving under the influence of marijuana.

(c) Nothing in this chapter is intended to permit the transfer of marijuana, with or without remuneration, to a person under the age of 21.

(d) Nothing in this chapter shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation, or any other entity who occupies, owns, or controls private property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property.

#### **Sec. 17.38.230 – Impact on medical marijuana law.**

Nothing in this chapter shall be construed to limit any privileges or rights of a medical marijuana patient or medical marijuana caregiver under AS 17.37.

#### **Sec. 17.38.300 – Local option election by an established village.**





(a) If a majority of the voters voting on the question vote to approve the option, an established village shall exercise a local option to prohibit the operation of one or more of the following types of marijuana establishments:

- (1) marijuana cultivation facilities;
- (2) marijuana product manufacturing facilities;
- (3) marijuana testing facilities; or
- (4) retail marijuana stores.

(b) A ballot question to adopt a local option under this section must at least contain language substantially similar to the following: "Shall (name of village) adopt a local option to prohibit (specify local option under (a) of this section)? (yes or no)."

#### **Sec. 17.38.310 – Removal of local option.**

(a) If a majority of the voters voting on the question vote to remove the option, an established village shall remove a local option previously adopted under AS 17.38.300. The option is repealed effective the first day of the month following certification of the results of the election.

(b) A ballot question to remove a local option under this section must at least contain language substantially similar to the following: "Shall (name of village) remove the local option currently in effect, that prohibits (current local option under AS 17.38.300 (a)), so that there is no longer any local option in effect? (yes or no)."

(c) When issuing a registration in the area that has removed a local option, the board shall give priority to an applicant who was formerly registered and whose registration was not renewed because of the results of the previous local option election. However, an applicant described in this subsection does not have a legal right to registration, and the board is not required to approve the application.

#### **Sec. 17.38.320 – Effect on registrations of prohibition of marijuana establishments.**

If a majority of voters vote to prohibit the operation of marijuana establishments under AS 17.38.300, the board may not issue, renew, or transfer, between persons or locations, a registration for a marijuana establishment located within the perimeter of the established village. A registration that may not be renewed because of a local option election held under AS 17.38.300 is void 90 days after the results of the election are certified. A registration that expires during the 90 days after the results of a local option election are certified may be extended, until it is void under this section, by payment of a prorated portion of the annual registration fee.

#### **Sec. 17.38.330 – Prohibition of sale and manufacture after election**





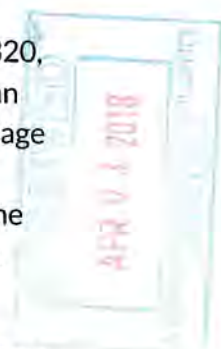
- (a) If a majority of the voters vote to prohibit the operation of marijuana establishments under AS 17.38.300, a person may not knowingly sell or manufacture marijuana in the established village.
- (b) If there are registered establishments within the established village, the prohibition on sale and manufacture is effective beginning 90 days after the results of the election are certified.
- (c) Nothing in this section prohibits the personal conduct authorized in AS 17.38.020.
- (d) A person who violates this section is guilty, upon conviction, of a class A misdemeanor. Each violation is a separate offense.

**Sec. 17.38.340 – Procedure for local option elections.**

- (a) An election to adopt a local option under AS 17.38.300 or remove a local option under AS 17.38.310 shall be conducted as required in this section.
- (b) Upon receipt of a petition of 35 percent or more of the registered voters residing within an established village, the lieutenant governor shall place on a separate ballot at a special election the local option or removal of local option that constitutes the subject of the petition. The lieutenant governor shall conduct the election under AS 15.
- (c) An election under (b) of this section to remove a local option may not be conducted during the first 24 months after the local option was adopted or more than once in a 36-month period.
- (d) After a petition has been certified as sufficient to meet the requirements of (b) of this section, another petition may not be filed or certified until after the question presented in the first petition has been voted on. A local option question to prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores or to prohibit all marijuana establishments may be presented in one election.

**Sec. 17.38.350 – Establishment of perimeter of established village.**

- (a) Except as provided under (b) and (c) of this section, for purposes of AS 17.38.300 – 17.38.320, the perimeter of an established village is a circle around the established village that includes an area within a five-mile radius of the post office of the established village. If the established village does not have a post office, the perimeter of an established village is a circle around the established village that includes an area within a five-mile radius of another site selected by the local governing body or by the board if the established village does not have a local governing body.
- (b) If the perimeter of an established village determined under (a) of this section includes any area that is within the perimeter of another established village and, if the other established village has





(1) also adopted a local option under AS 17.38.300, the local option of the established village that is less restrictive applies in the overlapping area;

(2) not adopted a local option under AS 17.38.300, the local option does not apply in the overlapping area.

(c) If the board determines that the perimeter of an established village as provided under (a) and (b) of this section does not accurately reflect the perimeter of the established village, the board may establish the perimeter of the established village and the areas of overlapping perimeter described under (b) of this section for purposes of applying a local option selected under this chapter.

#### **Sec. 17.38.360 – Notice of the results of a local option election.**

If a majority of the voters vote to adopt or remove a local option under AS 17.38.300 or 17.38.310, the lieutenant governor shall notify the board of the results of the election immediately after the results are certified. The board shall immediately notify the Department of Law and the Department of Public Safety of the results of the election.

#### **Sec. 17.38.370 – Bail forfeiture for certain offenses.**

The supreme court shall establish by rule or order a schedule of bail amounts that may be forfeited without court appearance for a violation of AS 17.38.030 – 17.38.050.

#### **Sec. 17.38.900 Definitions.**

As used in this chapter, unless the context otherwise requires,

(1) “board” means the Marijuana Control Board established by AS 17.38.080;

(2) “consumer” means a person 21 years of age or older who purchases marijuana or marijuana products for personal use by persons 21 years of age or older, but not for resale to others;

(3) “consumption” means the act of ingesting, inhaling, or otherwise introducing marijuana into the human body;

(4) “director” means the director of the Marijuana Control Board and the Alcoholic Beverage Control Board;

(5) “dwelling” has the meaning given in AS 11.81.900;

(6) “established village” means an area that does not contain any part of an incorporated city or another established village and that is an unincorporated community that is in the unorganized borough and that has 25 or more permanent residents;





- (7) "local government" means both home rule and general law municipalities, including boroughs and cities of all classes and unified municipalities;
- (8) "local regulatory authority" means the office or entity designated to process marijuana establishment applications by a local government;
- (9) "manufacture" has the meaning given in AS 11.71.900.
- (10) "marijuana" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; "marijuana" does not include fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products;
- (11) "marijuana accessories" means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana into the human body;
- (12) "marijuana cultivation facility" means an entity registered to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers;
- (13) "marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store;
- (14) "marijuana product manufacturing facility" means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers;
- (15) "marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures;
- (16) "marijuana testing facility" means an entity registered to analyze and certify the safety and potency of marijuana;
- (17) "registration" means registration or licensure, as determined by regulation;





(18) “retail marijuana store” means an entity registered to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell marijuana and marijuana products to consumers;

(19) “unreasonably impracticable” means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset that the operation of a marijuana establishment is not worthy of being carried out in practice by a reasonably prudent businessperson.





## Section 1, Module 3

### Alaska Statutes (AS) 3 AAC 306

#### Article 1: Licensing

##### 3 AAC 306.005. License required.

(a) A marijuana establishment may not operate in the state unless it has obtained the applicable marijuana establishment license from the board. The board will issue the following marijuana establishment licenses under this chapter:

(1) a retail marijuana store license, granting authority for activities allowed under AS 17.38.070(a), and subject to the provisions of 3 AAC 306.300 - 3 AAC 306.360 and 3 AAC 306.700 - 3 AAC 306.755;

(2) a marijuana cultivation facility license, as described in 3 AAC 306.405 and 3 AAC 306.410, granting authority for activities allowed under AS 17.38.070(b), and subject to the provisions of 3 AAC 306.400 - 3 AAC 306.480 and 3 AAC 306.700 - 3 AAC 306.755;

(3) a marijuana product manufacturing facility license, as described in 3 AAC 306.505 and 3 AAC 306.515, granting authority for activities allowed under AS 17.38.070(c), and subject to the provisions of 3 AAC 306.500 - 3 AAC 306.570 and 3 AAC 306.700 - 3 AAC 306.755; and

(4) a marijuana testing facility license, granting authority for activities allowed under AS 17.38.070(d), and subject to the provisions of 3 AAC 306.600 - 3 AAC 306.675 and 3 AAC 306.700 - 3 AAC 306.755.

##### 3 AAC 306.010. License restrictions.

(a) The board will not issue a marijuana establishment license if the licensed premises will be located within 500 feet of a school ground, a recreation or youth center, 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 ground, the outer boundaries of the recreation or youth center, the main public entrance of the building in which religious services are regularly conducted, or the main public entrance of 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 ground, recreation or youth center, the building in which religious services are regularly conducted, or a correctional facility began use of a site within 500 feet. If an existing marijuana establishment license for premises located within 500 feet of a school ground, a recreation or youth center, a building in which religious services are





regularly conducted, or a correctional facility is revoked or expires, the board will not issue another marijuana establishment license for the same premises unless the school ground, 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 if the licensed premises will be located in a liquor license premises.

(c) 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 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.

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

(1) is prohibited under AS 17.38.200(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 17.38.200(i) from obtaining a license; in this paragraph, "conviction of a felony" includes a suspended imposition of sentence;

(2) has been guilty of

(A) selling alcohol without a license in violation of AS 04.11.010;

(B) selling alcohol to an individual under 21 years of age in violation of AS 04.16.051 or 04.16.052; or

(C) a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the preceding five years; or

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

### **3 AAC 306.015. License conditions.**

(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

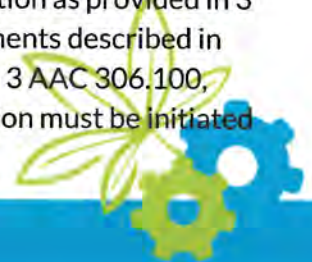




- (1) an individual or a sole proprietorship unless the individual or proprietor is a resident of the state;
  - (2) a partnership unless each partner is a resident of the state;
  - (3) a limited liability company unless the limited liability company is qualified to do business in the state and each 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 each shareholder 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 without obtaining a license for the new premises as required under 3 AAC 306.050.
- (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) 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.

### **3 AAC 306.020. Application for new license.**

- (a) An applicant for a new marijuana establishment license must file an application as provided in 3 AAC 306.025, on a form the board prescribes, with the information and documents described in this section, along with the application fee and the annual license fee set out in 3 AAC 306.100, and the fingerprint cards and fees required by 3 AAC 306.055(a). The application must be initiated





electronically; the completed application and fees may be filed electronically, or mailed or delivered to the director at the office of the board.

(b) An application for a new marijuana establishment license must include

(1) the name of the applicant and any business name the applicant will use for the proposed marijuana establishment, along with the applicant's state business license number issued under AS 43.70;

(2) the name, mailing address, telephone number, and social security number of each proposed licensee and each affiliate of each proposed licensee; unless the context requires otherwise, "licensee" means each individual named in an application that complies with this section; an individual to be identified as a licensee under this section includes

(A) if the applicant is an individual or a sole proprietor, the individual or sole proprietor;

(B) if the applicant is a partnership, including a limited partnership, each partner holding any interest in the partnership;

(C) if the applicant is a limited liability company, each member holding any ownership interest;

(D) if the applicant is a corporation, each owner of any of the corporation's stock; and

(E) if the applicant is a local government, an authorized official of the local government;

(3) for each applicant that is not an individual, the applicable documents and information as follows:

(A) for a partnership, including a limited partnership, the partnership agreement, the name of each general or managing partner, and a list of all partners with the percentage of ownership of each partner;

(B) for a limited liability company, the limited liability company agreement, and a list of all members with the percentage of ownership of each member;

(C) for a corporation, the certificate of incorporation, the name of each corporate officer, and a list of all shareholders with the percentage of ownership of each shareholder;

(D) for a local government, a resolution of the governing body approving the application and designating an official responsible for the proposed marijuana establishment;

(4) for each person listed in compliance with (2) of this subsection, a statement of financial interest on a form the board prescribes;





(5) for each applicant that is not an individual, the name of the individual licensee or designated government official listed in the application under (2) of this subsection who is responsible for

(A) management of the marijuana establishment; and

(B) compliance with state laws;

(6) an electronic mail address at which the applicant agrees to receive any correspondence from the board before and after it receives a license; an applicant and a licensee must ensure that any electronic mail address provided to the board is current so that the board can contact the applicant or licensee at any time;

(7) the type of license the applicant is requesting;

(8) the address of the premises to include global positioning system (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;

(9) the title, lease, or other documentation showing the applicant's right to possession of the proposed licensed premises;

(10) affidavit showing where and when the applicant posted notice of the application, and proof of advertising as required in 3 AAC 306.025(b); and

(11) additional information that the board requires as follows:

(A) for a retail marijuana store, the information required under 3 AAC 306.315;

(B) for a marijuana cultivation facility, the information required under 3 AAC 306.420;

(C) for a marijuana product manufacturing facility, the information required under 3 AAC 306.520;

(D) for a marijuana testing facility, the information required under 3 AAC 306.615.

(c) A marijuana establishment license application must include the applicant's operating plan, in a format the board prescribes, describing to the board's satisfaction the proposed marijuana establishment's plans for

(1) security;

(2) inventory tracking of all marijuana and marijuana products on the premises;

(3) employee qualification and training;





- (4) waste disposal;
  - (5) transportation and delivery of marijuana and marijuana products; and
  - (6) signage and advertising.
- (d) An application for a marijuana establishment license must be signed by
- (1) the applicant, if the applicant is an individual;
  - (2) an authorized general partner if the applicant is a partnership, including a limited partnership;
  - (3) a member who owns at least 10 percent of the limited liability company if the applicant is a limited liability company;
  - (4) the authorized officers of the corporation if the applicant is a corporation; or
  - (5) a designated official if the applicant is a local government.
- (e) Each person signing an application for a marijuana establishment license must declare under penalty of unsworn falsification that
- (1) the application is true, correct, and complete;
  - (2) the applicant has read and is familiar with AS 17.38 and this chapter; and
  - (3) the applicant will provide all information the board requires in support of the application.

**3 AAC 306.025. Application procedure.**

- (a) An applicant must initiate a new marijuana establishment license application on a form the board prescribes, using the board's electronic system.
- (b) As soon as practical after initiating a new marijuana license application, the applicant must give notice of the application to the public by
- (1) posting a copy of the application, on the form the board prescribes, for 10 days at
    - (A) the location of the proposed licensed premises; and
    - (B) one other conspicuous location in the area of the proposed premises;
  - (2) publishing an announcement once a week for three consecutive weeks in a newspaper of general circulation in the area; in an area where no newspaper circulates, the applicant must arrange for broadcast announcements on a radio station serving the local area where the





proposed licensee seeks to operate twice a week for three successive weeks during triple A advertising time; the newspaper or radio notice must state

(A) the name of the applicant;

(B) the name and location of the proposed premises;

(C) the type of license applied for along with a citation to a provision of this chapter authorizing that type of license; and

(D) a statement that any comment or objection may be submitted to the board; and

(3) submitting a copy of the application on the form the board prescribes to

(A) each local government with jurisdiction over the licensed premises; and

(B) any community council in the area of the proposed licensed premises.

(c) After the applicant completes the notice requirements in (b) of this section and submits each remaining application requirement listed in 3 AAC 306.020, the applicant must pay the application and licensing fees set out in 3 AAC 306.100. The applicant must then use the board's electronic system to inform the board that the applicant has submitted a complete application.

(d) When the director receives an application for a marijuana establishment license, the director shall determine if the application is complete. Any application for a marijuana establishment license that the director receives without the application fee is incomplete. If the director determines the application is complete, the director shall immediately give written notice to;

(1) the applicant;

(2) each local government with jurisdiction over the applicant's proposed licensed premises;

(3) the community council if the proposed licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in writing.

(e) If an application for a marijuana establishment license is incomplete, the director shall notify the applicant by electronic mail at the address provided by the applicant and shall either

(1) return an incomplete application in its entirety; or

(2) request the applicant to provide additional identified items needed to complete the application.





(f) When the director informs an applicant that its application is incomplete as provided in (e) of this section, the applicant must complete the application not later than 90 days after the date of the director's notice. If an applicant fails to complete its application during the 90-day period after the director's notice, the applicant must file a new application and pay a new application fee to obtain a marijuana establishment license.

### **3 AAC 306.030. Petition for license in area with no local government.**

(a) The board will not approve a new license in an area outside, but within 50 miles of, the boundary of a local government unless the board receives a petition to issue the license signed by a majority of the permanent residents residing within one mile of the proposed premises.

(b) The board will not approve a new license in an area that is 50 miles or more from the boundary of a local government unless the board receives a petition to issue the license containing the signatures of two-thirds of the permanent residents residing within a radius of five miles of the United States post office station nearest to the proposed licensed premises. If there is no United States post office station within a radius of five miles of the proposed licensed premises, the petition must be signed by two-thirds of the permanent residents residing within a five-mile radius of the proposed licensed premises.

(c) A petition authorized by this section must be on a form the board prescribes. The applicant must obtain the required signatures within the 90-day period immediately before submitting the petition to the board. A signature may not be added to or removed from the petition after the board has approved the application.

(d) In this section, "permanent resident" means a person 21 years of age or older who has established a permanent place of abode. A person may be a permanent resident of only one place.

### **3 AAC 306.035. Application for renewal of license.**

(a) On or before May 1 of each year, the director shall send notice that a marijuana establishment must file a renewal application not later than June 30 of the current year. The director shall send the notice to the marijuana establishment's electronic mailing address on file with the board. In the notice the director shall include a hyperlink for the marijuana establishment to access the electronic renewal application by means of the Internet, along with instructions on using and submitting the form. The marijuana establishment must submit the completed renewal application electronically, along with the license renewal fee, to the director not later than June 30 of each year. If June 30 falls on a Saturday or Sunday, the deadline is extended to 4:30 p.m. on the first business day following June 30. A marijuana establishment must maintain a current electronic mailing address on file with the director. A marijuana establishment is not excused from filing a renewal application as required in this section even if the marijuana establishment fails to receive a renewal notice from the director.





(b) A marijuana establishment's renewal application must

(1) identify the license sought to be renewed by license number, license type, establishment name, and premises address;

(2) provide the information required for a new license application under 3 AAC 306.020(b)(1) - (9);

(3) report any change from the marijuana establishment's new license application or last renewal application, and pay the fee as provided in 3 AAC 306.100 for board review of any change in

(A) the name of the marijuana establishment business;

(B) the licensed premises from the last diagram submitted;

(C) the marijuana establishment's operating plan; and

(D) any new product a licensed marijuana product manufacturing facility wishes to produce;

(4) report, for each licensee listed in 3 AAC 306.020(b)(2),

(A) any criminal charge on which that licensee has been convicted in the previous two calendar years; and

(B) any civil violation of AS 04, AS 17.38, or this chapter in the previous two calendar years; and

(5) declare under penalty of unsworn falsification that

(A) the application is true, correct and complete;

(B) the applicant has read and is familiar with AS 17.38 and this chapter; and

(C) the applicant will provide all information the board requires in support of the renewal application.

(c) If the director determines that the renewal application is complete, the director shall give written notice of a renewal application to

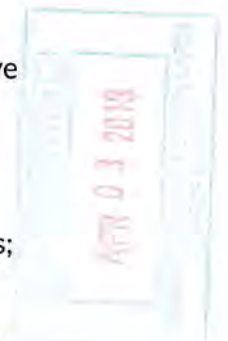
(1) the applicant;

(2) each local government with jurisdiction over the applicant's proposed licensed premises;

(3) the community council if the proposed licensed premises

are located within the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in writing.





(d) The director may require an applicant for renewal of a license under this chapter to submit fingerprints and pay fees as required by 3 AAC 306.055(a).

(e) A licensee that does not deliver a renewal application to the director on or before June 30 of each year is delinquent and must pay the late renewal application fee under 3 AAC 306.100(b) with the renewal application.

(f) On or before August 15 of each year, the director shall deliver a notice of expiration to each marijuana establishment that has not filed a complete application for renewal of a license, along with any applicable affidavit and the required fee, unless the marijuana establishment has notified the director that it does not intend to seek a renewal of its license. The director shall deliver the notice of expiration to the electronic mail address the marijuana establishment has provided to the director. A marijuana establishment is not excused from filing a license renewal application not later than August 31 of each year even if the marijuana establishment does not receive the notice of expiration described in this section.

(g) If a marijuana establishment fails to deliver a complete license renewal application or fails to pay the required renewal fee and the late renewal application fee on or before August 31 of each year, that marijuana establishment license expires at 12:00 midnight on August 31 of that year. A holder of an expired license shall immediately surrender the license to the board. Any holder of an expired license that seeks authority to operate must file a complete new application under 3 AAC 306.020, and 3 AAC 306.025, along with the required fees.

### **3 AAC 306.040. Ownership change to be reported.**

(a) A licensed marijuana establishment shall, not later than 10 days after an ownership change, report the change on a form prescribed by the board.

(b) If any change required to be reported under this section will result in a change in controlling interest of the marijuana establishment license, the marijuana establishment must file an application for transfer of license to another person under 3 AAC 306.045.

(c) An individual identified in this section shall submit the individual's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information. The director shall follow the procedure set out in 3 AAC 306.055(b) for submitting the fingerprints of any individual added under this section.

(d) In this section, "ownership change" means

(1) if the licensee is a partnership, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by any partners;





(2) if the licensee is a limited liability company, any change in the identity of the members, or in the ownership percentage held by any member; or

(3) if the licensee is a corporation, any sale of corporate stock to a person not currently an owner, or any change of the percentage ownership of an existing shareholder.

### **3 AAC 306.045. Application for transfer of a license to another person.**

(a) A person may not receive or transfer a marijuana establishment license or a controlling interest in a marijuana establishment license issued to a partnership, including a limited partnership, a limited liability company, a corporation, or a local government, without applying for and receiving the written consent of the board. Transfer of a license includes a sale of all or part of the interest of an individual owner.

(b) An application for transfer of a marijuana establishment license, or of a controlling interest in a marijuana establishment license issued to a partnership, a limited liability company, a corporation, or a local government, must be filed in writing on a form the board prescribes, in compliance with the application procedure set out in 3 AAC 306.025. The application must name the current holder of the marijuana establishment license and the proposed transferee, including all persons listed in 3 AAC 306.020 if the transferee is a partnership, limited liability company, a corporation, or a local government. The application must contain

(1) the same information about each transferee as is required of an applicant for a new license under 3 AAC 306.020;

(2) a statement, under oath, executed by the current holder of the marijuana establishment license, listing all debts of the business, all taxes the business owes, current contact information for each creditor, and an affirmation that the current holder of the marijuana establishment license has submitted a copy of the transfer application to all creditors; and

(3) any other information required by the board for the type of marijuana establishment license sought to be transferred.

(c) When the board receives a complete application for transfer of a license to another person, the director shall immediately send written notice of the proposed transfer to

(1) each listed creditor of the current holder of the marijuana establishment license, along with the amount shown as owed to that creditor;

(2) each local government with jurisdiction over the applicant's proposed licensed premises;

(3) the community council if the licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and





(4) any nonprofit community organization that has requested notification in writing.

(d) A current holder of a marijuana establishment license must submit a license renewal application before or at the same time as an application for a transfer of a marijuana establishment license that is submitted after April 30 and before July 1.

### **3 AAC 306.050. Relocation of licensed premises not allowed.**

(a) A marijuana establishment license may not be relocated to any other premises. A holder of a marijuana establishment license that wishes to operate a marijuana establishment at a different location must submit a new application for any new premises, and must surrender an existing license for any premises where the marijuana establishment does not intend to continue its operation.

### **3 AAC 306.055. Criminal justice information and records.**

(a) When filing an application for a new marijuana establishment license or transfer of a license, the applicant, including each individual listed in 3 AAC 306.020(b)(2), must submit the person's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information.

(b) The director shall submit the fingerprints to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62. The board will use the information obtained under this section to determine if an applicant is qualified for a marijuana establishment license.

(c) In this section, "criminal justice information" has the meaning given in AS 12.62.900.

### **3 AAC 306.060. Protest by local government.**

(a) Not later than 60 days after the director sends notice of an application for a new marijuana establishment license, renewal of a marijuana establishment license, or transfer of a marijuana establishment license to another person, a local government may protest the application by sending the director and the applicant a written protest and the reasons for the protest. The director may not accept a protest received after the 60-day period. If a local government protests an application for a new or renewal license or for a transfer of a license to another person, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

(b) A local government may recommend that the board approve an application for a new license, renewal of a license, or transfer of a license to another person subject to a condition. The board will impose a condition a local government recommends unless the board finds the recommended condition is arbitrary, capricious, and unreasonable. If the board imposes a condition a local





government recommends, the local government shall assume responsibility for monitoring compliance with the condition unless the board provides otherwise.

