



## MEMORANDUM

TO: Mark Springer, Chair, and  
Members of the Board

DATE: August 15, 2018

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Ownership  
Change Without Licensee Change

The board initiated this project in January of 2018, seeking to explore whether there was an easier path for ownership changes when the actual persons involved weren't changing. An example is when a sole proprietor wishes to change ownership of the license to a limited liability company (LLC) of which the sole proprietor is the sole owner.

Staff reviewed the licensing process and recommends that the only way to make this an easier process is to allow the transferee (which in the example above would be the LLC) to submit an affidavit stating there are no changes to the approved operating plan or approved licensed premises, if that is in fact the case. This would save staff time and effort in reviewing the operating plan during a transfer.

Other processes and submittal requirements should not be eliminated. The transfer process is the only time when creditors have an opportunity to ensure they are paid (absent initiating legal action) as the board is required to deny a transfer if the transferor has not paid all debts (3 AAC 306.080(c)(2)). Thus both the listing of debts required in 3 AAC 306.045(b)(2) and the public notification required in 3 AAC 306.025(b) are vital.

While the proposal may not streamline the process as much as the board may have wished, staff is convinced that this is the only "shortcut" for this type of transfer.

Options for the board:

- Put out for public comment as written
- Amend and put out for public comment
- Send back to staff for revisions
- Close the project without action

3 AAC 306.045 is amended by adding a new subsection to read:

(e) When a transferee intends to continue to operate a marijuana license with the operating plan approved by the board for the transferor, the transferee may submit a form approved by the board certifying that the transferee is making no changes to the operating plan or licensed premises, in lieu of submitting information required by 3 AAC 306.020(b)(8), 3 AAC 306.020(c), 3 AAC 306.315(2), 3 AAC 306.420, 3 AAC 306.520(2) and (3), and 3 AAC 306.615. (Eff. 2/21/2016, Register 217; am 12/28/2017, Register 224; am \_\_\_/\_\_\_/\_\_\_\_, Register \_\_\_\_\_)

<b>Authority:</b>	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS 17.38.070	AS 17.38.190	AS 17.38.900
	AS 17.38.121		