



MEMORANDUM

TO: Board Chair and Members of the
Marijuana Control Board

DATE: June 13, 2018

FROM: Sarah D. Oates, Program Coordinator RE: Licensing & Education Report

Staff Updates and Workloads

Our newest Occupational Licensing Examiner, Mikal Milton, joined our team on April 16th from the Anchorage School District. She has been processing alcohol license applications and is already proving to be a valuable addition to the team.

The licensing unit currently has one vacant position. We plan to conduct interviews for the Records & Licensing Supervisor position next week and hope to have all positions filled by early next month.

Education

Local Government Specialist Jed Smith and I have been working on a short-term training plan to help local governments have a better understanding of alcohol and marijuana laws, licensing and enforcement procedures, and expectations requirements of the local governing bodies.

Over the next couple of months, we will be establishing a more-comprehensive training plan, that will include outreach and education to stakeholder groups, production and updating of instructions and guidance materials, and strategies to improve communication with stakeholders and the public.

License Renewal Applications

Jane Sawyer began training TZ Zielinski on processing of marijuana license renewal applications a few weeks ago. TJ will be the primary examiner responsible for renewal applications, in order to allow Jacqlene Drulis and Jane to continue processing new and transfer applications until more renewals are received.

We highly encourage licensees to get their applications in as soon as possible, as examiners need time to review applications for errors and delinquencies, and applicants may need to submit necessary corrections by given deadlines. As a reminder, any applications that are incomplete or have not been received by July 2nd will be assessed the \$1000 late fee.

We have over 215 licenses that are renewing so far this season – as of June 6, our team has only received portions of 25 renewal applications, nine of which have been determined to be complete. Last-minute submissions of large amounts of renewal applications are extremely taxing on staff and may require mandatory late fees for those that are incomplete.



Marijuana Product Ingredients

During the last few meetings, this Board has required each marijuana product manufacturer to choose a specific marijuana concentrate that would be used as an ingredient in each marijuana product. This has been a recent Board requirement, when formerly, the Board allowed manufacturers more flexibility. Restricting a licensee to a single specific concentrate, produced by a single manufacturer, that may be used in each product could make things difficult for both manufacturers and licensing staff. If the manufacturer was unable to obtain enough of the specific concentrate to be used as an ingredient in a product, she would have to submit an operating plan change, pay a \$250 fee, and await processing and approval before production could resume.

Additionally, licensees have voiced concerns about this requirement – environmental health officers from the Department of Environmental Conservation’s Food Safety & Sanitation Program review the ingredients for potential health concerns and labeling requirements, but the use of a proper noun within an ingredient list can cause confusion. For example, some approved concentrates have the word “Honey” within their titles, but they do not contain bee pollen honey – a common allergen that may require additional food safety disclosures to be on the label. If a proper noun is used, it is also possible that a consumer would not know what that ingredient is.

This Board has repeatedly expressed interest in finding ways to minimize the number of operating plan change forms that are required to be filed for minor changes. It is my recommendation that the Board return to allowing product manufacturers some flexibility in ingredient lists for the type of concentrate being used, as long as the final product label clearly states that a marijuana concentrate is an ingredient.

Revisions to Forms MJ-05 and MJ-16

There have been new marijuana products proposed using the existing (and old) versions of these forms, for which staff has had to ask follow-up questions because it can occasionally be difficult to determine whether something is a concentrate or some other type of product that might require a different type of license to manufacture. Additionally, members of the Board often ask questions regarding the intended use of products, and some concentrates are manufactured using natural fats or alcohols.

Considering the above, I am requesting Board approval of the following minor changes to Form MJ-05: Marijuana Product Manufacturing Facility Operating Plan Supplemental and Form MJ-16: Proposed New Marijuana Product:

- Add a drop-down box for the licensee to choose whether a proposed product is a concentrate or a different type of marijuana product
- Add an “Intended Use” field
- Remove the words *“This box is not applicable to marijuana concentrates.”* from the “Ingredients” field

A draft version of Form MJ-16 with the above edits is attached to this report (Attachment A) for your consideration. If approved, the same changes would be made to Form MJ-05.



Approval of Form MJ-26: Quality Control Report

On May 25, 2018, the regulatory changes for the quality control regulation project became effective (specifically, the addition of subsection (d) to 3 AAC 306.460 and the addition of 3 AAC 306.557). These regulations allow a cultivator or a product manufacturer to provide employees with relatively small samples, for the purpose of quality control. The new regulations have specific prohibitions and requirements, including the necessity for each employee to complete a quality control form for each sample provided by the licensee. A draft version of Form MJ-26 is attached to this report (Attachment B) for your consideration.

Questions:

- Does the Board want specific questions to be included in Section 4 regarding sample quality, or is a general comment box adequate?
- Does the Board want there to be a deadline by which the completed forms must be returned to the licensee by each employee?

Carbon Dioxide

The licensing team has received a few responses from the State Fire Marshal with a comment stating that "CO2 use is not approved" for cultivation establishments who either indicated on their operating plans the intention to use supplemental CO2, or did not specify whether CO2 would be used. We are wondering whether the Board would require a copy of form MJ-15: Operating Plan Change to be filed to remove the use of CO2 (or specify that it will not be used) in these situations, or whether the Board would be supportive of delegating to the director the authority to place a CO2 condition on the license without requiring additional paperwork.