(c) If a local government determines that a marijuana establishment has violated a provision of AS 17.38, this chapter, or a condition the board has imposed on the licensee, the local government may notify the board. Unless the director finds that the local government's notice is arbitrary, capricious, and unreasonable, the director shall prepare the determination as an accusation against the licensee under AS 44.62.360 and conduct proceedings to resolve the matter as provided under 3 AAC 306.820.

(d) In this section, "local government" means each local government with jurisdiction over the licensed premises.

### **3 AAC 306.065. Public participation.**

(a) A person may object to an application for a new license, renewal of a license, or transfer of a license to another person by submitting a written statement of reasons for the objection to the board and the applicant not later than 30 days after the director has determined that the application is complete and has given written notice to the local government in accordance with 3 AAC 306.025. The objection must be sent to the applicant at the mailing address or electronic mail address provided in the notice of application and also to the board. If the board determines to conduct a public hearing under this section, an interested person may give oral testimony at the public hearing.

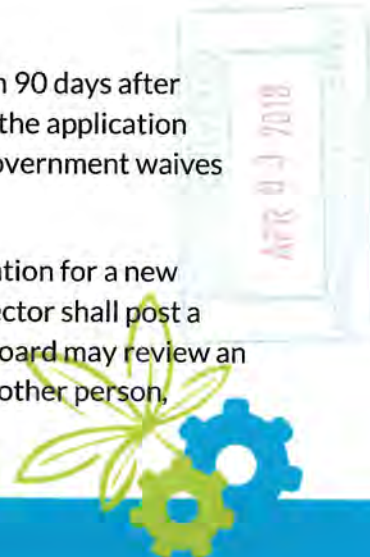
### **3 AAC 306.070. Hearing on public protest.**

The board may, on its own initiative or in response to an objection or protest, hold a hearing to ascertain the reaction of the public or a local government to an application. The director shall send notice of a hearing under this section as provided in AS 44.62.330 - 44.62.630 (Administrative Procedure Act).

### **3 AAC 306.075. Procedure for action on license application.**

(a) The board will decide whether to grant or deny an application not later than 90 days after receiving the complete application. However, the board will not grant or deny the application before the time allowed for a protest under 3 AAC 306.060, unless the local government waives its right to protest.

(b) Not later than seven days before the date set for board action on an application for a new license, renewal of a license, or transfer of a license to another person, the director shall post a meeting agenda listing the matters scheduled for action at that meeting. The board may review an application for a new license, renewal of a license, or transfer of a license to another person, without additional notice to the applicant.





(c) The board will consider any written objection, protest, suggested condition, or petition, and also will consider any testimony received at a hearing on public protest held under 3 AAC 306.070 when it considers the application. The director shall retain the written objection, protest, or suggested condition or petition, and the hearing record as part of the permanent record of the board's review of an application.

**3 AAC 306.080. Denial of license application.**

(a) After review of the application, including the applicant's proposed operating plan and all relevant information, the board will deny an application for a new license if the board finds that

(1) the application is not complete as required under the applicable provisions of 3 AAC 306.020 - 3 AAC 306.055, or contains any false statement of material fact;

(2) the license would violate any restriction in 3 AAC 306.010;

(3) the license would violate any restriction applicable to the particular license type authorized under this chapter;

(4) the license is prohibited under this chapter as a result of an ordinance or election conducted under AS 17.38.210, 3 AAC 306.200, or 3 AAC 306.230;

(5) the board finds that the operating plan does not adequately demonstrate that the applicant will comply with applicable provisions of this chapter; or

(6) the license would not be in the best interests of the public.

(b) After review of the application and all relevant information, the board will deny an application for renewal of a marijuana establishment license if the board finds

(1) any cause listed in (a) of this section;

(2) that the license has been revoked for any cause;

(3) that the license has been operated in violation of a condition or restriction the board previously imposed; or

(4) that the applicant is delinquent in the payment of taxes due in whole or in part from operation of the licensed business.

(c) After review of the application and all relevant information, the board will deny an application for transfer of license to another person if the board finds

(1) any cause listed in (a) of this section;





(2) that the transferor has not paid all debts or taxes arising from the operation of the business licensed under this chapter unless the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority;

(3) that transfer of the license to another person would result in violation of the provisions of this chapter relating to identity of licensees and financing of licensees; or

(4) that the prospective transferee does not have the qualifications of an original applicant required under this chapter.

(d) If the board denies an application for a new license, renewal of a license, or transfer of a license to another person, the board will, not later than 15 days after the board meeting at which the application was denied, furnish a written statement of issues to the applicant, explaining the reason for the denial in clear and concise language, and identifying any statute or regulation on which the denial is based. In the notice of denial the board will inform the applicant of the right to an informal conference under 3 AAC 306.085 and to a formal hearing under 3 AAC 306.090.

### **3 AAC 306.085. Informal conference.**

(a) If an applicant for a new license, renewal of a license, or transfer of a license to another person is aggrieved by an action of the board denying the application, the applicant may, not later than 15 days after the date of the written notice of denial, request an informal conference with the director or the board. An informal conference requested under this section must be held at a time and place convenient to the applicant and the board, but not later than the next scheduled meeting of the board. An informal conference may be conducted telephonically.

(b) If the informal conference does not resolve the matter to the applicant's satisfaction, the applicant may, not later than 15 days after the last day of the informal conference, request a formal hearing under 3 AAC 306.090 by filing a notice of defense in compliance with AS 44.62.390(b).

### **3 AAC 306.090. Formal hearing.**

(a) If an applicant for a new license, renewal of a license, or transfer of a license is aggrieved by an action of the board denying the application, the applicant may request a formal hearing by filing a notice of defense in compliance with AS 44.62.390 not later than 15 days after the date of the written notice of the denial, or as provided in 3 AAC 306.085(b) if the applicant requested and participated in an informal conference. Failure to file a notice of defense as provided in this section constitutes a waiver of the right to a formal hearing.

(b) When an aggrieved person requests a hearing under the section, the board may request the office of administrative hearings to conduct the hearing in compliance with due process, AS





44.62.330 – AS 44.62.630 (Administrative Procedure Act), and 2 AAC 64.100 - 2 AAC 64.990, as applicable.

### **3 AAC 306.095. Appeals.**

(a) An aggrieved applicant or marijuana establishment license holder may appeal to the board regarding any action of the director, or an employee or agent of the board regarding an application for a new license, a license renewal, or a transfer of license to another person.

(b) An applicant or marijuana establishment license holder aggrieved by a final decision of the board regarding an application for a new license, a license renewal, or a transfer of license to another person may appeal to the superior court under AS 44.62.560.

### **3 AAC 306.100. Fees; refund.**

(a) The non-refundable application fee for a new marijuana establishment license or an application to transfer a license to another person is \$1,000.

(b) The non-refundable application fee for a license renewal application is \$600. If a renewal application is late as provided under 3 AAC 306.035(e), an additional non-refundable late renewal application fee is \$1,000.

(c) The non-refundable fee to request board approval of a change in a licensed marijuana establishment's business name, ownership, licensed premises diagram, operating plan, or proposed new marijuana product is \$250. A change fee does not apply to an application for transfer of a license or a transfer of controlling interest to another person. The annual license fee, to be paid with each application for a new marijuana establishment facility license and each license renewal application is

(1) for a retail marijuana store license, \$5,000;

(2) for a limited marijuana cultivation facility license, \$1,000;

(3) for a marijuana cultivation facility license, \$5,000;

(4) for a marijuana concentrate manufacturing facility license, \$1,000;

(5) for a marijuana product manufacturing facility license, \$5,000;

(6) for a marijuana testing facility license, \$1,000.

(d) The fee for a marijuana handler permit card is \$50.

(e) If the board denies an application for a license or for renewal of a license, the board will refund the annual license fee. The board will not refund a license fee after the license has been issued.





(f) Processing fees for late renewal after failure to pay taxes are as follows:

(1) if a licensee pays its delinquent tax after a local government protests renewal of the license, but before the board denies license renewal, \$200;

(2) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before a hearing officer is appointed to hear the applicant's appeal, \$500;

(3) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before the administrative hearing begins, \$5,000;

(4) if a licensee pays its delinquent tax after an administrative hearing that results in a hearing officer recommendation to deny the license renewal, \$10,000.

## **Article 2: Local Options**

### **3 AAC 306.200. Local options.**

(a) If a majority of the persons voting on the question vote to approve the option, or if a local government's assembly or city council passes an ordinance to the same effect, the local government shall adopt a local option to prohibit

(1) the sale or importation for sale of marijuana and any marijuana product;

(2) the operation of any marijuana establishment, including one or more of the following license types:

(A) a retail marijuana store;

(B) a marijuana cultivation facility;

(C) a marijuana product manufacturing facility;

(D) a marijuana testing facility.

(b) A ballot question to adopt a local option under this section must at least contain language substantially similar to: "Shall (name of local government) adopt a local option to prohibit (local option under (a) of this section)? (yes or no)."

(c) The ballot for an election on the options set out in (a)(2) of this section must include a brief explanation of the activity that each license type on the ballot may carry out.

(d) If a local government dissolves under AS 29.06.450, any marijuana establishment license issued to that local government expires when the local government dissolves.





(e) A local government may not prohibit the personal use and possession of marijuana and marijuana products as authorized under AS 17.38.020.

(f) Nothing in 3 AAC 306.200 - 3 AAC 306.260 precludes a local government from applying for a marijuana establishment license under other provisions of this chapter.

### **3 AAC 306.210. Change of local option.**

If a majority of persons voting on the question vote to approve a local option different from one previously adopted under 3 AAC 306.200 and currently in effect, or if the local government's assembly or city council passes an ordinance to the same effect, the local government shall change the local option to the newly approved option. A ballot question to change a local option under this section must at least contain language substantially similar to: "Shall (name of local government) change the local option currently in effect, that prohibits (current local option), and adopt in its place a local option to prohibit (proposed local option)? (yes or no)."

### **3 AAC 306.220. Removal of local option.**

(a) If a majority of the persons voting on the question vote to remove a local option previously adopted under 3 AAC 306.200 or 3 AAC 306.210 and currently in effect, or if a local government's assembly or city council passes an ordinance to the same effect, that local option is repealed effective the first day of the month after the election is certified. A ballot question to remove a local option under this section must at least contain language substantially similar to: "Shall (name of local government) remove the local option currently in effect, that prohibits (current local option), so that no local option continues in effect? (yes or no)."

(b) When issuing a license within the boundaries of a local government that has removed a local option, the board will give priority to any formerly licensed applicant whose license was not renewed because of the results of the previous local option election. However, an applicant described in this subsection does not have a legal right to a license and the board is not required to approve the application.

### **3 AAC 306.230. Procedure for local option election.**

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.

### **3 AAC 306.240. Prohibition of importation or purchase after election.**

(a) If a majority of the voters vote to prohibit the importation for sale of marijuana and any marijuana product under 3 AAC 306.200(a)(1), or if the local government's assembly or city





council passes an ordinance to the same effect, a person, beginning on the first day of the month after the results of the election are certified, may not knowingly bring, send, or transport marijuana or marijuana products for sale into the area within the boundary of the local government.

(b) A person who resides within the boundary of a local government that has adopted a local option under 3 AAC 306.200(a) may not purchase marijuana or a marijuana product from another person that has brought, sent, or transported marijuana or a marijuana product into the local government for sale in violation of the local option.

(c) Notwithstanding (a) or (b) of this section, a licensed marijuana establishment may transport marijuana or any marijuana product through the boundaries of a local government that has prohibited importation or purchase of marijuana if the marijuana or marijuana product is shipped with an attached transport manifest created in compliance with 3 AAC 306.750 and documenting that the shipment originates and terminates in a place that does not prohibit importation and purchase of marijuana or a marijuana product.

(d) In this section,

(1) "bring" means to carry or convey or to attempt or solicit to carry or convey;

(2) "send"

(A) means to cause to be taken or distributed or to attempt or solicit or cause to be taken or distributed;

(B) includes use of the United States Postal Service;

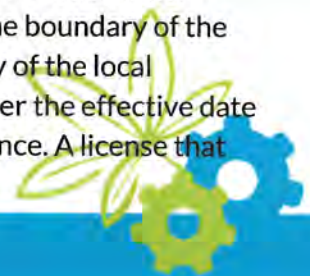
(3) "transport"

(A) means to ship by any method;

(B) includes delivering or transferring or attempting or soliciting to deliver or transfer marijuana or marijuana products to be shipped to, delivered to, or left or held for pickup by any person.

### **3 AAC 306.250. Effect on licenses of restriction on sale.**

If a majority of the voters vote under 3 AAC 306.200(a) to prohibit sale of marijuana and marijuana products or the operation of marijuana establishments, or if the assembly or city council passes an ordinance to the same effect, the board will not issue, renew, or transfer to another person a license for a marijuana establishment with premises located within the boundary of the local government. A license for a marijuana establishment within the boundary of the local government is void 90 days after the results of the election are certified, or after the effective date of an ordinance to the same effect if the local government opted out by ordinance. A license that





expires during the 90 days after the certification of a local option election, or during the period of time between passage of an ordinance to the same effect and the effective date of that ordinance, may be extended until it is void under this section, by payment of a prorated portion of the annual license fee.

### **3 AAC 306.260. Notice of the results of a local option election.**

If a majority of the voters vote to adopt, change, or remove a local option under 3 AAC 306.200 - 3 AAC 306.220 or if the assembly or city council passes an ordinance to the same effect, the board will notify the Department of Law and the Department of Public Safety of the results of the election.

## **Article 3: Retail Marijuana Stores**

### **3 AAC 306.300. Retail marijuana store license required.**

(a) Except as permitted under AS 17.38.020, a person may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or any marijuana product to a consumer unless the person has obtained a retail marijuana store license from the board in compliance with this chapter, or is an employee or agent acting for a licensed retail marijuana store operating in compliance with this chapter. A person seeking a retail marijuana store license must (1) submit an application for a retail marijuana store license on a form the board prescribes, including the information set out under 3 AAC 306.020 and 3 AAC 306.315; and

(A) demonstrate, to the board's satisfaction, that the applicant will operate in compliance with each applicable provision of 3 AAC 306.300 - 3 AAC 306.360 and 3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(b) A licensee of any retail marijuana store, or an employee or agent of a retail marijuana store, may not have an ownership interest in, or a direct or indirect financial interest in a licensed marijuana testing facility.

### **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 a quantity 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 or a marijuana product purchased on the licensed premises, in a designated area on the licensed premises.

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

(1) to a person under 21 years of age;

(2) to a person that is under the influence of an alcoholic beverage, inhalant, or controlled substance;

(3) that is not labeled and packaged as required in 3 AAC 306.345 and

(A) 3 AAC 306.470 and 3 AAC 306.475; or

(B) 3 AAC 306.565 and 3 AAC 306.570;

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

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

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

(b) A licensed retail marijuana store may not

(1) conduct business on or allow a 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 a person to consume marijuana or a 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) alcoholic beverages, free or for compensation.

### **3 AAC 306.315. Application for retail marijuana store license.**

A person seeking a new retail marijuana store license must submit an application on a form the board prescribes, including the information required under 3 AAC 306.020 and

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

(2) in the operating plan required under 3 AAC 306.020(c), a description of the way marijuana and marijuana products at the retail marijuana store will be displayed and sold

### **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, or a valid copy on file on the premises, at all times when on the licensed premises of the retail marijuana store.

### **3 AAC 306.325. Access restricted at retail marijuana store.**

- (a) A person under 21 years of age may not enter a retail marijuana store.
- (b) Each entry to a retail marijuana store must be posted with a sign that says "No one under 21 years of age allowed." The sign must be not less than 12 inches long and 12 inches wide, with letters at least one-half inch in height in high contrast to the background of the sign.
- (c) An area of a retail marijuana store's licensed premises where marijuana or any marijuana product is stocked for sale or dispensed for sale is a restricted access area. The retail marijuana store must post signs, require identification, and escort visitors in compliance with 3 AAC 306.710.

### **3 AAC 306.330. Marijuana inventory tracking system.**

- (a) A retail marijuana store shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana and marijuana product in the retail marijuana store's possession is identified and tracked from the time the retail marijuana store receives any batch of marijuana or





lot of marijuana product through the sale, transfer to another licensed marijuana establishment, or disposal of the batch of marijuana or lot of marijuana product.

(b) When marijuana from a marijuana cultivation facility or marijuana product from a marijuana product manufacturing facility is delivered or transported to the licensed premises of a retail marijuana store, the retail marijuana store shall immediately enter identification information for that batch of marijuana or lot of marijuana product into the retail marijuana store's marijuana inventory tracking system. A retail marijuana store may not accept marijuana or a marijuana product that does not have a valid transport manifest generated from the marijuana inventory tracking system of the marijuana establishment that originated the delivery.

(c) A retail marijuana store shall reconcile each transaction from the retail marijuana store's point-of-sale system and current inventory to its marijuana inventory tracking system at the close of business each day.

(d) A retail marijuana store shall account for any variance in the quantity of marijuana or marijuana product the retail marijuana store received and the quantity it sold, transferred, or disposed of.

### **3 AAC 306.335. Health and safety requirements.**

A retail marijuana store shall comply with each applicable health and safety requirement set out in 3 AAC 306.735.

### **3 AAC 306.340. Testing required for marijuana and marijuana products.**

A retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver, marijuana or a marijuana product until all laboratory testing required under 3 AAC 306.645 has been completed, and the label required under 3 AAC 306.475 or 3 AAC 306.570 is affixed.

### **3 AAC 306.345. Packaging and labeling.**

(a) A retail marijuana store shall assure that

(1) marijuana sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475;

(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; and

(3) marijuana or a marijuana product sold is packaged in opaque, resealable, child-resistant packaging when the purchaser leaves the retail section of the licensed premises; the packaging must be designed or constructed 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 retail marijuana store selling the marijuana product by name or distinctive logo and marijuana establishment license number;

(2) states the total estimated amount of THC in the labeled product; and

(3) contains each of the following statements:

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

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

(C) "There are health risks associated with consumption of marijuana.";

(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 AAC 306.350. Identification requirement to prevent sale to person under 21.**

(a) A retail marijuana store shall refuse to sell marijuana or a marijuana product to a person who does not produce a form of valid photographic identification showing that person is 21 years of age or older.

(b) A valid form of photographic identification includes

(1) an unexpired, unaltered passport;

(2) an unexpired, unaltered driver's license, instruction permit, or identification card of a state or territory of the United States, the District of Columbia, or a province or territory of Canada;

(3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card.

### **3 AAC 306.355. Limit on quantity sold.**

A retail marijuana store may not sell in a single transaction

(1) more than one ounce of usable marijuana;

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





(3) marijuana or marijuana products if the total amount of marijuana, marijuana products, or both marijuana and marijuana products sold contains more than 5,600 milligrams of THC.

**3 AAC 306.360. Restriction on advertising of marijuana and marijuana products.**

(a) A retail marijuana store may have not more than three signs, visible to the general public from the public right- of-way, that identify the retail marijuana store by its business name. A sign may be placed in the retail marijuana store's window or attached to the outside of the licensed premises. The size of each sign may not exceed 4,800 square inches.

(b) An advertisement for marijuana or a marijuana product may not contain a 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 21 years of age consuming marijuana; or

(5) includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a person under 21 years of age, 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 1,000 feet of the perimeter of any child-centered facility, including a school, a child care facility 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 21 years of age; on or in a public transit vehicle or public transit shelter;

(2) on or in a publicly owned or operated property;

(3) within 1,000 feet of a substance abuse or treatment facility; or

(4) on a campus for postsecondary education.

(d) A retail marijuana store may not use giveaway coupons 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 each of the following warnings:





- (1) "Marijuana has intoxicating effects and may be habit forming and addictive.";
- (2) "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence.";
- (3) "There are health risks associated with consumption of marijuana.";
- (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."

### **3 AAC 306.365. Required consumer notices for retail marijuana stores.**

(a) A retail marijuana store shall post, in a conspicuous location visible to customers, the following notices:

- (1) "Consumption of marijuana in public is prohibited by law.";
- (2) "Transportation or carriage of marijuana or marijuana products on Alaska waterways, including cruise ships, or by air carrier is prohibited by federal law.";
- (3) "Transportation or shipment of marijuana or marijuana products outside the State of Alaska is prohibited by federal law.";
- (4) "Providing marijuana to persons under 21 years of age is prohibited by law.".

(b) Notification signs required under (a) of this section must be at least 11 inches by 14 inches in size. Lettering must be at least one-half inch in height and in colors that contrast with the background.

## **Article 4: Marijuana Cultivation Facilities**

### **3 AAC 306.400. Marijuana cultivation facility license required.**

(a) Except as provided under AS 17.38.020, a person may not plant, propagate, cultivate, harvest, trim, dry, cure, package, or label marijuana grown at a place under that person's control or sell marijuana grown at a place under that person's control to a marijuana establishment unless the person has obtained a marijuana cultivation facility license from the board in compliance with this chapter or is an employee or agent acting for a licensed marijuana cultivation facility. The board will issue the following types of marijuana cultivation facility licenses, with the privileges and subject to the prohibitions set out in 3 AAC 306.405 and 3 AAC 306.410:

- (1) a standard marijuana cultivation facility license;





(2) a limited marijuana cultivation facility license to a person operating a marijuana cultivation facility with fewer than 500 square feet under cultivation.

(b) A person seeking a standard or limited marijuana cultivation facility license as provided in (a) of this section must

(1) submit an application for the applicable marijuana cultivation facility license on a form the board prescribes, including the information set out under 3 AAC 306.020 and 3 AAC 306.420; and

(2) demonstrate to the board's satisfaction that the applicant will operate in compliance with

(A) each applicable provision of 3 AAC 306.400 - 3 AAC 306.480 and 3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(c) A licensee of a marijuana cultivation facility, or an employee or agent of a marijuana cultivation facility, may not have an ownership interest in, or a direct or indirect financial interest in a licensed marijuana testing facility.

**3 AAC 306.405. Standard marijuana cultivation facility: privileges and prohibited acts.**

(a) A licensed standard marijuana cultivation facility is authorized to

(1) propagate, cultivate, harvest, prepare, cure, package, store, and label marijuana;

(2) sell marijuana only to a licensed retail marijuana store, to another licensed marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;

(3) provide samples to a licensed marijuana testing facility for testing;

(4) store inventory on the licensed premises; any stored inventory must be secured in a restricted access area and accounted for in the marijuana cultivation facility's marijuana inventory tracking system as required under 3 AAC 306.730;

(5) transport marijuana in compliance with 3 AAC 306.750;

(6) conduct in-house testing for the marijuana cultivation facility's own use;

(7) provide marijuana samples to a licensed retail marijuana store or marijuana product manufacturing facility for the purpose of negotiating a sale.





(b) A licensed standard marijuana cultivation facility may also apply for a marijuana product manufacturing facility license and a retail marijuana store license. A standard marijuana cultivation facility that obtains any other marijuana establishment license shall

(1) conduct any product manufacturing or retail marijuana store operation in a room completely separated from the marijuana cultivation facility by a secure door when co-located; and

(2) comply with each provision of this chapter that applies to any other type of marijuana establishment license that the standard marijuana cultivation facility licensee obtains.

(c) A licensed standard marijuana cultivation facility may not

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

(2) allow any person, including a licensee, employee, or agent, to consume marijuana or a marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility on the licensed premises;

(3) treat or otherwise adulterate marijuana with any organic or nonorganic chemical or other compound to alter the color, appearance, weight, or odor of the marijuana;

(4) except as permitted under a marijuana product manufacturing facility license, extract marijuana concentrate, using any process described in 3 AAC 306.555, at the licensed premises;

(5) sell marijuana that is not packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475.

### **3 AAC 306.410. Limited marijuana cultivation facility: privileges and prohibited acts.**

A licensed limited marijuana cultivation facility

(1) has the privileges set out in 3 AAC 305.405(a) and (b), except that it must have fewer than 500 square feet under cultivation; and

(2) is subject to each prohibition set out in 3 AAC 306.405(c).

### **3 AAC 306.420. Application for marijuana cultivation facility license.**

An applicant for a new standard marijuana cultivation facility license or a new limited marijuana cultivation facility license must file an application on a form the board prescribes, including

(1) the information required under 3 AAC 306.020; and





(2) the proposed marijuana cultivation facility's operating plan, including, in addition to the information required under 3 AAC 306.020(c),

(A) the size of the space intended to be under cultivation;

(B) the growing medium to be used;

(C) fertilizers, chemicals, gases, and delivery systems, including carbon dioxide, management, to be used;

(D) the irrigation and waste water systems to be used;

(E) waste disposal arrangements;

(F) odor control; and

(G) the testing procedure and protocols the marijuana cultivation facility will follow.

### **3 AAC 306.425. Marijuana handler permit required.**

A marijuana cultivation 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 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 306.430. Restricted access area.**

(a) A marijuana cultivation facility shall conduct any operation in a restricted access area in compliance with 3 AAC 306.710 and this section.

