



MEMORANDUM

TO: Chair Springer and Members of the
Marijuana Control Board

DATE: August 15, 2018

FROM: Erika McConnell, Director

RE: Director's Report

OPERATIONS

As the board is aware, the queue of applications awaiting staff review is overly long (approximately 80) and applicants must wait 3-5 months for their application to be reviewed. At the same time, the licensing examiners are spending an inordinate amount of time with many applicants trying to assist them in perfecting their applications to the level the board expects. This can mean that an examiner and an applicant go back and forth on their application documents multiple times. Sometimes an applicant is resistant to the advice from the examiner, although the examiner is only trying to help the applicant be successful, as the examiners pay attention to what the board comments on in applications. In order to address the length of the queue with the resources we have at AMCO at this time and to be fair to applicants who are waiting patiently for review, AMCO will be changing our processing procedures. Examiners will thoroughly review an application and send a detailed "incomplete letter" to an applicant that will be clear about what changes are necessary. Once the applicant provides corrections, examiners will thoroughly review the corrections. If the corrections do not address all the requirements of the incomplete letter, the examiner will return the application to the applicant under 3 AAC 306.025(e). Ultimately, applicants are responsible for understanding the regulations, paying attention to board requirements, and providing a quality application. Licensing examiners do their best to assist applicants with their applications, but they are not consultants.

The AMCO office will be expanding into a neighboring suite in early September. Our lobby will move to the other end of our hall and will have an open counter with no glass window. This will improve our ability to work with applicants and licensees who come to the office.

REGULATIONS

- **Current Regulations Projects**

Attached to this report is a regulations projects status spreadsheet.

SPECIFIC ISSUES

Universal THC Symbol

At the last meeting, the board asked for examples of universal THC symbols used in other states.



Oregon



Colorado



Washington



Michigan



California



Massachusetts



Canada (proposed)

NEXT MEETINGS

The next regularly scheduled MCB meeting is October 16-17 in Kenai. We are finding it challenging to identify a meeting location, so the location may change. Applications must be complete and any other documents for the board must be submitted to our office by September 28, 2018, to be on the October agenda.

STATISTICS

Sales

May	\$9,643,296
June	\$10,758,508
July	\$11,259,810

Total sales from program inception to 7/31/18: \$122,484,039

Taxes

<i>Month</i>	<i># of taxpayers</i>	<i>Taxes paid</i>
April	90	\$1,063,847
May	96	\$1,180,349
June	100	\$1,257,513

