



MEMORANDUM

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

DATE: August 15, 2018

FROM: Erika McConnell, Director
Marijuana Control Board

RE: Regulations Project – License
Expiration for Renewal

With the board's support, and based off of the language in 3 AAC 306.035(a) and (e), staff has determined for the past two years that any license that is in Active – Operating status on or before June 30 is required to renew. However, subsections (f) and (g) of the regulations could be interpreted to require any licenses that are operating on or before August 31 to renew. The board opened a regulations project on June 15 to clarify this section. This proposal clearly states which licenses are required to submit renewal application during a given renewal season.

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 306.035(a) is amended to read:

(a) On or before May 1 of each year, the director shall send notice that a marijuana establishment **with a license in active and operating status** 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] **Any** marijuana establishment **with a license in active and operating status on or before June 30 of the current year** 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.

3 AAC 306.035(b)(3) is repealed.

3 AAC 306.035(e) is amended to read:

(e) A licensee **required to submit a renewal application under (a) of this section** 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.

3 AAC 306.035(f) is amended to read:

(f) On or before August 15 of each year, the director shall deliver a notice of expiration to each marijuana establishment **required to submit a renewal application under (a) of this section** 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.

3 AAC 306.035(g) is amended to read:

(g) If a marijuana establishment **required to submit a renewal application under (a) of this section** 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. (Eff. 2/21/2016, Register 217; am 12/28/2017, Register 224; am ___/___/____; Register _____)

Authority: 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