(b) A marijuana cultivation facility shall conduct any marijuana growing operation within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Where not prohibited by local government, outdoor production may take place in non-rigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight-obscuring wall or fence at least six feet high.

(c) A marijuana cultivation facility shall ensure that any marijuana at the marijuana cultivation facility

(1) cannot be observed by the public from outside the marijuana cultivation facility; and





(2) does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed.

### **3 AAC 306.435. Marijuana inventory tracking system.**

(a) A marijuana cultivation facility shall use a marijuana inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown, or cultivated on the marijuana cultivation facility's premises is identified and tracked from the time the marijuana is propagated through transfer to another licensed marijuana establishment or destruction. The marijuana cultivation facility shall assign a tracking number to each plant over eight inches tall. When harvested, bud and flowers, clones or cuttings, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding five pounds. Each harvest batch must be given an inventory tracking number. Clones or cuttings must be limited to 50 or fewer plants and identified by a batch tracking number.

(b) A marijuana cultivation facility shall record each sale and transport of each batch in its marijuana inventory tracking system, and shall generate a valid transport manifest to accompany each transported batch.

(c) A marijuana cultivation facility shall record in its marijuana inventory tracking system all marijuana used to provide a sample authorized under 3 AAC 306.460 for the purpose of negotiating sales, including

(1) the amount of each sample;

(2) the retail marijuana store or marijuana product manufacturing facility that received the sample; and

(3) the disposal of any expired or outdated promotional sample returned to the marijuana cultivation facility.

### **3 AAC 306.440. Health and safety requirements.**

(a) A marijuana cultivation facility shall comply with all applicable health and safety requirements set out in 3 AAC 306.735 and the additional requirements set out in this section.

(b) A marijuana cultivation facility shall ensure that any licensee, employee, or agent who is present at the marijuana cultivation facility and in contact with any marijuana

(1) wears clean clothing appropriate for the duties that person performs;





(2) wears protective apparel, such as head, face, hand, and arm coverings, as necessary to protect marijuana from contamination; and

(3) practices good sanitation and health habits.

**3 AAC 306.445. Standards for cultivation and preparation.**

A marijuana cultivation facility shall use registered scales in compliance with AS 45.75.080 and 3 AAC 306.745.

**3 AAC 306.450. 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 306.455 on the marijuana cultivation facility's licensed premises unless the marijuana cultivation facility also has a marijuana product manufacturing facility license. Any extraction or production of marijuana concentrate on the premises of a licensed marijuana cultivation family must

(1) be in a separate room that

(A) is physically separated by a secure door from any cultivation area; and

(B) has a sign that clearly identifies the room as a marijuana concentrate production area, and warns unauthorized persons to stay out; and

(2) comply with all applicable provisions of 3 AAC 306.500 - 3 AAC 306.570.

**3 AAC 306.455. Required laboratory testing.**

(a) 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 under 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; and





(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 marijuana cultivation 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.

### **3 AAC 306.460. 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.

(b) A marijuana cultivation facility may provide a free sample of marijuana to a retail marijuana store or marijuana product manufacturing facility as follows:

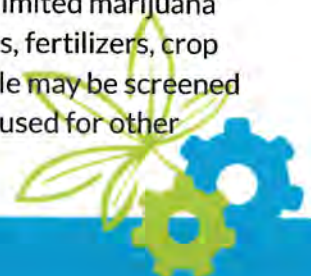
- (1) a sample provided for the purpose of negotiating a sale may be not more than one ounce;
- (2) a marijuana cultivation facility may not provide any one licensed retail marijuana store or marijuana product manufacturing facility with more than one ounce of marijuana per month free-of-charge for the purpose of negotiating a sale.

(c) A retail marijuana store that receives a marijuana sample may not sell the marijuana sample to a customer, and shall either

- (1) return the marijuana sample to the marijuana cultivation facility that provided the sample; or
- (2) destroy the marijuana sample after use and document the destruction in the retail marijuana store's marijuana inventory control system.

### **3 AAC 306.465. Random sampling.**

(a) The board will or the director shall from time to time require a standard or limited marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks. The sample may be screened for pesticides and chemical residues, screened for unsafe levels of metals, and used for other





laboratory tests the director finds to be in the interests of the public. The marijuana cultivation facility shall bear all costs of testing under this subsection.

(b) When the board or the director orders random sampling under this section, the director shall identify a licensed marijuana testing facility to perform the testing. The marijuana testing facility shall collect the test samples. The marijuana cultivation facility shall cooperate to facilitate the collection of samples.

### **3 AAC 306.470. Packaging of marijuana.**

(a) A marijuana cultivation facility shall package its marijuana bud and flower for sale

(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

(i) identifying name or logo; and

(ii) license number; or

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

(2) to a marijuana product manufacturing facility in a wholesale package

(A) not exceeding five pounds; and

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

(b) When a marijuana cultivation facility packages marijuana for a retail marijuana store to sell to a consumer without repackaging, the packaging may not have any printed images, including cartoon characters, that specifically target persons under 21 years of age. In addition, the packaging must protect the product from contamination and may not impart any toxic or damaging substance to the marijuana.

(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 tracking 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 tracking 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 306.475. Labeling of marijuana.**

(a) When a marijuana cultivation facility packages marijuana for a retail marijuana store to sell to a consumer without re-packaging, the marijuana cultivation facility shall affix a label to each package of marijuana or marijuana product that contains each of the following statements:

- (1) "Marijuana has intoxicating effects and may be habit forming and addictive.";
- (2) "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence.";
- (3) "There are health risks associated with consumption of marijuana.";
- (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.".

(b) With each harvest batch of marijuana sold, a marijuana cultivation facility shall disclose in writing

(1) each soil amendment, fertilizer, and other crop production aid applied to the growing medium or marijuana plant included in the batch, including any pesticide, herbicide, or fungicide that was used; and

(2) the name of the licensed marijuana testing facility that performed any required laboratory test and the results of each required laboratory test.

(c) A marijuana cultivation facility may not label marijuana as organic.

(d) To each package of marijuana sold to another marijuana establishment, a marijuana cultivation facility shall affix a label setting out.

- (1) the name and license number of the marijuana cultivation facility where the marijuana was grown;
- (2) the harvest batch number assigned to the marijuana in the package;
- (3) the net weight of the marijuana in the package,





- (A) not including weight of the shipping container; and
- (B) using a standard of measure compatible with the marijuana cultivation facility's marijuana inventory tracking system; and
- (4) a complete list of all pesticides, fungicides, and herbicides used in cultivation of the marijuana.
- (e) If a marijuana cultivation facility transports wholesale marijuana to another marijuana establishment for sale at retail or for use in manufacturing a marijuana product, a label must be affixed to the shipping container showing that a licensed marijuana testing facility has tested each harvest batch in the shipment as provided in 3 AAC 306.645. The label must report the test results, including
  - (1) a cannabinoid potency profile expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that strain of marijuana from the same marijuana cultivation facility within the last three months;
  - (2) a statement listing the results of microbial testing required under 3 AAC 306.645(b)(2);
  - (3) a statement listing the results of residual solvent testing required under 3 AAC 306.645(b)(3), if applicable; and
  - (4) a statement listing any contaminants for which the product was tested in addition to contaminants for which 3 AAC 306.645(b) requires testing; any additional tested contaminants include
    - (A) molds, mildew, and filth;
    - (B) herbicides, pesticides, and fungicides; and
    - (C) harmful chemicals.
- (f) If a marijuana cultivation facility ships wholesale marijuana from a harvest batch that has not been tested for each contaminant listed in (e)(4) of this section, the label for that batch must include a statement identifying each contaminant listed in (e)(4) of this section for which that harvest batch has not been tested.

### **3 AAC 306.480. Marijuana tax to be paid.**

A marijuana cultivation facility, including a standard marijuana cultivation facility and a limited marijuana cultivation facility, shall submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment.





## Article 5: Marijuana Product Manufacturing Facilities

### 3 AAC 306.500. Marijuana product manufacturing facility license required.

(a) A person may not extract marijuana concentrate for sale or formulate or manufacture any marijuana product for sale unless that person has obtained a marijuana product manufacturing facility license from the board in compliance with this chapter, or is an employee or agent acting for a licensed marijuana product manufacturing facility. The board will issue

(1) a standard marijuana product manufacturing facility license; and

(2) a marijuana concentrate manufacturing facility license.

(b) A person seeking any type of marijuana product manufacturing facility license must

(1) submit an application for a marijuana product manufacturing facility license on a form the board prescribes, including the information set out under 3 AAC 306.020 and 3 AAC 306.520; and

(2) demonstrate to the board's satisfaction that the applicant will operate in compliance with

(A) each applicable provision of 3 AAC 306.500 - 3 AAC 306.570 and 3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(c) A licensee of a marijuana product manufacturing facility, or an employee or agent of a marijuana product manufacturing facility, may not have an ownership interest in or a direct or indirect financial interest in a licensed marijuana testing facility.

### 3 AAC 306.505. Marijuana product manufacturing facility privileges.

Except as provided in 3 AAC 306.515, a licensed marijuana product manufacturing facility, including a marijuana concentrate manufacturing facility, is authorized to

(1) purchase marijuana from a marijuana cultivation facility or from another marijuana product manufacturing facility;

(2) extract marijuana concentrate in compliance with 3 AAC 306.555;

(3) manufacture, refine, process, cook, package, label, and store marijuana products approved under 3 AAC 306.525, including

(A) marijuana concentrate; or





- (B) any product intended for consumption or use on the body that is comprised of marijuana and other ingredients, including edible products, ointments, salves, patches, or tinctures;
- (4) sell, distribute, or deliver marijuana extract or any marijuana product only to a licensed retail marijuana store or to another licensed marijuana product manufacturing facility;
- (5) provide and transport samples of marijuana concentrate or other marijuana product to a licensed marijuana testing facility for testing.
- (6) provide a sample of marijuana concentrate or a marijuana product approved under 3 AAC 306.525 to a licensed retail marijuana store for the purpose of negotiating a sale;
- (7) store inventory in a restricted access area on the licensed premises as provided in 3 AAC 306.535;
- (8) transport marijuana in compliance with 3 AAC 306.750;
- (9) conduct in-house testing for the marijuana product manufacturing facility's own use.

**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 the licensed premises;
- (4) manufacture or sell any product that
  - (A) is an adulterated food or drink;
  - (B) closely resembles a familiar food or drink item including candy; or
  - (C) is packaged to look like candy, or in bright colors or with cartoon characters or other pictures or images that would appeal to children.
- (b) A licensed 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 facility that provided the marijuana; and
- (2) a valid transport manifest showing the source and destination of the marijuana is attached to the shipment.
- (c) 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 reasonably be mistaken for that branded product, especially by children.

### **3 AAC 306.515. Marijuana concentrate manufacturing facility license.**

A licensed marijuana concentrate manufacturing facility has the privileges set out in 3 AAC 306.505, except that it may not manufacture, refine, process, cook, package, label, or store any marijuana product other than marijuana concentrate;

- (1) sell, distribute, or deliver a marijuana product other than marijuana concentrate to a retail marijuana store or to another marijuana product manufacturing facility;
- (2) provide or transport a sample of a marijuana product other than marijuana concentrate to a licensed marijuana testing facility for testing; or
- (3) provide samples of a product other than marijuana concentrate to a licensed retail marijuana store for purposes of negotiating a sale.

### **3 AAC 306.520. Application for marijuana product manufacturing facility license.**

An applicant for a marijuana product manufacturing facility license, including a marijuana concentrate manufacturing facility license, must file an application on a form the board prescribes, and provide the information required under 3 AAC 306.020 and

- (1) a copy of an active application for a required food safety permit 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;
- (2) a diagram of the proposed licensed premises required in 3 AAC 306.020(b), identifying the area where
  - (A) in-house testing, if any, will occur; and
  - (B) marijuana and any marijuana product, including marijuana concentrate, will be stored;
- (3) in the applicant's operating plan required under 3 AAC 306.020(c), a description of





- (A) the equipment and solvents, gases, chemicals, and other compounds used to create concentrates and the processes to be used;
- (B) each marijuana product the applicant intends to process at this location; the product description must include the color, shape, texture, ingredients and standard production procedure to be used and the additional information required for product approval in 3 AAC 306.525;
- (C) the packaging to be used for each type of product;
- (D) sample labels showing how the labeling information required in 3 AAC 306.570 will be set out; and
- (E) the applicant's plan for disposal of waste.

### **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 a 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 the fee required under 3 AAC 306.100(c).

(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.

### **3 AAC 306.530. Marijuana handler permit and food safety worker training.**





(a) A marijuana product manufacturing facility, including a marijuana concentrate 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, 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 marijuana product manufacturing facility who handles marijuana at the facility shall obtain a food worker card in compliance with 18 AAC 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 306.535. Restricted access and storage areas.**

(a) A marijuana product manufacturing facility shall conduct any extraction or product manufacturing operation in a restricted access area in compliance with 3 AAC 306.710.

(b) A marijuana product manufacturing facility shall have full video surveillance of the licensed premises as provided in 3 AAC 306.720, including each area where

(1) marijuana concentrate is produced;

(2) any operation involved in manufacturing any product containing marijuana occurs;

(3) marijuana or a marijuana product is stored or stockpiled; or

(4) marijuana waste is destroyed.

(c) Any area where marijuana or a marijuana product is stored must be moisture- and temperature-controlled and protected from pests and vermin.

### **3 AAC 306.540. Marijuana inventory tracking system.**

(a) A marijuana product manufacturing facility shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure that the marijuana product manufacturing facility identifies and tracks any marijuana or marijuana product from the time the marijuana or marijuana product is received, through

(1) use of the marijuana or marijuana product in manufacturing any other marijuana product;





(2) sale or transfer of the marijuana or marijuana product originally received, or any marijuana product manufactured at that marijuana product manufacturing facility to another licensed marijuana establishment; and

(3) disposal of any expired or outdated marijuana or marijuana product that is not sold or transferred to another licensed marijuana establishment.

(b) When marijuana from a marijuana cultivation facility or a marijuana product from another marijuana product manufacturing facility is delivered or transported to the licensed premises of a marijuana product manufacturing facility, the marijuana product manufacturing facility shall immediately enter tracking information for that marijuana or marijuana product into the marijuana inventory tracking system. A marijuana product manufacturing facility may not accept any marijuana or marijuana product that does not have a valid transport manifest generated from the marijuana inventory tracking system of the licensed marijuana establishment that supplies the marijuana or marijuana product.

(c) A marijuana product manufacturing facility shall track any received marijuana or marijuana product to its use in a marijuana product, and shall reconcile each transaction to the marijuana product manufacturing facility's marijuana inventory tracking system at the close of business each day.

(d) A marijuana product manufacturing facility shall account for any variance in the quantity of marijuana or marijuana product the facility received, and the quantity the facility sold, transferred, or disposed of.

### **3 AAC 306.545. Health and safety standards.**

(a) A marijuana product manufacturing facility shall comply with the health and safety standards set out in 3 AAC 306.735, 18 AAC 31 (Alaska Food Code), if applicable, and any local kitchen-related health and safety standards for retail food establishments.

(b) In addition to inspection by the director or an employee or agent of the board, a marijuana product manufacturing facility is subject to inspection by local safety officials, including a local fire department, building inspector, or code enforcement officer.

### **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 a marijuana product until all laboratory testing required under 3 AAC 306.645 has been completed.

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

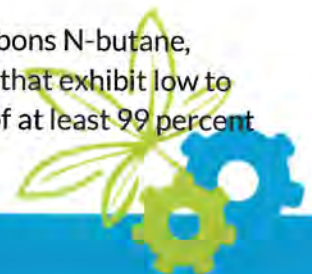




- (1) collect a random sample for testing by selecting a product from each production lot in an amount required by the marijuana testing facility;
- (2) designate an individual responsible for collecting each sample; that individual shall
  - (A) prepare a signed statement showing that each sample has 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.

### **3 AAC 306.555. Production of marijuana concentrate.**

- (a) Before producing marijuana concentrate for sale, a marijuana product manufacturing facility shall develop standard operating procedures, good manufacturing practices, a safety plan, and a training plan for each individual employed in an extraction process.
- (b) A marijuana product manufacturing facility may create marijuana concentrates only as follows:
  - (1) water-based marijuana concentrate may be produced by extracting cannabinoids from marijuana by using only water, ice, or dry ice;
  - (2) food-based marijuana concentrate may be produced by extracting cannabinoids from marijuana through the use of propylene glycol, glycerin, butter, olive oil, or other typical cooking fats; infused dairy butter, oils, or fats derived from natural sources may be used to prepare infused edible products; infused dairy butter, oils, or fats may not be prepared as stand-alone edible products for sale;
  - (3) solvent-based marijuana concentrate may be produced using the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases the board approves that exhibit low to minimal potential human health- related toxicity; approved solvents must be of at least 99 percent purity and must be used





- (A) in a professional grade closed-loop extraction system designed to recover the solvents;
  - (B) in an environment with proper ventilation; and
  - (C) with control of all sources of ignition if a flammable atmosphere is or may be present.
- (c) A marijuana product manufacturing facility using a professional grade closed-loop gas extraction system shall ensure that
- (1) each vessel is used in compliance with the manufacturer's stated pressure ratings;
  - (2) any carbon dioxide used is of at least 99 percent purity;
  - (3) a person using a solvent or gas to extract marijuana concentrate in the closed-loop system is fully trained on how to use the system, has direct access to applicable material safety data sheets, and handles and stores the solvent and gas safely;
  - (4) a licensed engineer has certified that the professional grade closed-loop system was commercially manufactured, is safe for its intended use, and is built to codes of recognized and generally accepted engineering practices; and
  - (5) any professional grade closed-loop system, and other equipment and facilities used in the extraction process are approved for their use by the local fire code official and meet any applicable fire, safety, and building code requirements.
- (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, oils, or fats derived from natural sources; or
  - (5) other extracts.
- (e) A marijuana product manufacturing facility may use food-grade glycerin, ethanol, and propylene glycol solvents to create extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

### **3 AAC 306.560. Potency limits per serving and transaction for edible marijuana products.**

A marijuana product manufacturing facility may not prepare a marijuana product with potency levels exceeding the following, as tested in compliance with 3 AAC 306.645:





(1) for a single serving of a marijuana product, five milligrams of active tetrahydrocannabinol (THC) or Delta 9;

(2) in a single packaged unit of a marijuana product to be eaten or swallowed, not more than 10 servings or 50 milligrams of active THC or Delta 9; the THC content must be homogenous, or evenly distributed throughout the marijuana-infused product.

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

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

(2) if the marijuana product contains multiple servings, be designed so that the marijuana product itself has 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 marijuana product manufacturing facility in wholesale packages not to exceed five pounds.

(d) Each packaged marijuana product must be identified by a tracking label generated by the marijuana product manufacturing facility's marijuana inventory tracking 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 tracking 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.

### **3 AAC 306.570. Labeling of marijuana products.**





(a) With each production lot of marijuana product sold, a marijuana product manufacturing facility shall disclose in writing the name of the licensed marijuana testing facility that performed any required test and the results of each required test.

(b) A marijuana product may not be labeled as organic.

(c) To each package of marijuana product sold to a retail marijuana store for resale to a consumer, a marijuana product manufacturing facility shall affix a label setting out

(1) the name and license number of the marijuana product manufacturing facility where the marijuana product was prepared;

(2) the production lot number assigned to the product in the package;

(3) the net weight of the product in the package,

(A) not including weight of packaging; and

(B) using a standard of measure compatible with the marijuana product manufacturing facility's marijuana inventory tracking system; and

(4) each of the following statements:

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

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

(C) "There are health risks associated with consumption of marijuana";

(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.".

(d) A marijuana product manufacturing facility transporting a marijuana product to a retail marijuana store shall affix a label to the shipping container showing that a licensed marijuana testing facility has tested each lot of marijuana product in the shipment and giving the test results, including

(1) a cannabinoid potency profile expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that production lot from the same marijuana product manufacturing facility within the last three months;

(2) a statement listing the results of microbial testing required under 3 AAC 306.645(b)(2);





(3) a statement listing the results of residual solvent testing required under 3 AAC 306.645(b)(3), if applicable; and

(4) a statement listing any contaminants for which the product was tested in addition to contaminants for which 3 AAC 306.645(b) requires testing; any additional tested contaminants include

(A) molds, mildew, and filth;

(B) herbicides, pesticides, and fungicides; and

(C) harmful chemicals.

(e) If a marijuana product manufacturing facility ships wholesale marijuana product from a production lot of marijuana product that has not been tested for each contaminant listed in (d)(4) of this section, the label for that lot must include a statement identifying each contaminant listed in (d)(4) of this section for which that lot has not been tested.

## **Article 6: Marijuana Testing Facilities**

### **3 AAC 306.600. Applicability**

(a) The provisions of 3 AAC 306.600 - 3 AAC 306.675 apply to a person offering a service testing, analyzing, or certifying potency, moisture content, pesticide or solvent residue, mold, mildew, bacteria, or other contaminants in marijuana or a marijuana product to another person including a marijuana establishment or a member of the public, whether for compensation or not, as an independent or third-party testing facility.

(b) The provisions of 3 AAC 306.600 - 3 AAC 306.675 do not apply to a licensed marijuana establishment that controls marijuana testing equipment used solely for its own in-house testing of its own cultivated crop, of products produced or manufactured at its own facility, or of retail products placed or offered for sale in its retail marijuana store.

### **3 AAC 306.605. Marijuana testing facility license required.**

(a) A person may not offer or provide a marijuana testing service or test results unless the person has obtained a marijuana testing facility license from the board in compliance with this chapter, or is an employee or agent acting for a licensed marijuana testing facility.

(b) A person seeking a marijuana testing facility license must

(1) submit an application for a marijuana testing facility license on a form the board prescribes, including the information set out under 3 AAC 306.020 and 3 AAC 306.615; and

(2) demonstrate to the board's satisfaction that the applicant





(A) will operate in compliance with each applicable provision of 3 AAC 306.600 - 3 AAC 306.675 and 3 AAC 306.700 - 3 AAC 06.755;

(B) will operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located;

(C) does not hold a marijuana establishment license in this state other than a marijuana testing facility license, or have a financial interest in common with a person who is a licensee of a marijuana establishment in this state other than a marijuana testing facility license; and

(D) meets the board's standards for approval as set out in 3 AAC 306.620 - 3 AAC 306.625.

(c) A licensee of a marijuana testing facility, or an employee or agent of a licensed marijuana testing facility, may not have an ownership interest in or a direct or indirect financial interest in another licensed marijuana establishment.

**3 AAC 306.610. Marijuana testing facilities: privileges and prohibitions.**

(a) A licensed marijuana testing facility may have any amount of marijuana and marijuana products on its premises at any given time if the marijuana testing facility's marijuana inventory tracking system and other records document that all marijuana and marijuana products are on the premises only for the testing purposes described in 3 AAC 306.600 - 3 AAC 06.675.

(b) A licensed marijuana testing facility may not

(1) have a licensee, employee, or agent who holds a type of marijuana establishment license other than a marijuana testing facility license issued under this chapter;

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

(3) allow a person to consume marijuana or a marijuana product on its licensed premises.

**3 AAC 306.615. Application for marijuana testing facility license.**

An applicant for a new marijuana testing facility license must file an application on a form the board prescribes, including

(1) the information required under 3 AAC 306.020; and

(2) the proposed marijuana testing facility's operating plan, including, in addition to the information required under 3 AAC 306.020(c),

(A) each test the marijuana testing facility will offer;





(B) the marijuana testing facility's standard operating procedure for each test the marijuana testing facility will offer; and

(C) the acceptable range of results for each test the marijuana testing facility will offer.

**3 AAC 306.620. Approval of testing facility.**

(a) A person seeking a marijuana testing facility license must first obtain the approval of the board by showing competence to perform each test the licensee will offer as an independent third-party testing facility, including tests to identify

(1) THC, THCA, CBD, CBDA and CBN potency;

(2) Harmful microbes including *Escherichia coli* (E. Coli) or salmonella;

(3) residual solvents;

(4) poisons or toxins;

(5) harmful chemicals;

(6) dangerous molds, mildew, or filth;

(7) pesticides.

(b) In evaluating whether a person has shown competence in testing under this section, the board or the board's contractor may

(1) conduct an on-site inspection of the applicant's premises;

(2) require the applicant to demonstrate proficiency in testing; and

(3) examine compliance with any applicable requirement of 3 AAC 306.630 - 3 AAC 306.675, and 3 AAC 306.700 - 3 AAC 306.755, including

(A) qualifications of personnel;

(B) the standard operating procedure for each testing methodology the marijuana testing facility will use;

(C) proficiency testing results;

(D) quality control and quality assurance;

(E) security;

(F) chain of custody;





(G) specimen retention;

(H) space;

(I) records; and reporting of results.

(c) The board will approve a marijuana testing facility license if, after the board or the board's contractor has examined the qualifications and procedures of the marijuana testing facility license applicant, the board finds them generally in compliance with good laboratory practices. Nothing in AS 17.38 or this chapter constitutes a board guarantee that a licensed marijuana testing facility can or will protect the public from all potential hazards of marijuana including microbials, poisons or toxins, residual solvents, pesticides, or other contaminants.