License Applications as of June 6, 2018

Status	Testing	Limited Cult.	Standard Cult.	Concen. Manuf.	Product Manuf.	Retail	Total
Active - Operating	2	50	87	3	12	62	216
Active - Pending Inspection	1	11	15		2	11	40
Delegated		24	19	3	7	8	61
Tabled		1				1	2
Complete	2	5	4		3	2	16
Incomplete		5	7	1		4	17
Under-Review Queue		20	12	2	8	20	62
Initiated	2	85	69	16	46	61	279
New	1	10	12	3	7	13	46
Failed to Complete	2	42	74	17	14	51	200
Denied		2	1			2	5
Surrendered	1		1				2
Revoked					1	1	2
Rescinded		7	13	1		3	24
Void	5	39	46	12	19	45	166
Total	16	301	360	58	119	284	1138



Attachment A

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-16: Proposed New Marijuana Product

What is this form?

This proposed new marijuana product form is required for a marijuana product manufacturing facility licensee who is seeking Marijuana Control Board (MCB) approval of a new marijuana product or marijuana concentrate for production at its licensed premises, as required under 3 AAC 306.100 and 3 AAC 306.525. **The required \$250 proposed new marijuana product fee may be made by check, cashier's check, or money order.**

This form must be completed and submitted to AMCO's main office prior to production of any new marijuana product or marijuana concentrate. **The proposed new marijuana product may not be produced unless and until the MCB has approved of the product.**

Please note that licensees seeking approval of more than one proposed new marijuana product or marijuana concentrate must submit a separate completed copy of this form and pay a separate fee for each proposed new marijuana product or marijuana concentrate.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:		MJ License #:	
License Type:			
Doing Business As:			
Premises Address:			
City:		State:	Alaska
		ZIP:	

Section 2 – Proposed Marijuana Concentrate or Marijuana Product

Enter information for the marijuana concentrate or the marijuana product for which you are seeking MCB approval.

Product Name:			
Product Type: Choose one.			
Perishable: Yes/No		Shelf Life: If perishable.	
Intended Use: Smokable/ edible/topical/wholesale/etc.			



Form MJ-16: Proposed New Marijuana Product

Section 3 – Proposed Product Details

Enter information for the marijuana product for which you are seeking MCB approval.

Product Description: Details must include the color, shape, and texture.	
Ingredients:	
Standard Production Procedure and Detailed Manufacturing Process:	
Depiction: Provide a photograph, drawing, or graphic representation of the expected appearance of the final product.	



Form MJ-16: Proposed New Marijuana Product

Section 4 – Proposed Product Packaging and Sample Label

Enter information for the packaging and labeling of the marijuana product for which you are seeking MCB approval.

<p>Packaging Description: Details must include the color(s), size, packaging materials used, total amount of THC, individual serving sizes (if multiple), and other specifics showing compliance with 3 AAC 306.565. Please include photos, drawings, or graphic representations.</p>	
<p>Sample Labels: Provide sample labels showing how the labeling requirements set forth in 3 AAC 306.570 will be met.</p>	

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Notary Public in and for the State of Alaska.

Printed name of licensee

My commission expires: _____

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



Attachment B

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-26: Quality Control Report

What is this form?

A quality control report must be completed by each employee of the facility who receives a marijuana or marijuana product sample for the purpose of quality control, as set forth in 3 AAC 306.460(d) and 3 AAC 306.557. Samples must be tracked in Metrc and packaged in opaque, resealable, child-resistant packaging and clearly marked or labeled "For Quality Control" when they leave the licensed premises. **Samples must not be sold or given to another licensee or consumer, consumed on the licensed premises, or exceed the cumulative total amounts set forth in regulation.**

A completed copy of this form must be maintained by the licensee, as required under 3 AAC 306.755.

Section 1 – Establishment Information

Enter information for the licensed marijuana cultivation or product manufacturing facility.

Licensee:		MJ License #:	
License Type:			
Doing Business As:			
Premises Address:			
City:		State:	Alaska
		ZIP:	

Section 2 – Employee & Sample Tracking Information

Enter information for employee of the facility who has been provided the sample, and information for the sample for quality control.

Employee Name:		MJ Handler Permit #:	
MJ/Product Type:		Date Sample Provided:	
Metrc Package Tag #:		Total Weight of Sample:	

Section 3 – Certifications

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

Initials

I certify that I **will not** consume marijuana or marijuana product, including any samples provided to me for the purpose of quality control, on the licensed premises.

I certify that I **will not** sell or give any samples of marijuana or marijuana product to another licensee or a consumer.

I certify that the samples provided to me have been packaged and labeled in the manner described in the instructions at the top of this form, in compliance with 3 AAC 306.460(d) or 3 AAC 306.557.



Section 4 – Sample Quality

Provide comments in the box below regarding the quality of the sample provided to you.

I declare under penalty of unsworn falsification that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.

Signature of employee

Printed name of employee