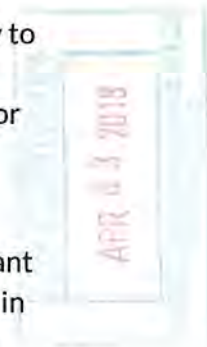
### **3 AAC 306.625. Proficiency testing program.**

(a) When an accredited proficiency testing program becomes available in the state, the board may require an applicant for a marijuana testing facility license to participate successfully in a proficiency testing program not earlier than 12 months before receiving a license. The proficiency testing program must require an applicant for a marijuana testing facility license or a participating licensed marijuana testing facility to analyze test samples using the same procedures with the same number of replicate analyses, standards, testing analysts, and equipment that will be used for product testing. Successful participation is the positive identification of 80 percent of the target analytes that the marijuana testing facility reports, and must include quantitative results when applicable. Any false positive results reported constitute an unsatisfactory score for the proficiency test.

(b) Before renewing the license of a marijuana testing facility, the board may require the facility to participate in a proficiency testing program with documentation of continued performance satisfactory to the board. The license of a marijuana testing facility may be limited, suspended, or revoked if the facility fails to participate and receive a passing score in a proficiency testing program.

(c) The scientific director employed under 3 AAC 306.630 and each testing analyst of an applicant for a marijuana testing facility license and a licensed marijuana testing facility that participated in a proficiency test shall sign a corresponding attestation statement. The scientific director shall review and evaluate each proficiency test result.

(d) An applicant for a marijuana testing facility license, and a licensed marijuana testing facility participating in the proficiency testing program, shall take and document remedial action when the applicant or the facility meets the standards of (a) of this section, but scores less than 100 percent in a proficiency test. To take and document remedial action, the marijuana testing facility's scientific director shall, at a minimum, review all samples tested and results reported after the date of the marijuana testing facility's last successful proficiency test.





### **3 AAC 306.630. Scientific director.**

(a) A marijuana testing facility shall employ a scientific director who must be responsible for

(1) overseeing and directing the scientific methods of the laboratory within the marijuana testing facility;

(2) ensuring that the laboratory achieves and maintains quality standards of practice; and

(3) supervising all staff of the laboratory.

(b) The scientific director of a marijuana testing facility must have

(1) a doctorate degree in chemical or biological sciences from an accredited college or university and have at least two years of post- degree laboratory experience;

(2) a master's degree in chemical or biological sciences from an accredited college or university and have at least four years of post- degree laboratory experience; and

(3) a bachelor's degree in chemical or biological sciences from an accredited college or university and have at least six years of post- degree laboratory experience.

### **3 AAC 306.635. Testing methodologies.**

(a) An applicant for a marijuana testing facility license and a licensed marijuana testing facility shall

(1) use as guidelines or references for testing methodologies

(A) the American Herbal Pharmacopoeia's Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014, adopted by reference; and

(B) the United Nations Office on Drugs and Crime's Recommended Methods for the Identification and Analysis of Cannabis and Cannabis Products: Manual for Use by National Drug Analysis Laboratories, dated 2009 and adopted by reference; and

(2) notify the board of any alternative scientifically valid testing methodology the marijuana testing facility proposes to use for any laboratory test it conducts; the board may require third-party validation of any monograph, peer-reviewed scientific journal article, or analytical method the marijuana testing facility proposes to follow to ensure the methodology produces comparable and accurate results.

(b) An applicant for a marijuana testing facility license and the holder of a marijuana testing facility license shall observe good laboratory practices.





(c) The board or the board's contractor may inspect the practices, procedures, and programs adopted, followed, and maintained by the applicant or the licensed marijuana testing facility and may examine all records of the applicant or the licensed marijuana testing facility that are related to the inspection. The board may require an applicant or a licensed marijuana testing facility to have an independent third party inspect and monitor laboratory operations to assess testing competency and the marijuana testing facility's compliance with its quality program. The board may require random validation of a marijuana testing facility's execution of each testing methodology the facility uses. The marijuana testing facility shall pay all costs of validation.

### **3 AAC 306.640. Standard operating procedure manual.**

(a) An applicant for a marijuana testing facility license and a licensed marijuana testing facility shall have a written manual of standard operating procedures, 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 manual of standard operating procedures must be available to each employee of the marijuana testing facility at all times. The written manual of standard operating procedures must cover at least

- (1) sample preparation for each matrix that will be tested;
- (2) reagent, solution, and reference standard preparation;
- (3) instrument setup, if applicable;
- (4) standardization of volumetric reagent solutions, if applicable;
- (5) data acquisition;
- (6) calculation of results;
- (7) identification criteria;
- (8) quality control frequency;
- (9) quality control acceptance criteria; and
- (10) corrective action protocol.

(b) The scientific director of a marijuana testing facility shall approve, sign, and date each standard operating procedure, and each revision to any standard operating procedure.

### **3 AAC 306.645. Laboratory testing of marijuana and marijuana products.**

(a) A marijuana testing facility shall use the general body of required laboratory tests as set out in this section for marijuana plant material, an extract or concentrate of marijuana, and an edible





marijuana product. Required tests may include potency analysis, moisture content, foreign matter inspection, microbial screening, pesticide, other chemical residue, and metals screening, and residual solvents levels. A marijuana testing facility shall establish a schedule of fees and sample size required for each test it offers.

(b) The tests required for each marijuana type or marijuana product, are as follows:

(1) potency testing is required on marijuana bud and flower, marijuana concentrate, and a marijuana product, as follows:

(A) the required cannabinoid potency test must at least determine the concentration of THC, THCA, CBD, CBDA and CBN cannabinoids; a marijuana testing facility may test and report results for any additional cannabinoid if the test is conducted in compliance with a validated method;

(B) a marijuana testing facility shall report potency test results as follows:

(i) for a potency test on marijuana and marijuana concentrate, the marijuana testing facility shall list for each required cannabinoid a single percentage concentration that represents an average of all samples within the test batch; alternatively, the sum of THC and THCA may be reported as total THC; the sum of CBD and CBDA may be reported as total CBD;

(ii) for a potency test on a marijuana product, whether conducted on each individual production lot or using process validation, the marijuana testing facility shall list for each cannabinoid the total number of milligrams contained within a single retail marijuana product unit for sale;

(iii) testing whether the THC content is homogenous, the marijuana testing facility shall report the THC content of each single serving in a multi-unit package; the reported content must be within 20 percent of the manufacturer's target; for example, in a 25 milligrams total THC package with five servings, each serving must contain between four and six milligrams of THC;

(C) the marijuana testing facility shall determine an edible marijuana product to have failed potency testing if

(i) an individually packaged edible retail marijuana product contained within a test lot is determined to have more than 60 milligrams of THC within it; or

(ii) the THC content of an edible marijuana product is not homogenous;

(2) microbial testing for the listed substances on the listed marijuana products is required as follows:





### Substance Acceptable Limits

Substance	Acceptable Limits Per Gram	Product to be Tested
--Shiga-toxin producing Escherichia coli (STEC)-bacteria	Less than 1 colony forming unit (CFU/g)	flower; retail marijuana products; water-and food-based
Salmonella species bacteria	Less than 1 colony forming unit (CFU/g)	concentrates
Aspergillus fumigatus, Aspergillus flavus, Aspergillus niger fungus	Less than 1 colony forming unit (CFU/g)	concentrates

(3) testing for the listed residual solvents and metals on the listed marijuana products is required as follows:

Substance	Acceptable Limits per Gram	Product to be Tested
Butanes	Less than 800 parts per million (PPM)	Solvent-based concentrates
Heptanes	Less than 500 parts per million (PPM)	Solvent-based concentrates
Benzene	Less than 1 part per million (PPM)	Solvent-based concentrates
Toluene	Less than 1 part per million (PPM)	Solvent-based concentrates
Hexane	Less than 10 parts per million (PPM)	Solvent-based concentrates
Total xylenes (metaeylenes, para-xylenes, or ortho-xylenes)	Less than 1 part per million (PPM)	Solvent-based concentrates

### 3 AAC 306.650. Chain of custody.

A marijuana testing facility shall establish an adequate chain of custody and sample requirement instructions that include

- (1) issuing instructions for the minimum sample requirements and storage requirements;
- (2) documenting the condition of the external package and integrity seals utilized to prevent contamination of or tampering with the sample;
- (3) documenting the condition and amount of sample provided at the time the sample is received at the marijuana testing facility;





- (4) documenting each person handling the original samples, aliquots, and extracts;
- (5) documenting any transfer of samples, aliquots, and extracts to another marijuana testing facility for additional testing or at the request of the marijuana cultivation facility or marijuana product manufacturing facility that provided the testing sample;
- (6) maintaining a current list of authorized persons and restricting entry to the marijuana testing facility to those authorized persons;
- (7) securing the marijuana testing facility during non-working hours;
- (8) securing short-term and long-term storage areas when not in use;
- (9) using a secured area to log in and aliquot samples;
- (10) ensuring samples are stored appropriately; and
- (11) documenting the disposal of samples, aliquots, and extracts.

### **3 AAC 306.655. Marijuana inventory tracking system.**

A marijuana testing facility shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana transported to the marijuana testing facility's premises is identified and tracked from the time the marijuana arrives at the marijuana testing facility to the use and destruction of the marijuana in testing, or to disposal in compliance with 3 AAC 306.740.

### **3 AAC 306.660. Failed materials; retests.**

(a) If a sample tested by a marijuana testing facility does not pass the required tests based on the standards set out in 3 AAC 306.645, including a visual foreign matter inspection, the marijuana establishment that provided the sample shall

- (1) dispose of the entire harvest batch or production lot from which the sample was taken; and
- (2) document the disposal of the sample using the marijuana establishment's marijuana inventory tracking system.

(b) If a sample of marijuana fails a required test, any marijuana plant trim, leaf, and other usable material from the same plants automatically fail the required test. The board or director may approve a request to allow a batch of marijuana that fails a required test to be used to make a carbon dioxide- or solvent-based extract. After processing, the carbon dioxide- or solvent-based extract must pass all required tests.

(c) If a marijuana cultivation facility or a marijuana product manufacturing facility petitions for a retest of marijuana or a marijuana product that failed a required test, the board or director may





authorize a retest to validate the test results. The marijuana cultivation facility or a marijuana product manufacturing facility shall pay all costs of a retest.

**3 AAC 306.665. Supplemental marijuana quality testing.**

(a) The board or director may at any time determine that the interests of the public require random supplemental testing of marijuana or a marijuana product. When the board or director requires random supplemental testing, the board will or director shall direct the marijuana cultivation facility that produced the marijuana, or the marijuana product manufacturing facility that manufactured the product, to submit a specified sample, batch, or packaged product to a designated marijuana testing facility. The material must be packaged in a manner that ensures the marijuana testing facility will be able to confirm that it has received and is testing the correct supplemental sample.

(b) When a marijuana testing facility receives a sample for random supplemental testing under this section, the marijuana testing facility shall

(1) perform any required laboratory test the board or director requests; and

(2) report its results to

(A) the board or director; and

(B) the facility that provided the sample.

(c) A marijuana testing facility that conducts laboratory testing under this section shall bill all costs directly to the marijuana cultivation facility or the marijuana product manufacturing facility that provided the samples for testing.

**3 AAC 306.670. Reporting; verification.**

(a) A marijuana testing facility shall report the result of each required laboratory test directly into its marijuana inventory tracking system not later than 24 hours after the test is completed. A marijuana testing facility shall provide the final report

(1) in a timely manner to the marijuana establishment that submitted the sample; and

(2) to the director not later than 72 hours after the marijuana testing facility determines that results of tested samples exceed allowable levels.

(b) A marijuana testing facility shall establish procedures to ensure that reported results are accurate, precise, and scientifically valid. To ensure reported results are valid, a marijuana testing facility shall include in a final report

(1) the name and location of the marijuana testing facility;





- (2) the unique sample identifier assigned by the marijuana testing facility; sample
  - (3) the marijuana establishment or other person that submitted the testing sample;
  - (4) the sample identifier provided by the marijuana establishment or other person that submitted the testing
  - (5) the date the marijuana testing facility received the sample;
  - (6) the chain of custody identifier;
  - (7) the date of the report;
  - (8) the type of marijuana or marijuana product tested;
  - (9) the test results;
  - (10) the units of measure; and
  - (11) any other information or qualifiers needed for interpretation of the test method and the results being reported, including any identified and documented discrepancy.
- (c) A marijuana testing facility may amend a final report for clerical purposes except that test results may not be amended.

### **3 AAC 306.675. Records retention.**

A marijuana testing facility shall maintain the business records required under 3 AAC 306.755 for the period of time specified in that section. The books and records required under 3 AAC 306.755(a)(1) include

- (1) test results; quality control and quality assurance records;
- (2) standard operating procedures;
- (3) chain-of-custody records;
- (4) proficiency testing records;
- (5) analytical data to include printouts generated by the instrumentation;
- (6) accession numbers;
- (7) specimen type;
- (8) raw data of calibration standards and curves, controls, and subject results;





- (9) final and amended reports;
- (10) acceptable reference range parameters;
- (11) the identity of the analyst; and
- (12) the date of the analysis.

## **Article 7: Operating Requirements for All Marijuana Establishments**

### **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, must 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 must 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. The topics that an approved marijuana handler permit education course covers must include

- (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;
- (4) how to determine valid identification;
- (5) how to intervene to prevent unlawful marijuana consumption; and
- (6) 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 education course described under

(b) of this section shall present the course completion certificate 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 or a valid copy on file on the premises at all times when on the licensed premises of the marijuana establishment.

(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.

### **3 AAC 306.705. Licensed premises; alteration.**

(a) A marijuana establishment license will be issued for specific licensed premises. Specific licensed premises must constitute a place clearly designated in a license application and described by a line drawing submitted with the license application. The licensed premises must

(1) have adequate space for its approved operations, including growing, manufacturing, processing, packaging, or storing marijuana or marijuana products; and

(2) be located and constructed to facilitate cleaning, maintenance, and proper operation.

(b) A marijuana establishment's license must be posted in a conspicuous place within the licensed premises.

(c) A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval. A marijuana establishment license holder seeking to change or modify the licensed premises must submit a request for approval of the change on a form prescribed by the board, along with

(1) the fee prescribed in 3 AAC 306.100;

(2) a drawing showing the proposed change;

(3) evidence that the proposed change conforms to any local restrictions; and

(4) evidence that the licensee has obtained any applicable local building permit.

### **3 AAC 306.710. Restricted access areas.**

(a) A marijuana establishment shall restrict access to any part of the licensed premises where marijuana or a marijuana product is grown, processed, tested, stored, or stocked.

(b) Except as provided in 3 AAC 306.325 for a retail marijuana store, each entrance to a restricted access area must be marked by a sign that says "Restricted access area. Visitors must be escorted." A marijuana establishment shall limit the number of visitors to not more than five visitors for each licensee, employee, or agent of the licensee who is actively engaged in supervising those visitors.





(c) In a restricted access area, a licensee, employee, or agent of the marijuana establishment shall wear a current identification badge bearing the person's photograph. A person under 21 years of age may not enter a restricted access area. Any visitor to the restricted access area must

- (1) show identification as required in 3 AAC 306.350 to prove that person is 21 years of age or older;
- (2) obtain a visitor identification badge before entering the restricted access area; and
- (3) be escorted at all times by a licensee, employee, or agent of the marijuana establishment.

### **3 AAC 306.715. Security alarm systems and lock standards.**

(a) Each licensee, employee, or agent of a marijuana establishment shall display an identification badge issued by the marijuana establishment at all times when on the marijuana establishment's licensed premises.

(b) The licensed premises of a marijuana establishment must have

- (1) exterior lighting to facilitate surveillance;
- (2) a security alarm system on all exterior doors and windows; and
- (3) continuous video monitoring as provided in 3 AAC 306.720.

(c) A marijuana establishment shall have policies and procedures that

- (1) are designed to prevent diversion of marijuana or marijuana product;
- (2) prevent loitering;
- (3) describe the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of licensed premises; and
- (4) describe the actions to be taken by a licensee, employee, or agent of the marijuana establishment when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security.

(d) A marijuana establishment shall use commercial grade, nonresidential door locks on all exterior entry points to the licensed premises.

### **3 AAC 306.720. Video surveillance.**

(a) A marijuana establishment shall install and maintain a video surveillance and camera recording system as provided in this section. The video system must cover





(1) each restricted access area and each entrance to a restricted access area within the licensed premises;

(2) each entrance to the exterior of the licensed premises; and

(3) each point-of-sale area.

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana waste is destroyed, must have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height that will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times.

(d) Surveillance recording equipment and video surveillance records must be housed in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including a peace officer or an agent of the board. A marijuana establishment may use an offsite monitoring service and offsite storage of video surveillance records if security requirements at the offsite facility are at least as strict as onsite security requirements as described in this section.

(e) Each surveillance recording must be preserved for a minimum of 40 days, in a format that can be easily accessed for viewing. All recorded images must clearly and accurately display the time and date, and must be archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated. After 40 days, a marijuana establishment may erase video recordings, unless the licensee knows or should know of any pending criminal, civil, or administrative investigation for which the video recording may contain relevant information.

### **3 AAC 306.725. Inspection of licensed premises.**

(a) A marijuana establishment or an applicant for a marijuana establishment license under this chapter shall, upon request, make the licensed premises or the proposed licensed premises, including any place for storage, available for inspection by the director, an employee or agent of the board, or an officer charged with the enforcement of this chapter. The board or the director may also request a local fire protection agency or any other state agency with health and safety responsibilities to inspect licensed premises or proposed licensed premises.

(b) Inspection under this section includes inspection of the premises, facilities, qualifications of personnel, methods of operation, business and financial records, marijuana inventory tracking





system, policies, and purposes of any marijuana establishment and of any applicant for a marijuana establishment license.

### **3 AAC 306.730. Marijuana inventory tracking system.**

(a) A marijuana establishment shall use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or a marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

(b) Marijuana delivered to a marijuana establishment must be weighed on a scale registered in compliance with 3 AAC 306.745.

### **3 AAC 306.735. Health and safety standards.**

(a) A marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present.

(b) A marijuana establishment shall take all reasonable measures and precautions to ensure that

(1) any person who has an illness, an open sore or infected wound, or other potential source of infection does not come in contact with marijuana or a marijuana product while the illness or source of infection persists;

(2) the licensed premises have

(A) adequate and readily accessible toilet facilities that are maintained in good repair and sanitary condition; and

(B) convenient handwashing facilities with running water at a suitable temperature; the marijuana establishment shall require employees to wash or sanitize their hands, and shall provide effective hand-cleaning, sanitizing preparations, and drying devices;

(3) each person working in direct contact with marijuana or a marijuana product conforms to good hygienic practices while on duty, including

(A) maintaining adequate personal cleanliness; and

(B) washing hands thoroughly in an adequate handwashing area before starting work, after using toilet facilities, and at any other time when the person's hands may have become soiled or contaminated;





- (4) litter, waste, and rubbish are properly removed; the waste disposal equipment must be maintained and adequate to sold; and repair;
- (A) avoid contaminating any area where marijuana or any marijuana product is stored, displayed, or
- (B) prevent causing odors or attracting pests;
- (5) floors, walls, and ceilings are constructed to allow adequate cleaning, and are kept clean and in good
- (6) adequate lighting is installed in any area where marijuana or a marijuana product is stored, displayed, or sold, and where any equipment or utensil is cleaned;
- (7) screening or other protection adequately protects against the entry of pests;
- (8) each building, fixture, and other facility is maintained in sanitary condition;
- (9) each toxic cleaning compound, sanitizing agent, and pesticide chemical is identified and stored in a safe manner to protect against contamination of marijuana or a marijuana product and in compliance with any applicable local, state, or federal law;
- (10) adequate sanitation principles are used in receiving, inspecting, transporting, and storing marijuana or a marijuana product; and
- (11) marijuana or a marijuana product is held in a manner that prevents the growth of bacteria, microbes, or other undesirable microorganisms.
- (c) A marijuana establishment shall ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace. In this subsection, "stored improperly" means being exposed to extremes in temperature, humidity, smoke, fumes, pressure, or radiation due to a natural disaster, fire, accident, or equipment failure.
- (d) If a marijuana establishment does not have reliable information about the age or storage conditions of marijuana or a marijuana product in its possession, the marijuana establishment may salvage the marijuana only if
  - (1) a licensed marijuana testing facility determines from quality assurance testing that the marijuana or marijuana product meets all applicable standards of moisture, potency, and contaminants;
  - (2) inspection of the premises where a disaster or accident occurred shows that the marijuana or marijuana product stored there was not adversely affected by the disaster or accident; and





(3) the marijuana establishment maintains a record of the salvaged marijuana or marijuana product in its marijuana inventory tracking system, including the name, lot number, and final disposition.

### **3 AAC 306.740. Waste disposal.**

(a) A marijuana establishment shall store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation production, processing, testing, or retail sales, in compliance with applicable federal, state, and local statutes, ordinances, regulations, and other law

(b) Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves a marijuana establishment. Marijuana waste includes

(1) marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent;

(2) solid marijuana sample plant waste in the possession of a marijuana testing facility; and

(3) other waste as determined by the board.

(c) A marijuana establishment shall

(1) in the marijuana inventory tracking system required under 3 AAC 306.730, give the board notice not later than three days before making the waste unusable and disposing of it; however, the director may authorize immediate disposal on an emergency basis; and

(2) keep a record of the final destination of marijuana waste made unusable.

(d) Marijuana plant waste must be made unusable by grinding the marijuana plant waste and mixing it with at least an equal amount of other compostable or non-compostable materials. A marijuana establishment may use another method to make marijuana waste unusable if the board approves the method in advance. Material that may be mixed with the marijuana waste includes

(1) compostable materials including food waste, yard waste, vegetable based grease or oils, or other wastes approved by the board when the mixed material can be used as compost feedstock or in another organic waste method such as an anaerobic digester with approval of any applicable local government entity; or

(2) non-compostable materials including paper waste, cardboard waste, plastic waste, oil, or other wastes approved by the board when the mixed material may be delivered to a permitted solid waste facility, incinerator, or other facility with approval of any applicable local government entity.





(e) If marijuana or a marijuana product is found by, or surrendered to, a law enforcement officer including a peace officer or an airport security officer, the officer may dispose of the marijuana or marijuana product as provided in this section or by any method that is allowed under any applicable local ordinance.

### **3 AAC 306.745. Standardized scales.**

A marijuana establishment shall use registered scales in compliance with AS 45.75.080 (Weights and Measures Act). A marijuana establishment shall

(1) maintain registration and inspection reports of scales registered under AS 45.75.080 and 17 AAC 90.920 - 17 AAC 90.935; and

(2) upon request by the board or the director, provide a copy of the registration and inspection reports of the registered scales to the board or the director for review.

### **3 AAC 306.750. Transportation.**

(a) Marijuana or a marijuana product may only be transported to a licensed marijuana establishment by a licensee or an agent or employee of a licensee.

(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.

(f) A marijuana establishment shall keep records of all marijuana or marijuana products shipped from or received at that marijuana establishment as required under 3 AAC 306.755.

### **3 AAC 306.755. Business records.**

(a) A marijuana establishment shall maintain in a format that is readily understood by a reasonably prudent business person

(1) all books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months must be maintained on the marijuana establishment's licensed premises; older records may be archived on or off premises;

(2) a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;

(3) the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;

(4) records related to advertising and marketing;

(5) a current diagram of the licensed premises including each restricted access area;

(6) a log recording the name, and date and time of entry of each visitor permitted in a restricted access area;

(7) all records normally retained for tax purposes;

(8) accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed; and

(9) transportation records for marijuana and marijuana products as required under 3 AAC 306.750(f).

(b) A marijuana establishment shall provide any record required to be kept on the licensed premises to an employee of the board upon request. Any record kept off premises must be provided to the board's employees not later than three business days after a request for the





record.

(c) A marijuana establishment shall exercise due diligence in preserving and maintaining all required records. Loss of records and data, including electronically maintained records, does not excuse a violation of this section. The board may determine a failure to retain records required under this section to be a license violation affecting public safety.

## **Article 8: Enforcement; Civil Penalties**

### **3 AAC 306.800. Inspection and investigation.**

(a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may

(1) Inspect the licensed premises of a marijuana establishment, including any marijuana and marijuana product on the premises, equipment used in cultivating, processing, testing, or storing marijuana, the marijuana establishment's marijuana inventory tracking system, business records, and computers, at any reasonable time and in a reasonable manner;

(2) issue a report or notice as provided in 3 AAC 306.805; and

(3) as authorized under AS 17.38.131, exercise peace officer powers and take any other action the director determines is necessary.

(b) A marijuana establishment, and any licensee, employee, or agent in charge shall cooperate with the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, to enforce the laws related to marijuana, including

(1) permitting entry upon and inspection of the licensed premises; and

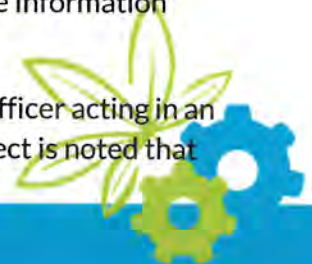
(2) providing access to business records at reasonable times when requested by the director, an enforcement agent, an employee of the board, or a peace officer.

### **3 AAC 306.805. Report or notice of violation.**

(a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may issue an inspection report, an advisory report, or a notice of violation before taking action to suspend or revoke a marijuana establishment license.

(b) An inspection report documents an investigator's inspection of licensed premises. An inspection report must be prepared on a form the board prescribes and include information prescribed under AS 17.38 or this chapter or that the board requires.

(c) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity may issue an advisory notice when an incident occurs or a defect is noted that





could result in a violation of a statute, regulation, or municipal ordinance. An advisory notice may result from an inspection report, but is not a basis for administrative action unless the incident or defect continues or is not corrected.

(d) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity may issue a notice of violation if an inspection report or other credible information shows a marijuana establishment is in violation of AS 17.38, this chapter, or other law relating to marijuana. The notice of violation must be delivered to the marijuana establishment at its licensed premises, and to the board. The notice must describe any violation, and cite the applicable statute, regulation, or order of the board. A marijuana establishment that receives a notice of violation may respond to the notice orally or in writing, and may, not later than 10 days after receiving the notice, request an opportunity to appear before the board. A notice of violation may be the basis of a proceeding to suspend or revoke a marijuana establishment's license as provided under 3 AAC 306.810.

### **3 AAC 306.810. Suspension or revocation of license.**

(a) The board will suspend or revoke a marijuana establishment license issued under this chapter if any licensee is convicted of a felony or of a crime listed in 3 AAC 306.010(d)(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(d)(2) or (3).

(b) The board may suspend or revoke a license issued under this chapter, refuse to renew a license, or impose a civil fine, if the board finds that a licensee for any marijuana establishment

(1) misrepresented a material fact on an application for a marijuana establishment license, or an affidavit, report, or signed statement under AS 17.38 or this chapter; or

(2) is following any practice or procedure that is contrary to the best interests of the public, including

(A) using any process not approved by the board for extracting or manufacturing marijuana concentrate or products; or board;

(B) selling or distributing any marijuana concentrate or product that has not been approved by the

(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter;

(D) a condition or restriction imposed by the board; or

(E) other applicable law;





(3) knowingly allowed an employee or agent to violate AS 17.38, this chapter, or a condition or restriction imposed by the board;

(4) failed to comply with any applicable public health, fire, safety, or tax statute, ordinance, regulation, or other law in the state; or

(5) used the licensed premises for an illegal purpose including gambling, possession or use of narcotics other than marijuana, prostitution, or sex trafficking.

(c) A local government may notify the director if it obtains evidence that a marijuana establishment has violated a provision of AS 17.38, this chapter, or a condition or restriction the board has imposed on the marijuana establishment. Unless the board finds that the local government's notice is arbitrary, capricious, and unreasonable, the director shall prepare the notice and supporting evidence as an accusation against the marijuana establishment under AS 44.62.360, and conduct proceedings to resolve the matter as described under 3 AAC 306.820.

### **3 AAC 306.815. Suspension or revocation based on act of employee.**

If, in a proceeding to suspend or revoke a marijuana establishment license under 3 AAC 306.810 and 3 AAC 306.820, evidence shows that an employee or agent of a licensed marijuana establishment was responsible for an act that would justify suspension or revocation of the marijuana establishment's license if committed by a licensee, the board may find that licensee knowingly allowed the act if

(1) the licensee

(A) was physically present when the violation occurred;

(B) knew or should have known the violation was occurring; and

(C) did not take action to stop the violation;

(2) the licensee failed to adequately supervise the agent or employee;

(3) the licensee failed to adequately train the agent or employee in the requirements of AS 17.38 and this chapter relating to marijuana; or

(4) the licensee was reckless or careless in hiring the agent or employee.

### **3 AAC 306.820. Procedure for action on license suspension or revocation.**

A proceeding to suspend or revoke a license must be initiated by service of an accusation on the marijuana establishment in compliance with AS 44.62.360 and 44.62.380, and conducted in compliance with AS 44.62.330 - 44.62.630. The accusation must be served at the address of the licensed premises, or at the address of the licensee who is responsible for management and





compliance with laws as listed in the marijuana establishment license application in compliance with 3 AAC 306.020(b)(5). The marijuana establishment is entitled to a hearing as provided under AS 44.62.390.

### **3 AAC 306.825. Summary suspension to protect public health, safety, or welfare.**

(a) If the director finds that a person holding a marijuana establishment license has acted and appears to be continuing to act in a way that constitutes an immediate threat to the public health, safety or welfare, the director may issue an order immediately suspending the license of that person, and ordering an immediate stop to the activity that constitutes the threat to the public health, safety, or welfare.

(b) When the director issues a summary suspension under this section, the director shall immediately give the marijuana establishment subject to the summary suspension order notice of the reasons for the summary suspension, and of the time and place for an expedited hearing before the board. Unless the marijuana establishment subject to the summary suspension order requests a delay, the hearing will be held not later than five days after the director gives notice of the reasons for the summary suspension and the scheduled hearing.

### **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 prohibited under 3 AAC 306.510(a)(4);

(3) any marijuana or marijuana product that is not properly packaged and labeled as provided in

(A) 3 AAC 306.470 and 3 AAC 306.475; or

(B) 3 AAC 306.565 and 3 AAC 306.570; or

(4) not renewed its license as required under 3 AAC 306.035.

(b) If the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity seizes marijuana or a marijuana product under this section, the director shall update the marijuana inventory control tracking system to reflect the seizure and ensure that the seized items are stored in a reasonable manner. The director shall immediately give the marijuana establishment from which the marijuana or marijuana product was seized notice of the reasons for the seizure and the time and place of a hearing before the board. Unless the marijuana





establishment from which the marijuana or marijuana product was seized requests a delay, the hearing will be held not later than 10 days after the director gives notice of the reasons for seizure and the scheduled hearing. If the seizure occurs in connection with a summary suspension under 3 AAC 306.825, the hearing will be combined with a hearing on the summary suspension.

(c) If the marijuana establishment from which the marijuana or marijuana product was seized does not request or participate in a hearing under this section, or if after a hearing the board finds that seizure of the marijuana or marijuana product was justified, the marijuana or marijuana product will be destroyed by burning, crushing, or mixing with other material to make the marijuana or marijuana product unusable as provided in 3 AAC 306.740.

(d) If a seizure under this section is of marijuana plants in place in a licensed standard or limited marijuana cultivation facility, the seizure order may direct the marijuana cultivation facility to continue care of the plants until the hearing, but prohibit any transfer, sale, or other commercial activity related to the plants.

### **3 AAC 306.835. Hearing.**

(a) Except as provided in 3 AAC 306.825 or 3 AAC 306.830, a person aggrieved by an action of the director, an enforcement agent, or an employee of the board may request a hearing in compliance with AS 44.62.390 by filing a notice of defense not later than 15 days after receiving a written accusation. Failure to file a notice of defense as provided in this section constitutes a waiver of the right to a hearing.

(b) When an aggrieved person requests a hearing under this section, the board may request the office of administrative hearings to conduct the hearing in compliance with due process, AS 44.62.330 - 44.62.630 (Administrative Procedure Act), and 2 AAC 64.100 - 2 AAC 64.990, as applicable.

### **3 AAC 306.840. Civil fines.**

(a) The board may, in addition to any other penalties imposed under this chapter, impose a civil fine on a marijuana establishment, licensee, or person that the board determines has violated a provision of AS 17.38 or this chapter.

(b) In a proceeding under 3 AAC 306.810 - 3 AAC 306.830, the board may impose a civil fine, not to exceed the greater of

(1) an amount that is three times the monetary gain realized by the marijuana establishment, licensee, or person as a result of the violation, as determined by the board;

(2) \$10,000 for the first violation;

(3) \$30,000 for the second violation; or





(4) \$50,000 for the third or subsequent violation.

### **3 AAC 306.845. Appeal.**

(a) An aggrieved party may appeal to the board regarding any action of the director, an enforcement agent, or an employee of the board charged with enforcing AS 17.38 or this chapter, including suspending or revoking a license, seizing marijuana or a marijuana product, or imposing a civil fine.

(b) A person aggrieved by a final decision of the board suspending or revoking a license under this chapter or imposing a civil fine may appeal to the superior court under AS 44.62.560.

### **3 AAC 306.850. Surrender or destruction of license.**

A license issued under this chapter must be surrendered to the director, an enforcement agent, or an employee of the board on demand if the director or board so orders. A license issued under this chapter must be surrendered not later than 10 days after the marijuana establishment loses or vacates the licensed premises. If a license is destroyed, the marijuana establishment shall promptly notify the board.

## **Article 9: General Provisions**

### **3 AAC 306.905. Public records.**

Marijuana establishment applications are public records. The board may, at the request of any applicant, designate materials confidential if they

- (1) contain proprietary information including trade secrets; or
- (2) are required to be kept confidential by any federal or state law.

### **3 AAC 306.910. Refusal to sell marijuana.**

Nothing in this chapter prohibits a licensee from refusing to sell marijuana or marijuana products to any person unless that refusal is a violation of AS 18.80.210.

### **3 AAC 306.915. Exercise of authority.**

Until a marijuana establishment surrenders its license to the board, and so long as business is conducted under the license on the licensed premises, the person holding the license, whether an individual, a partnership, a limited liability company, a corporation, or a local government, is responsible and liable for the conduct of the business. Any individual exercising actual authority over the conduct of business on the licensed premises must be the holder of the marijuana establishment license, or an agent or employee of that person unless the board has approved a transfer of the license to a different person.





### **3 AAC 306.920. Death of licensee.**

(a) If an individual who is the sole licensee of a marijuana establishment dies, the marijuana establishment shall cease operation. A personal representative appointed by the superior court for the estate of the deceased licensee may submit to the director a written request to reopen the business, along with a copy of the court order appointing the personal representative. If the licensed marijuana establishment is in good standing, and the personal representative is not a person prohibited from holding a marijuana establishment license under AS 17.38.200(i), the director shall grant permission to the personal representative to operate the business on the licensed premises subject to (b) of this section. In this section, a marijuana establishment is in good standing if the marijuana establishment

(1) has a valid current license;

(2) has paid all fees due under this chapter and all local taxes due; and

(3) has no unresolved suspension or revocation proceedings against it.

(b) A personal representative authorized to operate a marijuana establishment under (a) of this section must submit an application for a transfer of ownership to another person in compliance with 3 AAC 306.045 not later than 90 days after obtaining the director's approval to operate. The board may extend the time allowed in this section for another 90 days if the personal representative requests the additional time.

(c) This section does not authorize the transfer of a marijuana establishment license unless the board approves the personal representative's application for transfer of license to another person.

### **3 AAC 306.925. Submissions to the board.**

Except as otherwise specifically provided in this chapter, applications and communications of a formal nature must be submitted in writing, upon prescribed forms as appropriate, to the board at its main office, and are not considered timely filed until received there.

### **3 AAC 306.930 Staff.**

(a) The director of the board is responsible for the management of the board's offices, the administration of the board's functions, and the enforcement of AS 17.38 and this chapter.

(b) The director shall employ and supervise necessary clerical and investigative personnel and shall prescribe their duties and authority.

(c) The director shall prescribe forms for application for new licenses, transfers, and renewals and for endorsements, petitions, and other necessary documents.



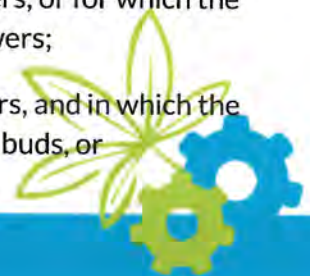


**3 AAC 306.935. Conduct of board meetings.**

- (a) The board will, at the first meeting of each calendar year, select a chair from among its members to preside over board meetings during the ensuing year.
- (b) The board will meet at the call of the chair after reasonable public notice is given.
- (c) For the purposes of AS 17.38.111(b), the whole membership is all persons appointed and serving as members of the board.
- (d) The director is responsible for preparing an informative agenda for each board meeting. A copy of the agenda must be available for inspection by persons who request it.

**3 AAC 306.990. Definitions.**

- (a) In AS 17.38 and this chapter,
  - (1) "affiliate" means a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a partnership, limited liability company, or corporation subject to this chapter;
  - (2) "assisting" does not include
    - (A) using, displaying, purchasing, or transporting marijuana in excess of the amount allowed in AS 17.38.020; AS 17.38.020;
    - (B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in
    - (C) growing marijuana plants for another person in a place other than
      - (i) that other person's primary residence; or
      - (ii) a garage, shed, or similar place under the other person's control;
  - (3) "delivering"
    - (A) means handing to a person who purchases the product on licensed premises only;
    - (B) does not include transferring or transporting to a consumer off licensed premises;
  - (4) "flowering" means a marijuana plant that has visible crystals, buds, or flowers, or for which the exposure to light is scheduled with the intent to produce crystals, buds, or flowers;
  - (5) "immature" means a marijuana plant with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or





flowers;

(6) "in public"

(A) means in a place to which the public or a substantial group of people has access;

(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 retail marijuana store designated for onsite consumption under 3 AAC 306.305;

(7) "personal cultivation" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of the amount allowed in AS 17.38.020; AS 17.38.020;

(B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in

(C) growing marijuana plants for another person in a place other than

(i) that other person's primary residence; or

(ii) a garage, shed, or similar place under the other person's control;

(8) "possess" means having physical possession or control over property;

(9) "registration" means licensure or license;

(b) In this chapter, unless the context requires otherwise,

(1) "adulterated food or drink product"

(A) means a product that is intended to be consumed orally and that existed without marijuana in a form ready for consumption before marijuana was added by any process;

(B) does not include raw ingredients that are combined with marijuana in a manufacturing process;

(2) "agent"

(A) means a representative who is authorized to act for a licensee, the board, or the director;

(B) includes a contractor or subcontractor;





(3) "batch" or "harvest batch" means a specifically identified quantity of plant trim, leaf, and other usable product from marijuana plants that are uniform in strain, cultivated in one place and under the same conditions, using the same medium and agricultural chemicals including pesticides and fungicides, and harvested at the same time;

(4) "bud and flower" means the hairy, sticky, or crystal covered parts of mature female marijuana plants generally harvested for their high potency content;

(5) "business day" means a day other than a Saturday, Sunday, or a state holiday;

(6) "CBD" means cannabidiol;

(7) "CBDA" means CBD Acid;

(8) "CBN" means cannabinol;

(9) "clones" or "cuttings" means small starter plants

(C) shorter than eight inches tall; and

(D) used to propagate marijuana plants;

(10) "compensation"

(A) means money, bartered objects or services, or anything else of value, whether given as payment or voluntarily as a donation, when accepted by a person who gives, distributes, or delivers marijuana to another;

(B) includes a cover charge, a delivery charge, and a packaging charge;

(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;

(12) "consumer"

(A) means an individual who purchases and uses marijuana or a marijuana product; and

(B) does not include a marijuana establishment that resells marijuana or incorporates marijuana into a manufactured product;

(13) "contaminant" means one or more of the following:

(A) harmful microbials, including Escherichia coli (E. coli) or Salmonella species;

(B) residual solvents;





- (C) poisons or toxins;
- (D) harmful chemicals, including pesticides;
- (E) dangerous molds, mildew, or filth;
- (14) "controlling interest" means ownership or control of
  - (A) 50 percent or more of the ownership interest or voting shares of a corporation; or
  - (B) less than 50 percent if a person and family members jointly exert actual control as demonstrated by
    - (i) making decisions for the corporation without independent participation of other owners;
    - (ii) exercising day-to-day control over the corporation's affairs;
    - (iii) disregarding formal legal requirements;
    - (iv) using corporation funds for personal expenses or investments, or intermingling corporation finances with personal finances; or
    - (v) taking other actions that indicate the corporation is a mere instrumentality of the individual;
- (15) "distribute" means spread out or pass out among several or many members of a group;
- (16) "edible" and "edible marijuana product"
  - (A) means a marijuana product that is intended to be consumed orally, whether as food or drink;
  - (B) does not include an adulterated food or drink product;
- (17) "extraction" or "marijuana extraction" means production of marijuana concentrate by any water-based, food-based, or solvent-based method;
- (18) "homogenous" means a component or quality, such as THC, is spread evenly throughout the product, or can be found in equal amounts in each part of a multi-serving unit;
- (19) "individual" means a natural person;
- (20) "in-house testing"
  - (A) means laboratory testing as provided in 3 AAC 306.635 and that does not meet the requirements of 3 AAC 306.645;
  - (B) does not include consumption of any marijuana or marijuana product on the licensed premises;





(21) "licensed"

(A) means holding a current and valid license that the board has issued under this chapter;

(B) does not include holding a formerly valid license that has expired or that the board has suspended or revoked;

(22) "licensee" means each individual identified in 3 AAC 306.020 who must be listed in an application for a marijuana establishment license under this chapter;

(23) "licensed premises" means any or all designated 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;

(24) "lot" or "production lot" means a group of marijuana products that were prepared at the same time from the same batch of marijuana, using the same recipe or process;

(25) "marijuana" has the meaning given in AS 17.38.900;

(26) "marijuana cultivation facility" has the meaning given in AS 17.38.900;

(27) "marijuana infused product"

(A) means a product that contains marijuana or marijuana concentrate and is intended for human use;

(B) does not include bud and flower marijuana;

(28) "marijuana plant" means a living organism of the genus Cannabis capable of absorbing water and inorganic substances through its roots, and synthesizing nutrients in its leaves by photosynthesis;

(29) "marijuana product" has the meaning given in AS 17.38.900;

(30) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

(31) "peace officer" has the meaning given in AS 01.10.060;

(32) "person" has the meaning given in AS 01.10.060;

(33) "process" or "processing" means harvesting, curing, drying, or trimming of a marijuana plant;

(34) "propagate" means to cause a marijuana plant to grow by planting clones or cuttings, and nurturing them into viable plants up to eight inches in height;





(35) "recreation or youth center" means a building, structure, athletic playing field, or playground

(A) run or created by a local government or the state to provide athletic, recreational, or leisure activities for persons under 21 years of age; or

(B) operated by a public or private organization licensed to provide shelter, training, or guidance for persons under 21 years of age;

(36) "retail marijuana store" has the meaning given in AS 17.38.900;

(37) "square feet under cultivation"

(A) means an area of the licensed premises of a standard or limited marijuana cultivation facility that is used for growing marijuana, measured from the perimeter of the floor or growing space for marijuana;

(B) does not include a processing or storage area, an equipment storage area, an office, a hallway, or another area, if that area is not used for growing marijuana;

(38) "THC" means tetrahydrocannabinol, the main psychoactive substance found in marijuana;

(39) "THCA" means THC Acid;

(40) "transaction" means one single occurrence in which marijuana or a marijuana product not exceeding the limits set out in 3 AAC 306.355 is passed from a licensed marijuana establishment to another person.





Offense	Penalty	Incarceration	Maximum Fine
<b>Possession</b>			
<b>Personal Use</b>			
1 ounce or less	None	None	\$0
1 - 4 ounce in your residence*	Not classified	N/A	\$0
1 - less than 4 oz.	Misdemeanor	1 year	\$10,000
4 ounce or more	Felony	5 years	\$50,000
Any amount within 500 feet of school grounds or rec. center**	Felony	5 years	\$50,000
Public consumption	Violation	None	\$100
<b>With Intent to Distribute</b>			
Less than 1 oz.***	Misdemeanor	1 year	\$10,000
1 ounce or more	Felony	5 years	\$50,000
<p>* Based on an Alaskan Supreme Court decision, possession in the home for personal use is protected conduct by the right-to-privacy provision in their state constitution.</p> <p>** If charged with possession of marijuana in a school zone, an affirmative defense may be raised in court that the conduct took place entirely within a private residence.</p> <p>*** The law will change in November 2016 when retail stores are established to sell up to one ounce. Currently, a person may convey up to one ounce to anyone 21 years old or older without compensation.</p>			
<b>Sale or Delivery</b>			
Less than 1 oz.	Misdemeanor	1 year	\$10,000
1 ounce or more	Felony	5 years	\$50,000
To a person under 19 who is 3 years or younger than the seller.	Felony	10 years	\$100,000
<b>Cultivation</b>			
Up to 6 plants (no more than 3 mature)	None	None	\$0
6 - 25 plants in your residence*	Not classified	N/A	\$0
25 plants or more	Felony	5 years	\$1,000





<b>To a person under 19 who is 3 years or younger than the seller.</b>	<b>Felony</b>	<b>10 years</b>	<b>\$100,000</b>
* Based on an Alaskan Supreme Court decision, possession in the home for personal use is protected conduct by the right-to-privacy provision in their state constitution.			
<b>Hash &amp; Concentrates</b>			
Possession of 3g or less	Misdemeanor	0 - 1 year	\$10,000
Possession of more than 3g	Felony	0 - 2 years	\$50,000
Delivery, manufacture, or possessing with intent to distribute any amount	Felony	1 - 3 years	\$100,000
<b>Civil Asset Forfeiture</b>			
Vehicles and other assets can be seized in a civil proceeding, regardless of whether criminal charges are brought.			
<b>Miscellaneous</b>			
If under 1 ounce of marijuana is gifted	No Liability	None	\$0
Offense within owned structure	Felony	5 years	\$500,000
Administrative revocation of license to drive for consumption or possession			





## Section 2: Module 1

### The effects of consumption of marijuana and marijuana products.

#### Cannabis Chemistry

Cannabis is the only plant in the world known to produce a certain type of chemical called a cannabinoid. There over 100+ different identified cannabinoids, each having its own unique physiological, synergistic and antagonistic effects. Cannabinoids are in many cannabis strains, and each has its own cannabinoid profile. Six most prominent cannabinoids are:

- THC-9
- THC-8
- Cannabidiol (CBD)
- Cannabinol (CBN)
- Tetrahydrocannabivarin (THCV)
- Cannabichromene (CBC)

Tetrahydrocannabinol, or THC-9, is the main chemical responsible for the 'high' feeling consumers experience. All types of cannabis, whether it be industrial hemp or medical cannabis, will contain some amount of THC-9. The compound has been described as giving feelings of euphoria, stimulating one's mind, and an appetite. It has been reported as a useful muscle relaxant and pain reliever, and to aid against nausea, inflammation, epilepsy, high blood pressure, and depression.

THC-8 is another type of cannabinoid responsible for the "high" feeling. Although it is often found in very low concentrations, and differs in structure, compared to THC-9, both are commonly referred to as THC. Cannabidiol (CBD) is a chemical present in virtually all types of cannabis. One cannabis plant may have a miniscule amount of CBD, while another has a cannabinoid composition of ninety-five percent CBD. CBD is a sedative, possessing less psychoactive properties than THC. It even counteracts the THC, delaying the effects of a 'high' feeling altogether.

Because CBD has less psychoactive properties and reacts with the body differently than THC, it is popular among patients seeking alternative treatments without the traditional side effects of consuming or smoking medical cannabis. It is a neuro-protective antioxidant, protecting cells from damage and degeneration. Studies show the compound relieves several symptoms, including: body convulsing, seizures, inflammation, anxiety, nausea, and it was reported that CBD inhibits the growth of cancer cells in human breast cancer. Other research shows CBD as an effective antipsychotic, used in the treatment of schizophrenia. Finally, it is the first non-toxic exogenous agent that can lead to down-regulation of tumor aggressiveness.

Cannabinol (CBN) is produced when THC oxidizes or degrades. Only very small amounts of CBN exist in fresh bud. When cannabis is stored and cured, the THC conversion occurs and, CBN levels rise. A mildly psychoactive degradation of THC, CBN is used as an anti-epileptic, and to lower intra-ocular pressure. High levels of CBN can make the user feel disoriented and groggy, often known as 'stupefied.'





Tetrahydrocannabivarin (THCV, THV), also known as tetrahydrocannabivarol, is structurally different from the other chemicals, and has a shorter, three-carbon propyl, that replaces the five-carbon pentyl chain. This compound is what contributes to the fragrance of cannabis. With warmer temperatures, the smell becomes more pungent. Plants with this compound originated in parts of Africa and Asia – known to produce more potent plants.

THCV is a non-psychoactive cannabinoid found, naturally, in *Cannabis sativa*. It is an analogue of THC, with the side chain shortened by two CH<sub>2</sub> groups. THCV can be used as a marker compound to differentiate between the consumption of hemp products and synthetic THC (e.g., Marinol). Large quantities of the THCV chemical are found in subspecies *sativa cannabis* strains. Some varieties that produce propyl cannabinoids in significant amounts – over five percent of total cannabinoids – have been found in plants from South Africa, Nigeria, Afghanistan, India, Pakistan, and Nepal, with THCV as high as 50%+ of the total cannabinoids per plant.

These varieties, also, have moderate to high levels of both THC and CBD and, therefore, a complex cannabinoid chemistry, representing some of the world's most exotic strains. THCV can operate as a CB1 receptor antagonist, essentially serving to block the effects of THC.

Cannabichromene (CBC) may compose up to twenty percent of the cannabinoids found within cannabis. CBC promotes the effects of THC, and has sedative and analgesic (pain-killing) effects. Evidence suggests that CBC may play a role in the anti-inflammatory and anti-viral effects of medical cannabis and, also, may contribute to the overall analgesic effects of the medicine. Although a potential treatment for several symptoms, more research into the compound is needed before any definite medical effects can be verified.

Cannabigerol (CBG) is the biogenetic precursor to all other cannabinoids. It has sedative effects and anti-microbial properties. Studies report it relieves intraocular pressure, which may benefit the treatment of glaucoma. CBG is a non-psychoactive cannabinoid found in the cannabis genus of plants. It has a higher concentration in hemp than other varieties of cannabis with high THC content.

In order to fully understand the medical applications and produce quality concentrates or Cannabis infused products, a basic understanding of the science is critical. Compounds such as CBC and CBG are chemical precursors in the plant biosynthesis of THC and have been shown to have interesting medical properties. CBN is a degradation product of THC that has unique physiological effects. There is also an entire class of compounds called terpenoids that are chemical building blocks in the synthesis of cannabinoids.

Cannabinoids and terpenoids are made up of simple chemical building blocks called terpenes. Terpenes are volatile, small molecules that give cannabis much of its flavor and aroma. They also have unique medical properties and are present in many other plants. Terpenes can be found in pine trees, citrus fruit, and flowers such as lavender and so on.

There is a growing industry across the globe that is focused on using essential oils as therapy for a variety of ailments, so retaining terpenes in concentrates is important for medical





reasons. It is also important to understand terpene chemistry as it greatly impacts the texture and flavor of cannabis concentrates.

In addition to the ever-intriguing cannabinoids, terpenoids and terpenes, cannabis also contains a number of other ubiquitous chemical compounds found in many other living organisms. Cannabis contains proteins and enzymes, starches and carbohydrates, waxes and other oils as well as chlorophyll and other common plant chemicals. While these are not psychoactive and have minimal medical value, it is important to consider these components of cannabis as they can greatly affect the color, flavor and texture of concentrates and infused products.

Cannabinoids are found throughout the entire plant at all stages of growth, from seedlings to harvested flowers. The flowers of the cannabis plant are by far the most productive component in terms of THC and CBD, along with other cannabinoids. However, the stems and leaves also contain a relatively small amount of cannabinoids.

Cannabis flowers typically contain 10-30% THC by weight, while leaves and stems typically contain 1-5% THC. Each strain of cannabis has a specific cannabinoid profile with THC, CBD and others present in specific ratios. While the percent of cannabinoid present in the various parts of the plant will vary, the profile remains pretty much the same for a given strain.

Because THC is the primary psychoactive ingredient in cannabis, it is the most interesting cannabinoid. A basic understanding of how THC is made in the plant is essential for anyone who wants to work with cannabis. As mentioned previously, THCA is the natural product formed biosynthetically by cannabis. Unlike THC, THCA is not psychoactive when consumed.

During the curing process, THCA in flowers is converted to THC through a process called decarboxylation. This process is also referred to as conversion, activation or decarbing. During decarboxylation, the THCA undergoes a chemical change where it gives off carbon dioxide gas to form THC. This conversion also takes place when the flowers are heated as they are smoked or vaporized, so even flowers that are not fully decarboxylated will be psychoactive.

For edibles and other products that will not be heated prior to ingestion, it is important to know how much THC and THCA are present so that the proper dose can be formulated. Complete conversion of THCA to THC is simple and can be achieved by heating above 210 °F for extended periods of time.

The plant material can be activated prior to extraction, or the concentrate itself can be decarbed to ensure that all THCA is converted to THC for infused products. Cannabinoids, terpenoids and terpenes are all hydrophobic chemical compounds, meaning they are not very soluble in water but dissolve easily in oils and organic solvents. For this reason, solvents like butane or alcohol are popular methods of extracting cannabis.

It is possible to use water to make bubble hash, but that is a physical separation and not a true extraction where the THC and other plant oils are dissolved in a solvent. The choice of





extraction solvent can greatly impact the type and quality of concentrate that will be produced.

Compared to terpenes, cannabinoids have relatively high boiling points. They boil above 350 °F while many terpenes boil at less than 200 °F. This difference in boiling point can be used to separate components by distillation in some applications. It is also important to keep these numbers in mind while purging or decarbing because terpenes may be lost in the process and subsequently impact the flavor, texture and physiological characteristic of a concentrate or infused product. THCA and CBD are both solids in their pure form, while THC is a thick oil. Terpenes tend to be thin liquids, although some are crystalline solids at room temperature.

The cannabinoids do not only differ in physical and chemical properties as we have just seen, but they also have varying effects in the human body when ingested. You know that THCA, present in fresh plant material, is not psychoactive and must be heated to convert to THC before consumption to induce the desired effects. CBD is not considered to be psychoactive, and is actually a cannabinoid receptor antagonist; which means that it counters the effects of THC in the brain.

However, CBD is claimed to help with pain, inflammation, seizures, mental illness and many other ailments, so there is much demand for it, even though it does not induce a high. CBN is a degradation product of THC and is known to cause drowsiness when ingested. Other, lesser-known cannabinoids like CBC and CBG have not been studied as well. As the science around cannabis advances, there will be more and more clinical studies to determine how natural and synthetic cannabinoids affect our bodies and minds.

You should now have a basic understanding of the broad classes of chemicals that are found in cannabis, their physical and chemical properties and how they affect users.

### **Cannabis as Medicine**

Cannabis has a long history of medical use. Cannabis use has been documented for multiple purposes including recreational, spiritual, and medicinal purposes. Different cannabis properties can relieve a spectrum of symptoms. It is used – and, increasingly, considered – to treat many diseases or ailments.

#### **Anecdotal Effects of Indica (typically lower THC, higher in CBN/CBD):**

Indica strains, generally, have a more physical (than cerebral) effect. However, the relief of physical symptoms may have a positive psychological effect.

#### **Anecdotal Benefits of Indica (typically lower THC, higher in CBN/CBD):**

- Reduces pain
- Relaxes muscles
- Relieves spasms, reduces seizures
- Reduces inflammation
- Aids sleep
- Reduces anxiety and stress





- Reduces nausea
- Stimulates appetite
- Relieves headaches and migraines
- Reduces intra-ocular pressure
- Serves as a bronchodilator and expectorant

**Anecdotal Effects of Sativa (typically High THC, low CBN/CBD):**

Sativa, when compared with Indica, is classified as possessing a more cerebral effect, as it can be stimulating, uplifting, energizing, and thought provoking. It may also increase focus and creativity, and support immune system health.

**Anecdotal Benefits of Sativa (typically High THC, low CBN/CBD):**

- Reduces nausea
- Stimulates appetite
- Fights depression
- Promotes creative energy
- Relieves headaches and migraines
- Relaxes muscles
- Relieves pain
- Acts as an expectorant

**Selecting the Best Strain and Dosage**

The efficacy of cannabis is directly related to strain selection. Strains should be considered with care, and necessary benefits, in mind. Potency and dosage will vary with different strains, growing conditions, and individual plants. Ideally, the smallest, possible, amount of cannabis is consumed – using an appropriately potent strain – to reduce costs, and potential side effects.

Cannabis helps relieving the symptoms to a variety of conditions, including:

- Pain from various ailments and injuries
- Arthritis, bursitis
- Migraines
- Multiple sclerosis
- Hepatitis C
- Fibromyalgia
- Nausea and low appetite
- HIV/AIDS
- Cancer, Chemotherapy
- Crohn's Disease
- Muscular Dystrophy
- Epilepsy
- Parkinson's
- Asthma
- Emphysema
- Glaucoma and other intra-ocular disorders
- Skin diseases such as Pruritus and Psoriasis
- Back pain and muscle spasms





- Paraplegia and Quadriplegia
- Insomnia and other sleep disorders
- Some studies show that THC can counteract brain cancer growth and shrink tumors

### Effects of Cannabinoids

Regardless of purpose, cannabis has immediate, short-term effects when used. When smoked, the short-term effects of cannabis manifest within seconds and are fully apparent within a few minutes, typically lasting for 1–3 hours, varying by the person and the strain of cannabis. After oral ingestion of cannabis, the onset of effect is delayed relative to smoking, taking 30 minutes to 2 hours, but the duration is prolonged due to continued slow absorption. The duration of noticeable effects has been observed to diminish due to prolonged, repeated use and the development of a tolerance to cannabinoids.

### Psychoactive Effects

The psychoactive effects of cannabis, known as a "high", are subjective and can vary based on the person and the method of use. When THC enters the blood stream and reaches the brain, it binds to cannabinoid receptors. The endogenous ligand of these receptors is anandamide, the effects of which THC emulates. This agonism of the cannabinoid receptors results in changes in the levels of various neurotransmitters, especially dopamine and norepinephrine; neurotransmitters which are closely associated with the acute effects of cannabis ingestion, such as euphoria and anxiety. Some effects may include a general alteration of conscious perception, euphoria, feelings of well-being, relaxation or stress reduction, increased appreciation of humor, music (especially discerning its various components/instruments) or the arts, joviality, metacognition and introspection, enhanced recollection (episodic memory), increased sensuality, increased awareness of sensation, increased libido, and creativity.

Abstract or philosophical thinking, disruption of linear memory and paranoia or anxiety are also typical. Anxiety is the most commonly reported side effect of smoking marijuana. Between 20 and 30 percent of recreational users experience intense anxiety and/or panic attacks after smoking cannabis, however, some report anxiety only after not smoking cannabis for a prolonged period of time. Inexperience and use in an unfamiliar environment are major contributing factors to this anxiety. Cannabidiol (CBD), another cannabinoid found in cannabis in varying amounts, has been shown to ameliorate the adverse effects of THC, including anxiety, that some consumers experience. Cannabis also produces many subjective and highly tangible effects, such as greater enjoyment of food taste and aroma, an enhanced enjoyment of music and comedy, and marked distortions in the perception of time and space (where experiencing a "rush" of ideas from the bank of long-term memory can create the subjective impression of long elapsed time, while a clock reveals that only a short time has passed). At higher doses, effects can include altered body image, auditory and/or visual illusions, pseudo-hallucinatory, and ataxia from selective impairment of polysynaptic reflexes. In some cases, cannabis can lead to dissociative states such as depersonalization and derealization.





Any episode of acute psychosis that accompanies cannabis use usually abates after 6 hours, but in rare instances heavy users may find the symptoms continuing for many days. If the episode is accompanied by aggression or sedation, physical restraint may be necessary. While many psychoactive drugs clearly fall into the category of either stimulant, depressant, or hallucinogen, cannabis exhibits a mix of all properties, perhaps leaning the most towards hallucinogenic or psychedelic properties, though with other effects quite pronounced as well. THC is typically considered the primary active component of the cannabis plant; various scientific studies have suggested that certain other cannabinoids like CBD may also play a significant role in its psychoactive effects.

### **Somatic Effects**

Some of the short-term physical effects of cannabis use include increased heart rate, dry mouth, reddening of the eyes (congestion of the conjunctival blood vessels), a reduction in intraocular pressure, muscle relaxation and a sensation of cold or hot hands and feet.

Electroencephalography has shown somewhat more persistent alpha waves of slightly lower frequency than usual. Cannabinoids produce a "marked depression of motor activity" via activation of neuronal cannabinoid receptors belonging to the CB1 subtype.

### **Duration**

#### *Inhaled*

Peak levels of cannabis-associated intoxication occur approximately 30 minutes after smoking and last for several hours. The total short-term duration of cannabis uses when smoked is based on the potency, method of smoking, and how much is smoked. Peak levels of intoxication typically last several hours.

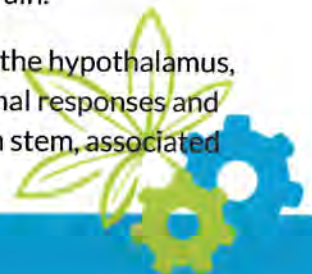
#### *Ingested*

When taken orally (in the form of capsules, food or drink), the psychoactive effects take longer to manifest and generally last longer, typically lasting for 4–10 hours after consumption. Very high doses may last even longer.

### **Neurological Effects**

The areas of the brain where cannabinoid receptors are most prevalently located are consistent with the behavioral effects produced by cannabinoids. Brain regions in which cannabinoid receptors are very abundant are the basal ganglia, associated with movement control; the cerebellum, associated with body movement coordination; the hippocampus, associated with learning, memory, and stress control; the cerebral cortex, associated with higher cognitive functions; and the nucleus accumbens, regarded as the reward center of the brain.

Other regions where cannabinoid receptors are moderately concentrated are the hypothalamus, which regulates homeostatic functions; the amygdala, associated with emotional responses and fears; the spinal cord, associated with peripheral sensations like pain; the brain stem, associated





with sleep, arousal, and motor control; and the nucleus of the solitary tract, associated with visceral sensations like nausea and vomiting. Experiments on animal and human tissue have demonstrated a disruption of short-term memory formation, which is consistent with the abundance of CB1 receptors on the hippocampus, the region of the brain most closely associated with memory.

Cannabinoids inhibit the release of several neurotransmitters in the hippocampus such as acetylcholine, norepinephrine, and glutamate, resulting in a major decrease in neuronal activity in that region. This decrease in activity resembles a "temporary hippocampal lesion."

Compared to currently approved drugs prescribed for the treatment of Alzheimer's disease, THC is a considerably superior inhibitor of A aggregation, and studies provide a previously unrecognized molecular mechanism through which cannabinoid molecules may impact the progression of this debilitating disease.

### **Effects on Driving**

While several studies have shown increased risk associated with cannabis use by drivers, other studies have not found increased risk. Cannabis usage has been shown in some studies to have a negative effect on driving ability. It has been indicated that drivers who consume cannabis within three hours of driving are nearly twice as likely to cause a vehicle collision as those who are not under the influence of drugs or alcohol.

However, this impairment is mediated in that subjects under cannabis treatment appear to perceive that they are indeed impaired. Where they can compensate, they do, for example...effects of driving behavior are present up to an hour after smoking but do not continue for extended periods. The report summarizes current knowledge about the effects of cannabis on driving and accident risk based on a review of available literature published and the effects of cannabis on laboratory based tasks.

The study identified young males, amongst whom cannabis consumption is frequent and increasing, and in whom alcohol consumption is also common, as a risk group for traffic accidents. The cause, according to the report, is driving inexperience and factors associated with youth relating to risk taking, delinquency and motivation. These demographic and psychosocial variables may relate to both drug use and accident risk, thereby presenting an artificial relationship between use of drugs and accident involvement. Other studies show similar results, with laboratory studies examining the effects of cannabis on skills utilized while driving showing impairments in tracking, attention, reaction time, short-term memory, hand-eye coordination, vigilance, time and distance perception, and decision making and concentration.

Another review concluded that the acute effect of moderate or higher doses of cannabis impairs the skills related to safe driving and injury risk, specifically attention, tracking and psychomotor skills. Some studies conclude that there is evidence of dose-dependent impairments in cannabis-





affected drivers' ability to control a vehicle in the areas of steering, headway control, speed variability, car following, reaction time and lane positioning. The researchers note that even in those who learn to compensate for a drug's impairing effects, substantial impairment in performance can still be observed under conditions of general task performance (i.e. when no contingencies are present to maintain compensated performance).

An extensive study regarding crash risk and drug use found that cannabis was associated with minor, but not statistically significant increased odds of injury or fatal accident. The increase in the risk of accident involvement associated with the use of drugs must be regarded as modest...compared to the huge increase in accident risk associated with alcohol, as well as the high accident rate among young drivers, the increases in risk associated with the use of drugs are surprisingly small. The researchers hypothesized it's just safer to drive under the influence of marijuana than it is drunk...drunk drivers take more risk; they tend to go faster.

They don't realize how impaired they are. People who are under the influence of marijuana drive slower, they don't take as many risks. Another consideration, they added, was the fact that users of marijuana tend not to go out as much. In a controlled study found that other studies that measure the presence of THC in the drivers' blood or oral fluid, rather than relying on self-report tend to have much lower (or no) elevated crash risk estimates. Likewise, better controlled studies have found lower (or no) elevated crash risk estimates.

The study found that after adjusting for age, gender, race and alcohol use, drivers who tested positive for marijuana were no more likely to crash than those who had not used any drugs or alcohol prior to driving. The study however cautions that these results do not indicate that drug use by drivers is risk-free.

### Cardiovascular Effects

Short-term (one to two hours) effects on the cardiovascular system can include increased heart rate, dilation of blood vessels, and fluctuations in blood pressure. There are medical reports of occasional infarction, stroke and other cardiovascular side effects. Marijuana's cardiovascular effects are not associated with serious health problems for most young, healthy users. Older people, particularly those with some degree of coronary artery or cerebrovascular disease, poses greater risks due to the resulting increase in catecholamine, cardiac workload, and carboxyhemoglobin levels, and concurrent episodes of profound postural hypotension.

Indeed, marijuana may be a much more common cause of myocardial infarction than is generally recognized. In day-to-day practice, a history of marijuana use is often not sought by many practitioners, and even when sought, the patient's response is not always truthful. A analysis of myocardial infarction survivors showed "no statistically significant association" between marijuana use and mortality.





Another study found that heavy, chronic smoking of marijuana changed blood proteins associated with heart disease and stroke. It found that a middle-age person's risk of heart attack rises nearly fivefold in the first hour after smoking marijuana, roughly the same risk seen within an hour of sexual activity. Cannabis arteritis is a very rare peripheral vascular disease similar to Buerger's disease.

Combination with other drugs A confounding factor in cannabis research is the prevalent usage of other recreational drugs, especially alcohol and nicotine. Such complications demonstrate the need for studies on cannabis that have stronger controls, and investigations into alleged symptoms of cannabis use that may also be caused by tobacco. Some critics question whether agencies doing the research make an honest effort to present an accurate, unbiased summary of the evidence, or whether they "cherry-pick" their data to please funding sources which may include the tobacco industry or governments dependent on cigarette tax revenue; others caution that the raw data, and not the final conclusions, are what should be examined.

While research has been undertaken on the combined effects of alcohol and cannabis on performing certain tasks, little research has been conducted on the reasons why this combination is so popular. Evidence from a controlled experimental study suggests that alcohol causes THC to be absorbed more rapidly into the blood plasma of the user. Data found that three-quarters of recent cannabis users reported using alcohol when cannabis was not available. Memory and learning Studies on cannabis and memory are often hindered by small sample sizes, confounding drug use, and other factors. The strongest evidence regarding cannabis and memory focuses on its temporary negative effects on short-term and working memory.

A study looking at neuropsychological performance in long-term cannabis users, researchers found some cognitive deficits appear detectable at least 7 days after heavy cannabis use but appear reversible and related to recent cannabis exposure rather than irreversible and related to cumulative lifetime use. On studies regarding cannabis use, it found marijuana is not dangerous over the long term, but there are short-term effects. From neuropsychological tests, it was found that chronic cannabis users showed difficulties, with verbal memory in particular, for "at least a week or two" after they stopped smoking. Within 28 days, memory problems vanished and the subjects were no longer distinguishable from the comparison group.

Researchers failed to show substantial, systemic neurological effects from long-term recreational use of cannabis. The research found that cannabis use did affect perception, but did not cause permanent brain damage. The results showed long-term cannabis use was only marginally harmful on the memory and learning. Other functions such as reaction time, attention, language, reasoning ability, perceptual and motor skills were unaffected. The observed effects on memory and learning showed long-term cannabis use caused "selective memory defects", but that the impact was "of a very small magnitude". Another study showed that very heavy use of marijuana is associated with decrements in neurocognitive performance even after 28 days of abstinence.





### **Appetite**

The feeling of increased appetite following the use of cannabis has been documented for hundreds of years, and is known colloquially as "the munchies" in the English-speaking world. Clinical studies and survey data have found that cannabis increases food enjoyment and interest in food. Scientists have claimed to be able to explain what causes the increase in appetite, concluding that endocannabinoids in the hypothalamus activate cannabinoid receptors that are responsible for maintaining food intake. Rarely, chronic users experience a severe vomiting disorder, cannabinoid hyperemesis syndrome, after smoking and find relief by taking hot baths.

Endogenous cannabinoids ("endocannabinoids") were discovered in cow's milk and soft cheeses. Endocannabinoids were also found in human breast milk. It is widely accepted that the neonatal survival of many species is largely dependent upon their suckling behavior, or appetite for breast milk and recent research has identified the endogenous cannabinoid system to be the first neural system to display complete control over milk ingestion and neonatal survival. It is possible that cannabinoid receptors in our body interact with the cannabinoids in milk to stimulate a suckling response in newborns to prevent growth failure.

### **Risks and Benefits for Methods of Delivery**

- Inhalation
- Oral
- Transdermal

Each of these methods can employ various techniques that are appropriate for different occasions. Due to the psychoactive effects of THC many ways of ingesting cannabis have traditionally been to accentuate, prolong, or induce quickly the psychoactive effects.

### **Inhalation**

- Smoking and vaporization.
- Currently the most common method of consumption.
- Most cannabinoids enter the body through the lungs where they are passed directly into the bloodstream.
- Overall has the shortest time effect of all delivery methods.
- Least effective for treating more serious illnesses.

Notes: Those who consumed cannabis via inhalation reported feeling the effects of the medication within minutes, with peak effects around the hour mark and total duration of effects around two hours. It is important to point out that there can be significant variation in these times due to factors such as cannabinoid content, depth and length of inhalation (a.k.a. smoking style), and previous cannabis exposure (tolerance)".

### **Smoking: Inhalation Methods**

- Joints: Rolled marijuana cigarettes
- Blunts: Marijuana rolled in the leaf wrap of a hollowed-out cigar





- Hand Pipes: Operate by trapping the smoke produced from burning cannabis, which is then inhaled by the user
- Water Pipes: bongs or bubblers

Smoking is the most expedient method of consumption, with almost immediate effect and dosage controlled by the patient. Although results from clinical trials have been contradictory, many researchers believe herbal marijuana contains toxins and carcinogens that lead to increased risk of respiratory diseases and cancer. The health benefits associated with the addition of water using bongs or bubblers are up for debate. Water cools the smoke, but it's uncertain whether it acts as an effective filter for harmful constituents.

#### **Vaporization: Inhalation Methods**

- A healthier alternative method of inhalation.
- The cannabis plant is heated slowly, causing the cannabinoids to evaporate without reaching the point of combustion, releasing a much lower proportion of the harmful components that come from smoking.
- Offers the same therapeutic benefits of smoking without exposure to harmful toxins.

#### **Summary Inhalation Methods**

- Currently the most common form of consumption.
- Least effective form of treatment for most serious illnesses which require a more direct and potent dose of CBD.
- Vaporization provides a healthier alternative to smoking.

#### **Oral Delivery Methods**

- Oral delivery methods include all techniques that are administered through the mouth, including tinctures, ingestible oils, and infused edibles and drinks.
- Subjects who consume cannabis orally usually report feeling the effects within thirty minutes often up to four hours or more, and then slowly begin to wear off.
- Many patients report that this method provides more of a relaxing body effect than the cerebral high that is often accompanied with vaporizing and smoking.

#### **Summary Oral Delivery**

- Most effective for serious illnesses such as Cancer, Parkinson's, Multiple Sclerosis, Epilepsy.
- Recommended dosage for adults by current distributors of the medication in medical marijuana states say that a gram a day is proper dosage.
- Proper dosage for young epileptic children is two doses a day of 3-4 milligrams of oil per pound of body weight.

#### **Transdermal Delivery**

- Cannabinoids combined with a penetrating topical cream can enter the skin and body tissues and allow for direct application to affected areas (e.g. allergic skin reactions, post-herpes neuralgia, muscle strain, inflammation, swelling, etc.).





- Fast Acting, Localized effect.
- No psychoactive effect.

Cannabis-infused lotions work because of the body's own endogenous cannabinoid system, which forms the biological basis for marijuana's therapeutic effect. When you apply an infused lotion or salve to help relieve neuropathic pain, itchiness and other ailments, the cannabinoids in the topical bind to CB2 receptors in your skin, which absorb them in a way that helps cells regenerate, allowing wounds to heal faster and easing painful chronic conditions like eczema and psoriasis. Cannabis-infused topicals cover a pretty wide myriad of conditions.

Depending on the carrier oil used in formulating the body-care product, the cannabinoids penetrate deeply enough into the skin to relieve muscle pain and arthritis inflammation, but not so deep that THC enters the bloodstream or central nervous system. Additional anecdotal reports on topical treatment efficacy include:

- Certain types of dermatitis (including atopic) and psoriasis.
- Balm for lips, fever blisters, herpes.
- Superficial wounds, cuts, acne pimples, furuncles, corns, certain nail fungus.
- Rheumatism and arthritic pains (up to the 2nd degree of arthritis).
- Torticollis, back pains, muscular pains and cramps, sprains and other contusions.
- Phlebitis, venous ulcerations.
- Hemorrhoids.
- Menstruation pains.
- Cold and sore throat, bronchitis.
- Asthmatic problems with breathing.
- Chronic inflammation of larynx.
- Migraine, head pains, tension headaches.
- Pharmaceutical Cannabis or Cannabinoids.

### **Concentrates and Infused Products**

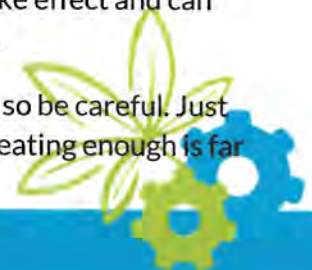
These are products such as foods (or "edibles") and tinctures that are infused with concentrated marijuana oils. Edibles are the most popular form of infused product, and they are also the most likely to result in over-consumption.

### **Inhaling vs. Ingesting Marijuana**

It is important to understand there are two very significant differences between inhaling and ingesting marijuana:

Because of the way in which the body processes marijuana, ingesting it typically produces much stronger and longer-lasting effects: Whereas the effects of inhaling marijuana are immediate and peak within 10-15 minutes, ingesting marijuana can take up to two hours to take effect and can peak for a couple hours after that. If you decide to consume marijuana edibles.

**Start Low:** Ingesting too much marijuana can be a very unpleasant experience, so be careful. Just about anyone who has over-consumed marijuana edibles will tell you that not eating enough is far





preferable to eating too much. First, always read the product's packaging. State law requires that it indicate how many servings and how many total milligrams of THC are in the product. (THC is the psychoactive component of marijuana.). Under Alaska law, a dose, or "serving" is defined as "up to 5 milligrams of THC, and packages of infused products may contain no more than ten servings.

**Go Slow:** It can take as long as two hours to experience the effects of marijuana-infused products, so be patient. One of the easiest ways to have a bad experience with marijuana edibles is to go back for a second serving without giving the first serving enough time to take effect. If it's your first time, start off with 5 milligrams of THC and don't use any more for the rest of the day or evening. If it doesn't produce the desired effect, try 10 milligrams the next time. Don't jump up to 20 or more! It might not seem like a big difference between 10 and 20 milligrams, but keep in mind that 20 milligrams are four times the amount recommended for a first-time consumer.

Rich and dense products like brownies or chocolate take longer to digest, which means it will take longer before you feel the effects. Products like infused drinks and tinctures are absorbed into the body much more quickly, so you will likely experience the effects sooner.





## Section 2: Module 2

### How to identify a person impaired by consumption of marijuana

Impairment in the workplace can have severe consequences. The key steps to reducing the impact of impairment from the consumption of marijuana in the workplace are to have appropriate mechanisms in place, to provide clear guidance to all workplace parties, and to apply workplace policies and programs using a fair and consistent approach.

This presents information and recommendations for employers, employees, and others interested in workplace health and safety including how to:

- Address the potential for cannabis impairment as part of a hazard assessment,
- Establish a concise policy and program on the use of marijuana that can cause impairment,
- Determine the actions the workplace will take regarding impairment,
- Implement accommodation practices where necessary (including for therapeutic needs, and substance dependence), and
- Create a supportive healthy and safe workplace.

Currently, there are limited means to determine impairment from cannabis through testing. In addition, substance testing is generally considered discriminatory on the basis of disability and perceived disability and it is only recommended in specific situations (e.g., safety sensitive work).

Employers must provide training to supervisors and employees on the impact of impairment, and how to recognize and respond to possible signs of impairment. Cannabis, also referred to as marijuana/marihuana, weed, pot, grass, and many other terms, is a tobacco-like greenish or brownish material consisting of the dried flowering, fruiting tops, and leaves of plants from the cannabis family.

This presents information and recommendations on the impact of marijuana and changes for employers, employees, and others interested in workplace health and safety. Employers will have the duty to assess each situation and determine the effect on the workplace, and the possibility of fulfilling the duty to accommodate in terms of therapeutic use and substance dependence.

#### Recognizing Impairment

We often think of substance use in terms of addiction or dependence, but the use of substances can fall anywhere on a spectrum and, at any point, may impact workplace performance and safety. The employer should develop a clear statement of what is considered to be impairment within their workplace. For consideration, use the following characteristics as they relate to changes in an employee's attendance, performance or behavior:





- Personality changes or erratic behavior (e.g. increased interpersonal conflicts; overreaction to criticism) appearance of impairment at work (e.g., odor of alcohol or drugs, glassy or red eyes, unsteady gait, slurring, poor coordination)
- Working in an unsafe manner or involvement in an accident
- Failing a drug or alcohol test
- Consistent lateness, absenteeism, or reduced productivity or quality of work

Supervisors and employers must enforce policies and programs in a fair and equal manner. Supervisors should be educated and trained regarding how to recognize impairment. In most cases, when assessing an individual for marijuana impairment, it is suggested that a second trained person be present to facilitate an unbiased assessment.

Note it is not the role of the supervisor or employer to diagnose a possible substance use or dependency problem. Their role is to identify if a person is impaired by marijuana, and to take the appropriate steps as per their policy. Note about the following when using signs and symptoms:

- They may be different from person to person.
- When used alone or in combination, they do not necessarily mean that somebody has a substance use problem. However, they may be indicators that your employee is in trouble or in need of some help (regardless of if the issue stems from problematic substance use or another cause).

### Physical Impairment

Indicators:

- Deterioration in appearance and/or personal hygiene
- Unexplained bruises
- Sweating
- Complaints of headaches
- Tremors
- Diarrhea and vomiting
- Abdominal/muscle cramps
- Restlessness
- Frequent use of breath mints/gum or mouthwash
- Odor of alcohol on breath
- Slurred speech
- Unsteady gait

### Psychosocial Impacts

Indicators:

- Family disharmony (e.g., how the colleagues speak of family members)
- Mood fluctuations (e.g., swinging from being extremely fatigued to





- 'Perkiness' in a short period of time)
- Inappropriate verbal or emotional response
- Irritability
- Confusing or memory lapses
- Inappropriate responses/behaviors
- Isolation from colleagues
- Lack of focus/concentration and forgetfulness
- Lying and/or providing implausible excuses for behavior

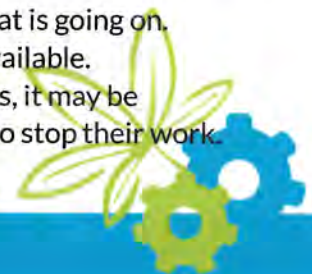
### Workplace Performance and Professional Image

#### Indicators:

- Calling in sick frequently (may work overtime)
- Moving to a position where there is less visibility or supervision
- Arriving late for work, leaving early
- Extended breaks; sometimes without telling colleagues they are leaving
- Forgetfulness
- Errors in judgement
- Deterioration in performance
- Excessive number of incidents/mistakes
- Non-compliance with policies
- Doing enough work to just 'get by'
- Sloppy, illegible or incorrect work (e.g., writing, reports, etc.)
- Changes in work quality

Employers and supervisors should be able to identify signs of impairment, and know how to respond to situations involving the use of a substance whether it from recreational use, dependence, or therapeutic use. If a supervisor or co-worker becomes aware of an employee who is showing signs of marijuana impairment (regardless of cause), it is imperative that action is taken. All actions should be handled with empathy and without judgement. Examples of corrective action include but are not limited to:

- Speak to the employee in a private area to discuss their behavior.
- If the person is in crisis and needs immediate assistance, go to the emergency department of the nearest hospital or dial 9-1-1.
- Ask another supervisor or designated person to be present as a witness.
- Remove any stigma regarding substance use. State the concern is about safety for others and themselves.
- State your concerns to the employee and request that they explain what is going on.
- Based on employee response, discuss options, where applicable and available.
- Follow the steps outlined in your organization's program. In some cases, it may be necessary to assign non-safety sensitive work or to ask the employee to stop their work.





- If applicable, notify senior management and/or union representative.
- Provide information on your Employee Assistance Program, if one is available.
- Encourage access and use and reassure the employee that the services are voluntary and confidential.
- If necessary, have employee escorted home; do not allow them to drive if you suspect impairment.
- If disciplinary action is required, follow your organization's policies on progressive discipline

### Employee Duties

Employees have a duty to perform their job safely. This duty includes the need to understand their job and the impact that using substances (medical/therapeutic or non-medical) could have on their safety and the safety of others. Employees have a duty to work safely, and to follow prescribed health and safety legislation and the employer's policies and programs.

If an employee requires a medication that is known to cause impairment, it is beneficial that they notify their employer. The medication includes any over-the-counter medications or prescription drugs including cannabis used for therapeutic purposes. The employee's diagnosis does not need to be stated. If there is an effect that may prevent the employee from performing their work safely, appropriate accommodations should be made. The employee should:

- Provide relevant documentation to the employer,
- Follow any medical directions that relates to taking the medication, and
- Follow all precautions regarding impairment.

It is the responsibility of the employee to work with their medical professional to a complete any form or assessments necessary to support fitness to work or accommodation plans, and to participate in return to work/remain at work planning.

If there are changes to the employee's abilities, these changes should be promptly discussed with the employer by the employee. Addressing potential impairment from cannabis is part of a workplace's hazard assessment process. Safety sensitive positive positions must be identified. Appropriate controls and measures must be identified, including the need for a concise workplace policy(ies). As part of the policy and procedures, identify what action will be taken if there is suspected or identified impairment or substance use, and the need for accommodation practices where necessary (including for medical/therapeutic needs, and substance dependence).

Testing employees for substances typically reveals only the presence of the substance, not the level of impairment. Testing is also not generally supported by human rights legislation. As such, supervisors should be trained on how to identify signs of impairment, and how to respond and implement the next steps as identified in the workplace policy. Employees should be educated and





trained on available policies, programs, recognizing impairment in others, and any assistance measures available to them.

Accommodation is necessary in cases of medical/therapeutic need, or disability (including disability from substance dependence). Accommodation plans should be based on medical assessment, and developed collaboratively between both employer and employee. Creating a supportive workplace will help reduce the stigma associated with substance use or dependence, and ideally, reducing the need for substances in general.

The key steps to reducing the impact of impairment on the workplace is to have these mechanisms in place, to provide clear guidance to all workplace parties, and to apply workplace policies and programs using a fair and consistent approach.





## Section 3, Module 1

### Determining Valid Identification and Preventing Diversion

As licenses are becoming ever easier to forge, fake IDs are growing more common and more accurate. If you're in a position where you must verify someone's age or identity, it's important that you know how to detect fake identification.

You should examine the card carefully, identifying relevant safety features, before studying the cardholder. Using the "U-CARD" memory aid:

- **U – Unaltered:** Feel for cuts, bumps, and uneven lamination
- **C – Current:** Check expiration date: expired ID is not valid
- **A – Age:** Birth date must show the person as 21 or older
- **R – Readable:** You must be able to read and understand the ID
- **D – Description:** Compare photo with person: height, weight, facial structure, etc.

### Fake I.D. Standard Operating Procedure

#### 1. Examining the Card



**Know what to look for.** Each issued ID is somewhat different. Accordingly, you should learn the security features used on cards in your area and in surrounding parts. Fortunately, there is plenty of information available:

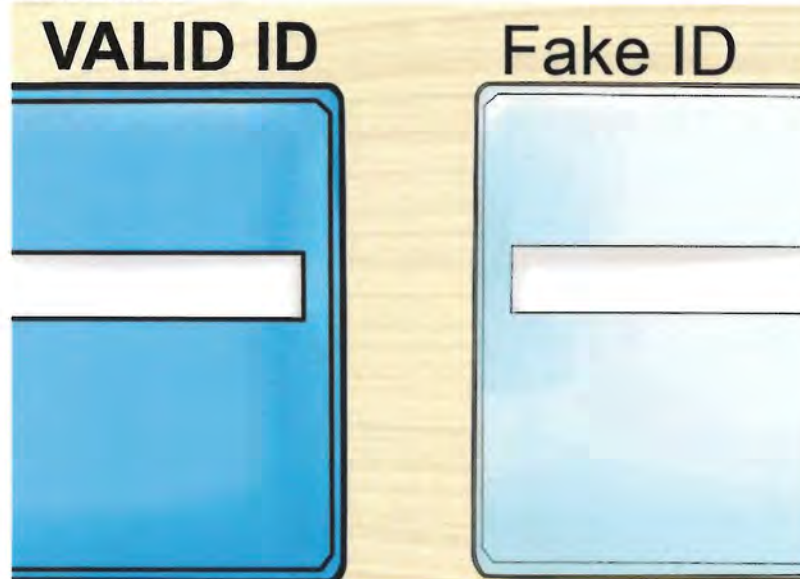
- Purchase an ID Checking Guide.





- Pick up any published reference. Your state might have published a booklet or handout on authenticating their state IDs. Check with your Department of Motor Vehicles.
- There may also be an app you can download to your smart phone that will contain IDs for all government issued identification.

## 2. Compare the Identification



**Compare the ID to a valid one.** If you don't have an ID checking guide, you can compare the ID to one you know is valid—maybe even your own. Check how similar they are. In particular, compare whether the thickness, size, coloring, lettering, and corners are the same.

- A fake ID may be thinner than a legitimate one. In particular, counterfeiters use different paper or laminate than legitimate IDs.





## 2. Use A Magnifying Glass



**Examine the microprint with a magnifying glass.** Almost all ID's use microprint as a security feature. It looks like a straight line, but when magnified 10 times you can see the words clearly. Use a 10X magnifying glass to check whether the ID has microprint.

- The microprint will be located on different positions, depending on which ID you are looking at.

## 4. Use Ultraviolet Light



**Hold the card under ultraviolet light.** Depending on your government, certain security features will show up under ultraviolet light. For example, some ID's, you can see a second, lighter image of the cardholder only under UV light.





## 5. Feel the Card



**Use your hands to see if the card feels normal.** Your sense of touch can pick up on many signs of fraud. For example, feel the edges of the ID, which should be smooth and not peeling. Also the card shouldn't be flimsy and bend easily.

- Run a thumb over the picture and check its thickness. On some fake IDs, a picture is pasted over the original one, so the ID is especially thick there.
- Some information may also be tactile. On different licenses, for example, the cardholder's signature is now printed using raised lettering. You can run your thumb across it and feel the lettering.





## 6. Scan the Barcode



**Scan barcode if it is an option.** The barcode contains information which should match the information on the front of the card. Most forgers cannot encode the information because it is too expensive. Scan the barcode and see if any information has been encoded and whether it matches the information on the front.

- There's also an apps you can use that only costs a couple of dollars and can be downloaded onto your smart phone.

## 7. Tilt the Card





**Look at it from different angles.** Some cards have security features that are only visible from certain angles. For example, you can check for an image overlay by tilting the card.

- The card might also have the state name that is visible when you tilt the card toward the light. For example, on some driver's license, the name shows up in diagonal across the front of the card.

#### 8. Search for Misspellings



**Make sure everything is spelled correctly.** Search for misspellings on the ID. You can spot a forgery if the ID contains a misspelling, such as using the wrong abbreviation. Any ID with a misspelling is not legitimate.





## 9. Studying the Cardholder



**Look for signs of anxiety.** Be suspicious if the cardholder avoids eye contact, is shaking, or otherwise looks nervous. This may be the first time they've tried to use a fake ID and could fear getting caught.

- Other signs of lying include pursing their lips or touching their face as they talk.
- If the person is right-handed, then they will usually look to the right when they tell a lie.





## 10. Review Physical Description



**Compare the physical description to the cardholder.** A driver's license and other IDs should include a physical description that includes height, age, eye color, and weight. Check that the person handing over the ID matches the description.

- It can be difficult to judge height in the abstract. However, compare the person to your own height. If you're 5'6" and the cardholder is allegedly 5'8", then they should be close to your height.





### 11. Compare the Picture



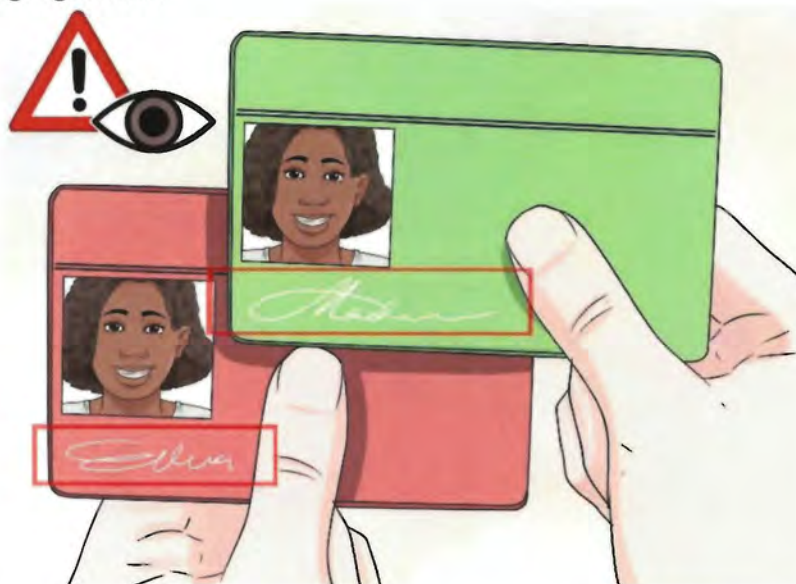
**Compare the picture to the person.** The ID should also have a picture. Analyze whether the person looks remotely like the person handing you the ID. Although the picture may be a few years old, the person should look generally the same.

- Instead of focusing on someone's hairstyle, look at those features that don't change: nose, ears, eyes, and chin.
- Be suspicious if they look exactly like the picture or are wearing the same clothing. This indicates they made the fake ID recently.





## 12. Try Comparing Signatures



**Compare signatures.** If the cardholder is signing for something, compare the signatures. If they don't match, then the ID is probably fake.

- You might suspect someone buying with a fake ID. In that situation, ask them for their signature and then compare it.
- Sometimes, people will accidentally sign their real name, so this is a good test.





### 13. Ask Some Questions



Ask the cardholder questions. As you're holding the card, ask the cardholder questions about the information that appears on it. For example, you should ask them their date of birth. If they can't remember, then the ID is fake.

- You can also ask them their middle name or year they graduated high school. If they hesitate, then they may be using a fake ID.
- If a companion is with the cardholder, quickly ask them the cardholder's name. If they hesitate, they could be lying.



#### 14. Another Identification Form



**Ask for a second photo ID.** Someone might spend a lot of money to get one fake ID. However, they probably don't have two. Ask to see a second photo ID. If the person can't produce one, then the ID might be fake.





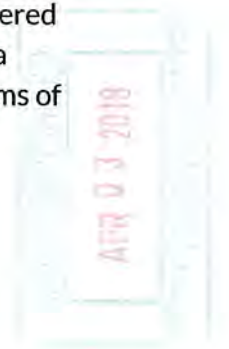
### Additional Tips

- Look, don't just glance at ID
- Always have the customer remove the ID from their wallet.
- Feel along the card for:
  - Raised edges around photo
  - Bumpy surfaces
  - Irregular lamination
  - Cuts, slits, or pin holes
  - Peeling lamination or uneven corners
  - Thickness & quality of ID
  - Look carefully at the most commonly altered areas:
    - Expiration date
    - Birth date
    - "Minor Until" date
    - Photo
  - Have a flashlight handy and hold it behind the ID to look for cuts, punch outs, or pin holes.
  - Ask for a second piece of ID if you have any doubts about the first. People with false ID rarely carry backup ID

Remember to consider whether the type of ID is sufficient. Birth certificates, for example, might establish age, but don't include pictures. College ID's often include pictures, but might not have birthdates, or other important information.

When in doubt, remember that: A licensed marijuana business shall refuse to sell marijuana or a marijuana product to any person who does not produce a form of valid identification showing that person is of age or older.

A valid form of identification includes: an unexpired, unaltered passport; an unexpired, unaltered driver's license; instruction permit, or identification card of; an identification card issued by a government agency authorized to issue a driver's license or identification card. No other forms of ID can establish age.



## Section 3, Module 2

### How to intervene to prevent unlawful marijuana consumption.

It is unlawful to consume marijuana in a public place. Remember, the penalty for an individual consuming marijuana in a public place is a \$100 fine. A “public place” is defined as: “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; “public place” does not include a marijuana club.”

A “marijuana club” means an entity registered to allow consumption of marijuana by paying members of the club on the registered premises and whose members are 21 years of age or older; A retail marijuana establishment may, with an endorsement from the marijuana control board, permit consumption of marijuana or a marijuana product purchased on the licensed premises, in a designated area on the licensed premises.

Manufacturing facilities and cultivation facilities may not allow any person, including a licensee, employee, or agent, to consume marijuana or a marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility on the licensed premises.

#### False Identification

A person who is under 21 years of age may not present or offer to a marijuana establishment or the marijuana establishment's agent or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of purchasing, attempting to purchase, or otherwise procuring or attempting to procure marijuana or marijuana products; or gaining access to a marijuana establishment. A person who violates this section is guilty of a violation punishable by a fine of up to \$400.

#### Counting Purchase Attempts

AS 17.38 allows for an individual to possess, use, display, purchase, or transport one ounce or less of marijuana. A licensed retail marijuana store must not sell more than the following quantity of marijuana or marijuana product in a single transaction:

- one ounce of useable marijuana, or
- seven grams of marijuana concentrate for inhalation, or
- marijuana or marijuana products containing a maximum of 5600 milligrams of THC.

#### Potency Limits





A marijuana product manufacturing facility may not prepare any product with potency levels exceeding the following

- for a single serving of marijuana product, five milligrams active tetrahydrocannabinol (THC) or Delta 9;
- in a single packaged unit of marijuana product to be eaten or swallowed, not more than ten servings, or fifty milligrams of active THC or Delta 9; the THC content must be homogenous, or evenly distributed throughout the marijuana product.

### Diversion Programs

Without a doubt, those who are most successful in reducing marijuana inventory shrink and preventing loss are those with a consistent, well-structured program. Going together with being focused is being consistent with program elements. Whether it is pertaining to how your location investigates loss, scoring audits, or conducting training with associates, management must make sure it is consistent. There are 6 facets to an effective diversion reduction program:

1. Prevention
  - a. Dedicated Loss Prevention Resources and Creation and Implementation of Standard Loss Prevention Procedures.
2. Awareness
  - a. Implementation of a program with a variety of delivery mediums with consistent and repetitive messaging.
    - i. Materials should be written for all levels of the workforce not only for management or specific roles within the business.
    - ii. Focused on increased education and awareness of loss prevention concepts.
3. Compliance
  - a. Following the laws and Standard Operating Procedures
4. Detection
  - a. Use available technologies and create procedures to help detect possible losses involving thefts and errors
5. Investigation
  - a. Identify compliance issues
  - b. Design and use effective audits to reduce exposure
6. Resolution
  - a. For those investigations involving theft, the resolution can be the identification of culprits involved, admissions of theft and the establishment of restitution and civil recovery processes.
  - b. For losses identified as training or compliance, resolution can be the review and alterations of existing policies and procedures, and/or the establishment of new policies.



## Strategies for Reducing Diversion

For a program to be consistent it must start with some key elements; documented policies and procedures, a well-developed audit and audit schedule (for all locations) and an understanding of how the company handles theft investigations. Without a consistent program and key elements, associates will not understand your expectations and be able to help prevent loss in their locations.

Visibility plays a large role in preventing loss. Conducting audits, holding training meetings, stopping into stores when unexpectedly are all things that can be done to increase loss prevention presence. Experts agree that the best defense is a watchful eye. Be aware of these strategies as an employee:

- Use the inventory-tracking system. Legal regulations require the tracking of all sales of marijuana.
- Check the z-tape. Check those z-tape numbers. If yesterday's z-tape was number 24 and today's is 27, what happened to 25 and 26?
- Provide all employees with training on theft-prevention, both shoplifting and employee theft.
- Encourage anonymous tips. Publish a phone number employee can call to leave an anonymous message if they suspect a co-worker of stealing product or cash.
- Watch for employees with calculators and receipt books. Many retailers say that a sure sign of a problem is an employee who has a calculator next to the cash drawer, or a separate receipt book tucked into a drawer or pocket.
- Watch the "no-sales." Many retail owners know that the leading indicator of theft is a single piece of data: the "no sale" number. If a typical day's no-sale tally is four, but every time an employee works the tally is 10, there may be a problem.

Creating a supportive workplace will help reduce the stigma associated with substance use or dependence, and ideally, reducing the need for substances in general.





## Prevention: Creating a Healthy Workplace

### Workplace Factors

There are workplace factors that may contribute to unlawful marijuana consumption, for example:

- Jobs that offer little control or low job satisfaction.
- Repetitive, monotonous jobs with periods of inactivity.
- Working in isolation or remote areas with little supervision.

There are many personal and social factors that can influence an individual and could lead to a substance dependence issue. There are also some work-related factors that can negatively impact an individual and potentially lead to substance use:

- High stress, low control
- Low job satisfaction
- Long hours or irregular shifts
- Fatigue
- Repetitious duties
- Periods of inactivity or boredom
- Isolation
- Remote or irregular supervision
- Easy access to substances

Also, individuals with substance dependence may feel fear of discrimination and stigma, which can prevent them from seeking help and addressing the issue. For these reasons, it's important to create supportive workplaces in which there is a culture of respect and inclusion to help those facing challenges and keep employees safe and healthy.

### Create and Foster Supportive Workplaces

Often substance use and mental illness are concurrent disorders, and substance use can have a significant impact on the mental health of an individual as well as the culture of the organization. A comprehensive workplace health and safety program is a recommended approach that will not just benefit individuals who are facing challenges, but all employees.



In a supportive workplace, employees will feel safe to share their concerns and seek assistance. A workplace health and safety program are a series of strategies and related activities, initiatives and policies developed by the employer, in consultation with employees, to continually improve or maintain the quality of working life, health, and the well-being of the workforce. This program addresses:

1. Occupational health and safety
2. Psychosocial work environment
3. Workplace health promotion (wellness/well-being, personal health resources)
4. Organizational community involvement

These activities are developed as part of a continual improvement process to improve the work environment (physical, psychosocial, organizational, economic), and to increase personal empowerment and personal growth. Note that these are not four distinct or separate areas. They overlap and should be integrated within the program, and not addressed in isolation.

### **Comprehensive Workplace Health Policy and Program**

The program should start with a needs assessment to help identify the scope of the issue, and any concerns that should be addressed, determine what is already in place, and what resources are available for individuals with substance dependence problems. Once the needs assessment has been completed, the policy can be drafted and implemented. The policy should include the following sections:

- Scope
- Objectives
- Roles and responsibilities
- Rules
- Policy violations and consequences
- Procedure
- Prevention
- Assessment and rehabilitation
- Confidentiality and privacy
- Policy and program evaluation

Once the policy and program are complete, then there is a need for education and training for both employees and supervisors. Finally, appropriate supports should be identified.





## Section 3, Module 3

### **The penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment.**

All licensees, employees, or agents of a marijuana establishment are responsible for following the law according to AS 17.37, AS 17.38, and 3 ACC 306. Any unlawful act can result in the suspension or revocation of an establishment license, and/or criminal charges against those involved.

Penalty for an unlawful act by a licensee, employee, or an agent of a marijuana establishment can result in the suspension or revocation of an establishment license, and/or criminal charges against those involved. A marijuana establishment, and any licensee, employee, or agent in charge shall cooperate with the director, an enforcement agency, an employee of the board, or a peace officer acting in an official capacity, and must:

- Permit entry and inspection of the licensed premise.
- Provide access to business records at reasonable times.

#### **Penalties for an Unlawful Acts**

Marijuana sales by unlicensed individuals or entities remain subject to criminal penalties, all marijuana establishments must be state-licensed<sup>1</sup>. To deliver for compensation less than 1 ounce of marijuana without a marijuana retail license may result in a class A misdemeanor punishable by up to 1 year imprisonment and/or a fine up to \$10,000. Delivery with or without compensation of an ounce or more of marijuana will result in a class C felony punishable by up to 5 years imprisonment and/or a fine up to \$50,000.

Retail marijuana sales are restricted to adults 21 years of age or older, delivery to a person under the age of 19 by a person at least 3 years his senior is a class B felony punishable by up to 10 years imprisonment and/or a fine up to \$100,000.

#### **Inspection and Investigation**

In addition to local and state law enforcement, several individuals are responsible for inspecting and investigating the marijuana industry to ensure safe practices and lawful action. These individuals are referred to as "investigators," and include the director of the board, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity. They may inspect the licensed premises of any marijuana establishment, including any marijuana and marijuana product on the premises, as well as equipment used in cultivating, processing, testing, or storing marijuana. Investigators also have authority to access to the marijuana establishment's inventory tracking system, business records, and computers, at any reasonable time and in a reasonable manner.





If need arises, investigators may issue a report or notice of a violation of Chapter 306, exercise peace officer powers, and take any other action AMCO determines is necessary. A marijuana establishment, and any licensee, employee, or agent in charge must cooperate with investigators to enforce the laws related to marijuana. Cooperation includes permitting entry and inspection of the licensed premises, as well as access to business records at reasonable times when requested. Investigators must be able to provide proof of authority/identification

### **Report or Notice of Violation**

Investigators may issue an inspection report, an advisory report, or a notice of violation before acting to suspend or revoke a marijuana establishment license. An inspection report documents each inspection of licensed premises and must be prepared on a form the board prescribes. Inspection reports must include information prescribed by statute, regulation, or the board. investigators may issue an advisory notice when an incident occurs or a defect is noted that could result in a violation of a statute, regulation, or municipal ordinance. An advisory notice may result from an inspection report, but is not a basis for administrative action unless the incident or defect continues or is not corrected.

Investigators may issue a notice of violation when an inspection report or other credible information shows a marijuana establishment is in violation of AS 17.38, Chapter 306, or other law relating to marijuana. The notice of violation must be delivered to the marijuana establishment at its licensed premises, and to the board. The notice must describe any violation, and cite the applicable statute, regulation, or order of the board. A marijuana establishment that receives a notice of violation may respond to the notice orally or in writing, and may, within ten days after receiving the notice, request an opportunity to appear before the board. A notice of violation may be the basis of a proceeding to suspend or revoke a marijuana establishment's license.

### **Suspension or Revocation of License**

The board will suspend or revoke a marijuana establishment license if any licensee is convicted of a felony, has been found guilty of selling alcohol without a license, selling alcohol to a minor, a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty, a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed contrary to state law.

The board will suspend or revoke a marijuana establishment license if if the board becomes aware that a licensee did not disclose a previous felony conviction or a conviction of a crime.

The board may suspend or revoke a license, refuse to renew a license, or impose a civil fine if the board finds that a licensee for any marijuana establishment misrepresented a material fact on an application for a marijuana establishment license. The board may also take action to protect the best interest of the public in response to:





- Using any process not approved by the board for extracting or manufacturing marijuana concentrate or products
- Selling or distributing any marijuana concentrate or product that has not been approved by the board
- Failing to correct any defect that is the subject of a notice of violation
- Knowingly allowing an employee or agent to violate Alaska marijuana laws and regulations
- Failing to comply with any applicable public health, fire, safety, or tax law or regulation in the state
- Using the licensed premises for any illegal purpose including gambling, possession or use of illegal narcotics, prostitution, or sex trafficking

If AMCO finds that a person holding a marijuana establishment license has acted and appears to be continuing to act in a way that constitutes an immediate threat to the public health, safety or welfare, AMCO may issue an order immediately suspending the license of that person, and ordering an immediate stop to the activity that constitutes the threat to the public health, safety, or welfare.

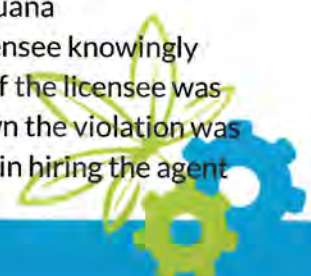
When AMCO issues a summary suspension AMCO must immediately give the marijuana establishment notice of the reasons for the summary suspension, and of the time and place for an expedited hearing before the board. Unless the marijuana establishment requests a delay, the hearing will be held within five days after AMCO gives notice of the reasons for the summary suspension and the scheduled hearing.

A local government may notify AMCO if it obtains evidence that a marijuana establishment has violated a provision of AS 17.38, Chapter 306, or a condition the board has imposed on the marijuana establishment. Unless the board finds that the local government's notice is arbitrary, capricious, and unreasonable, AMCO will prepare the notice and supporting evidence as an accusation against the marijuana establishment and conduct proceedings to resolve the matter.

A proceeding to suspend or revoke a license must be initiated by service of an accusation on the marijuana establishment. The accusation must be served at the address of the licensed premises, or at the address of the licensee who is responsible for management and compliance with laws as listed in the marijuana establishment license application. The marijuana establishment is entitled to a hearing.

### **Suspension or Revocation Based on Act of Employee**

If evidence shows that an employee or agent of a licensed marijuana establishment was responsible for an act that would justify suspension or revocation of the marijuana establishment's license if committed by a licensee, the board may find that licensee knowingly allowed the act. The board may find the licensee responsible for the violation if the licensee was physically present when the violation occurred and knew or should have known the violation was occurring and took no action to stop it. If the licensee was reckless or careless in hiring the agent





or employee, or failed to adequately supervise or train the employee, the licensee may be held responsible.

### **Seizure of Marijuana or Marijuana Product**

investigators may seize marijuana or any marijuana product from a licensed or previously licensed marijuana establishment if the marijuana establishment has:

- Any marijuana or marijuana product not properly logged into the marijuana establishment's marijuana inventory tracking system
- Any forbidden adulterated marijuana food or drink product
- Any marijuana or marijuana product that is not properly packaged and labeled
- Not renewed its license as required

If an investigator seizes marijuana or a marijuana product, AMCO must update the marijuana inventory control tracking system to reflect the seizure and ensure that the seized items are stored in a reasonable manner. AMCO must immediately give the marijuana establishment from which the marijuana or marijuana product was seized notice of the reasons for the seizure and the time and place of a hearing before the board. Unless the marijuana establishment requests a delay, the hearing will be held within ten days after AMCO gives notice of the reasons for seizure and the scheduled hearing. If the seizure occurs in connection with a summary suspension, the hearing will be combined with a hearing on the summary.

If the marijuana establishment does not request or participate in a hearing, or if after a hearing the board finds that seizure of the marijuana or marijuana product was justified, the marijuana or marijuana product will be destroyed by burning, crushing, or mixing with other material to make the marijuana or marijuana product unusable.

If a seizure of marijuana plants takes place in a licensed standard or limited marijuana cultivation facility, the seizure order may direct the cultivation facility to continue care of the plants until the hearing, but prohibit any transfer, sale, or other commercial activity related to the plants.

### **Hearings and Appeals**

Any person aggrieved by an action of AMCO, the director, an enforcement agent, or an employee of the board, may request a hearing filing a notice of defense within 15 days after receiving a written accusation. Failure to file a notice of defense constitutes a waiver of the right to a hearing. An aggrieved party may appeal to the board regarding any action of AMCO, an enforcement agent, or an employee of the board charged with enforcing AS 17.38 or this chapter, including suspending or revoking a license, seizing marijuana or a marijuana product, or imposing a civil fine.

A person aggrieved by a final decision of the board suspending or revoking a license or imposing a civil fine may appeal to the Superior Court.





### **Civil Fines**

The board may, in addition to any other penalties, impose a civil fine on a marijuana establishment, licensee, or person that the board determines has violated a provision of AS 17.38 or Chapter 306.

The board may impose a civil fine not to exceed the greater of:

- An amount that is three times the monetary gain realized by the marijuana establishment, licensee, or person because of the violation, as determined by the board
- \$10,000 for the first violation
- \$30,000 for the second violation
- \$50,000 for the third or subsequent violation

### **Surrender or Destruction of License**

A license must be surrendered to AMCO, an enforcement agent, or an employee of the board on demand if AMCO or board so orders. The license must be surrendered within 10 days after the marijuana establishment loses or vacates the licensed premises. If a license is destroyed, the marijuana establishment must promptly notify the board.



## Section 1-3 Assessments

### Section 1:

1. Public Consumption of Marijuana is legal under Alaska Law.  
Answers: True/**False**
2. How many ounces of marijuana can an adult possess at one time?
  - a) 1 gram
  - b) **1 ounce**
  - c) 1 pound
  - d) 1 kilogram
3. It is a felony to possess more than \_\_\_\_\_ ounces of marijuana.
  - a) 1
  - b) 2
  - c) 3
  - d) **4**
  - e) 5
4. It is legal for adults to possess marijuana with the intent to distribute?  
Answers: True/**False**
5. It is legal for an adult to possess more than 25 marijuana plants.  
Answers: True/**False**
6. You can grow 10 marijuana plants in your own home for personal use.  
Answers: **True**/False
7. It is legal to drive under the influence of marijuana?  
Answers: True/**False**
8. What is the fine for public consumption under Alaska Law?
  - a) \$50
  - b) **\$100**
  - c) \$200
  - d) \$500
9. Persons under the age of 18 can purchase marijuana for adult use.  
Answers: True/**False**
10. The State of Alaska regulates the retail sale of marijuana.  
Answers: **True**/False





11. You can lose your license for driving while under the influence of cannabis.  
Answers: **True**/False
12. You can gift up to an ounce of marijuana to someone over the age of 21.  
Answers: **True**/False
13. Possession within 500 feet of school grounds, a recreation or youth center, or on a school bus is a class C felony.  
Answers: **True**/False
14. Possession with intent to distribute an ounce or more of marijuana is a class C felony.  
Answers: **True**/False
15. Marijuana Handler Cards are valid for \_\_\_\_\_ years after issue.
  - a) 1
  - b) 2
  - c) 3
  - d) 4
16. A retail marijuana store may allow consumers to consume marijuana on the premises.  
Answers: **True**/False

## Section 2:

1. Research indicates that cannabis can be used as pain reliever.  
Answers: **True**/False
2. Which of the following creates the "high" feeling from cannabis?
  - a) **THC**
  - b) CBD
  - c) CBN
  - d) CBC
3. THC is popular among patients seeking alternative treatments without the traditional side effects of consuming or smoking medical cannabis?  
Answers: **True**/False
4. THC can cause anxiety in some users.  
Answers: **True**/False
5. Regardless of purpose, cannabis has immediate, short-term effects when used.  
Answers: **True**/False



6. When taken orally (in the form of capsules, food or drink), the psychoactive effects take longer to manifest and generally last longer, typically lasting for 1–2 hours after consumption?  
Answers: **True/False**
7. Cannabidiol (CBD), another cannabinoid found in cannabis in varying amounts, has been shown to reduce the adverse effects of THC, including anxiety, that some consumers experience?  
Answers: **True/False**
8. Select the short term physical effects of cannabis use.
  - a) Increased heart rate
  - b) Dry mouth
  - c) Reddening of the eyes
  - d) Muscle relaxation
  - e) Sensation of cold or hot hands and feet
  - f) **All of the above**
9. Over time, people develop a tolerance to THC.  
Answers: **True/False**
10. The duration of the effects of cannabis when smoked is based on the potency, method of smoking, and how much is smoked.  
Answers: **True/False**
11. Which method has been found the most effective for diseases discussed in this module apart from colon cancer?
  - a) Smoking
  - b) Vaporization
  - c) **Oral Delivery**
  - d) Transdermal
12. Which method has been found effective for localized muscle pain?
  - a) Smoking
  - b) Vaporization
  - c) Oral Delivery
  - d) **Transdermal**
13. You can drive after you've eaten an edible.  
Answers: **True/False**
14. Wait at least \_\_\_\_\_ hours after eating or drinking less than 18 milligrams of THC before driving, biking, or performing other safety-sensitive activities.





- a) 1
- b) 3
- c) 5
- d) 8

15. Synthetic marijuana substances like spice are the same as marijuana?

Answers: True/**False**

16. THC is recommended for pregnant and breastfeeding mothers.

Answers: True/**False**

### Section 3:

1. Spelling errors are often found on Valid Identification.

Answers: True/**False**

2. When inspecting identification, you should ask the customer to remove their ID from their wallet.

Answers: **True**/False

3. You should check an ID under a \_\_\_\_\_ light.

- a) Infrared
- b) **Ultraviolet**
- c) Flash

4. A leading indicator of diversion is a single piece of data: the \_\_\_\_\_.

- a) Z-tape
- b) **No Sale Number**
- c) POS
- d) Clock-in

5. The most commonly altered areas on a ID are?

- a) Expiration Date
- b) Birth date
- c) "Minor Until" Date
- d) Photo
- e) **All of the Above**

6. A licensed marijuana business shall refuse to sell marijuana or a marijuana product to any person who does not produce a form of valid identification showing that person is \_\_\_\_\_ or older.

- a) 16
- b) **18**



- c) 21  
d) 25
7. Which form of ID is valid to purchase marijuana?  
a) Expired Passport  
b) School ID  
c) Credit Card  
d) Library Card  
e) **Driver's License**
8. If you have questions about someone's ID, you should \_\_\_\_\_.  
a) **Ask for a second form of ID**  
b) Call the Police  
c) Ask your manager  
d) Let them in
9. When checking ID remember to use the \_\_\_\_\_ method.  
a) U-CHECK  
b) **U-CARD**  
c) U-CARE  
d) U-Can't
10. Many IDs have security features such as raised lettering or holograms to prevent forgery.  
Answers: **True/False**
11. The fine for providing a false ID is \_\_\_\_\_.  
a) \$100  
b) \$200  
c) \$300  
d) **\$400**
12. Peeling Lamination on an Identification likely means \_\_\_\_\_.  
a) The ID has expired  
b) **The ID has been altered**  
c) The ID is new





## Final Exam

**A written test, demonstrating that each student has learned the information correctly.**

Read all questions and answers carefully and provide the best possible response for each question.

1. All licensed establishments must have an approved \_\_\_\_\_ in place.

- a) Marijuana Growth Tracking System
- b) Medical Marijuana Registration System
- c) Marijuana Handling System
- d) **Marijuana Inventory Tracking System**

2. A marijuana retail store must be closed for business between which hours?

- a) 2am to 6am
- b) **5am to 8am**
- c) Midnight to 8am
- d) Midnight to 5am

3. Patients may apply for a medical marijuana card more than once every six months.

Answers: True/False

4. Medical marijuana customers may possess up to \_\_\_\_\_ of marijuana in usable form.

- a) **1 ounce**
- b) 2 ounces
- c) 3 ounces
- d) 4 ounces

5. Once you start working at a marijuana facility, you have \_\_\_\_ days to get your marijuana handler permit card.

- a) 30 days
- b) 60 days
- c) 90 days
- d) **None. You must have your marijuana handlers permit card prior to working at a marijuana establishment.**

6. A copy of a marijuana registry identification card is valid for purchasing marijuana in Alaska.

Answers: True/False

7. Video surveillance requirements include maintaining a min of \_\_\_\_\_ days continuous surveillance recordings both inside and outside the licensed establishment.

- a) 20
- b) **30**



- c) 40
- d) 50

8. How long may a person experience the short-term effects of marijuana?

- a) Up to 2 hours after inhaling marijuana smoke or up to 10 hours if consumed
- b) **Up to 4 hours after inhaling marijuana smoke or up to 12 hours if consumed**
- c) Up to 6 hours after inhaling marijuana smoke or up to 24 hours if consumed
- d) Up to 4 hours after inhaling marijuana smoke or up to 5 hours if consumed

9. Genuine IDs display the following characteristics:

- a) **Photo, license number, proper text and images**
- b) Wording such as "official" or "authentic"
- c) Both a and b
- d) A person's astrological sign

10. What are some of the signs of marijuana use?

- a) Loss of train of thought during conversation
- b) Increased appetite
- c) Lack of energy
- d) **All of the above**



11. Having a medical marijuana card gives the patient the right to smoke marijuana anywhere if the person has their medical marijuana card in their possession.

Answers: True/False

12. If a person under 21 years old tries to purchase marijuana at a licensed establishment, they may be fined up to \$\_\_\_\_\_

- a) \$100
- b) \$200
- c) **\$400**
- d) \$750

13. Valid IDs must display the following:

- a) Birth date
- b) Current expiration date
- c) Photo
- d) **All of the above**

14. Medical marijuana customers must be at least \_\_\_\_ years of age.

- a) 18
- b) 20
- c) 21
- d) 16





15. What are some of the signs that someone has used too much marijuana?

- a) Extreme confusion, anxiety, panic or paranoia; Fast heart rate
- b) Hallucinations or delusions; Severe nausea and vomiting
- c) Increased blood pressure
- d) **All of the above**

16. It is the responsibility of the marijuana handler to ensure that a customer's identification is valid.

Answers: **True/False**

17. You can accept a photocopy of a customer's medical marijuana card, if they have valid ID with the same name.

Answers: **True/False**

18. A Marijuana Handler Permit Card is valid for a period of \_\_\_\_\_

- a) 1 Year
- b) 2 Years
- c) **3 Years**
- d) 4 Years



19. Edible marijuana products may contain a maximum of \_\_\_\_\_ mg active THC per serving.

- a) 2
- b) 4
- c) **5**
- d) 7

20. The Marijuana Excise Tax to be paid by a marijuana cultivation facility is \_\_\_\_\_, or proportionate part thereof.

- a) \$25 per ounce
- b) **\$50 per ounce**
- c) \$100 per ounce
- d) \$150 per ounce

21. Licensed premises may not be within \_\_\_\_\_ feet of school ground, a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility.

- a) 250
- b) **500**
- c) 1000
- d) 1500

22. Owners of any licensed premises located in Alaska must be a resident of the state of Alaska.

Answers: **True/False**



23. Marijuana may be smelled outside of a licensed establishment if it is not beyond 10 feet.

Answers: True/**False**

24. A marijuana establishment shall limit the number of visitors into a Restricted Access Area to not more than \_\_\_\_ visitors for each licensee, employee, or agent of the licensee who is actively engaged in supervising those visitors.

- a) 5
- b) 7
- c) 10
- d) No limit

25. What are four types/categories of licenses that are available from the Alaska Marijuana Control?

- a) Growing, Research, Testing, and Retail
- b) **Cultivation, Manufacturing, Testing, and Retail**
- c) Cultivation, Manufacturing, Development, and Retail
- d) Cultivation, Manufacturing, Distribution, and Retail



26. Someone under the age of 21:

- a) May enter a marijuana establishment if accompanied by a parent or guardian.
- b) **May face a fine of \$400 if attempting to purchase marijuana from a retailer.**
- c) Can consume/use marijuana if they have a valid Marijuana Users Permit.
- d) All of the above.

27. When securing a location for a marijuana business,

- a) **you must disclose to the landlord that you intend to use the location for a marijuana business.**
- b) you should expect to lose money during the first year of business.
- c) you must apply for your license with the Marijuana Control Office BEFORE signing a lease for the location.
- d) you do not need to disclose to the landlord that it will be for a marijuana business as they may not lease or rent to you.

28. Local government can ban marijuana cultivation and marijuana for personal use entirely?

Answers: True/**False**

29. Of these fees, which is potentially refundable?

- a) Change of Product Fee
- b) Application Fee
- c) Late Fee
- d) **Licensing Fee**





30. Which of the following statements is NOT correct relating to your Marijuana Handlers Permit?

- a) You must submit your proof of training by an approved Marijuana Handler Certification course to the Marijuana Control Board
- b) Replacement cards are free of charge**
- c) There is a fee of \$50
- d) It is valid for a period of 3 years

31. Which of the following may be reviewed during an inspection?

- a) Marijuana Inventory Tracking System
- b) Marijuana Handlers Permit Cards
- c) Business Records / Financial Records
- d) All of the above**

32. A licensed marijuana establishment shall, not later than \_\_\_\_\_ days after an ownership change, report the change on a form prescribed by the board.

- a) 10**
- b) 15
- c) 30
- d) 60



33. The choice available to a local administration or government to accept or reject state wide or national legislation is referred to as: \_\_\_\_\_

- a) Local Control
- b) Local Restriction
- c) Local Option**
- d) Local Mandate

34. A retail marijuana store may not sell in a single transaction more than (1) \_\_\_\_\_ ounce of usable marijuana, or; more than (2) \_\_\_\_\_ grams of marijuana concentrate for inhalation, or; marijuana or marijuana products if the total amount of marijuana, marijuana products, or both marijuana and marijuana products sold contains more than (3) \_\_\_\_\_ milligrams of THC.

- a) One; (2) Five; (3) 4,500
- b) One; (2) Seven; (3) 5,600**
- c) Two; (2) Seven; (3) 4,000
- d) One; (2) Ten; (3) 5,600

35. What happens if an individual who is the sole licensee of a marijuana establishment dies?

- a) The marijuana establishment shall cease operation and a personal representative appointed by the superior court for the estate of the deceased licensee may submit to the director a written request to reopen the business, along with a copy of the court order appointing the personal representative.**
- b) The marijuana establishment may continue operation as normal and the license may be transferred to the closest living relative by court order.



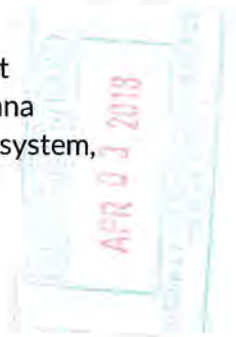
- c) The marijuana establishment shall cease operation for 10 days so that a personal representative may be appointed by the superior court for the estate of the deceased licensee who then may submit to the director a written request to transfer the business.
- d) The marijuana establishment shall cease operation and the license will be sold and transferred to the highest bidder.

36. Driving while under the influence of marijuana is safer than driving sober since someone who is 'high' will typically drive slower.

Answers: True/False

37. 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 \_\_\_\_\_.

- a) Freight Manifest
- b) **Transport Manifest**
- c) Bill of Lading
- d) Cargo Document



38. At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within \_\_\_\_\_ feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

- a) Ten
- b) Fifteen
- c) **Twenty**
- d) Fifty