Total taxes from program inception to 6/30/18: \$12,843,656

MCB REGULATIONS PROJECTS

DOL Project Number	Topic	Date Opened by MCB	Board member point person(s)	Current Status/Notes	Date Adopted by MCB	Effective Date
JU2015200669	Omnibus Regulations			Adopted by board; filed with Lt Gov	11/20/15 Pg 23	2/21/16
JU2016200436-1	Conduct of board meetings in alcohol	2/11/16 pg 2		Adopted by board; filed with Lt Gov	7/6/16	12/28/16
JU2016200436-2	[Reserved for anticipated future work]					
JU2015201028	Onsite consumption	2/11/16		Board voted not to continue project 2/2/17	N/A	N/A
JU2016200617	Handler permits	4/27/16; 2/2/17		sent to Lt. Gov 4/20/18	1/25/18	5/23/18
JU2016200611	Testing	6/9/16 pg 22		signed by Lt. Gov. 6/5/17	4/5/17	7/5/17
JU2016200610	Advertising requirements	6/9/16 pg 22	Schulte	vote to put out for comment failed 7/14/17	N/A	N/A
	Space planning and layout					
	Labeling and packaging			Approved 7/14/17; rescinded 11/28(29?)	N/A	N/A
JU2016200612	Video surveillance (Schulte handout)	6/9/16 pg 22	Schulte			
JU2016200609	Participation of outside entities – residency requirements (BE handout)	6/9/16 pg 22	Emmett			
JU2016200605	Waste disposal (Springer motion)	6/9/16 pg 23	Springer	Combined with waste disposal #2	N/A	N/A
JU2016200613	Retail store notices	7/8/16 pg 16		signed by Lt. Gov. 6/22/17	4/5/17	7/22/17
JU2016200837	Requiring fingerprints for new owners	9/7/16		signed by Lt. Gov. 6/19/17	4/5/17	7/19/17
JU2016200838	What happens to existing licenses if local gov opts out by ordinance	9/7/16		signed by Lt. Gov. 6/27/17	4/5/17	7/27/17
JU2016200839	DEC approval before acceptance of license application (food safety permit)	9/7/16		signed by Lt. Gov. 6/27/17	4/5/17	7/27/17
	Advertisement; definition of “advertisement” and “logo”	12/7/16		Board took no action on proposal (2/2/17)	N/A	N/A
JU2017200165	Transportation	2/2/17		signed by Lt. Gov. 9/11/17	7/13/17	10/11/17
JU2017200542	Quality control	2/2/17		Signed by Lt Gov 4/25/18	11/29/17	5/25/18
	Notify AMCO of crime on licensed premises	5/15/17	Springer	Signed by Lt Gov 4/25/18	11/29/17	5/25/18
JU2018200397	Waste disposal #2	2/2/17		Voted out for public comment 7/14/17; posted 8/17/17; cmts due 9/29/17; on 11/14 agenda; returned for more work 11/29/17; cmts due 6/5/18; adopted 6/15/18; to DOL 7/9/18	6/15/18	
JU2017200548	Onsite Consumption	3/7/17		Voted out for public comment on 7/14/17; posted 8/21/17; cmts due 10/27/17; on 11/14 agenda; referred to cmte and postponed to April 2018 mtg 11/15/17; new draft on 4/4/18 agenda; postponed to June '18; postponed to August '18		

MCB REGULATIONS PROJECTS

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JU2018200370	Plant count for new cultivators	4/5/17		Voted out for public comment 7/14/17; posted 8/15/17; cmts due 9/22/17; on 11/14 agenda; returned for more work 11/29/17; new draft on 4/4/18 agenda; amended and voted out for public comment 4/6/18; posted 4/26/18; cmts due 6/1/18; adopted 6/15/18; to DOL 7/9/18	6/15/18	
JU2017200536-1	Require testing licensee to notify director of significant equipment failure	5/15/17	Springer	Signed by Lt. Gov on 7/24/18	11/29/17	8/23/18
	Separation distance	4/5/17	Springer	Draft on 9/14 agenda; no action	N/A	N/A
JU2017200477	Timing of public objections	5/15/17	Emmett	Signed by Lt. Gov on 11/28/17	9/15/17	12/28/17
	Local government jurisdiction					
JU2017200533	Revise definition of “direct or indirect financial interest” at 3 AAC 306.015(e)	5/15/17	Springer	Voted out for public comment 7/14/17; posted 8/14/17; cmts due 9/29/17; on 11/14 agenda; failed 11/29/17	N/A	N/A
	“Advertisement” and “promotional activities”		Mlynarik; Miller	Voted out for public comment 7/14/17; posted 8/14/17; cmts due 9/29/17; on 11/14 agenda; referred to cmte 11/29/17; amended and voted out for public comment 4/6/18; posted 4/26/18; cmts due 6/1/18; adopted 6/15/18; to DOL 7/9/18	6/15/18	
JU2017200827	Allow licensees to participate in trade shows	5/15/17	Emmett	Signed by Lt. Gov 7/12/18	1/25/18 & 5/7/18	8/11/18
	Require corporation bylaws	9/14/17	Jones	Signed by Lt. Gov 7/12/18	1/25/18	8/11/18
	Multiple businesses on a lease				1/25/18	8/11/18
	Removal of affiliates				1/25/18	8/11/18
	Charging for multiple inspections	9/14/17		Signed by Lt. Gov 7/12/18	1/25/18	8/11/18
	Local gov approval of odor emissions	9/14/17	Springer	Signed by Lt. Gov 7/12/18	1/25/18	8/11/18
JU2018200331.003	Revise definition of “recreation or youth center”	5/15/17	Miller	Draft on 7/12 agenda; sent back to drawing board; new draft on 4/4/18 agenda; voted out for public comment 4/6/18; posted 4/19; cmts due 6/1; tabled to August		
JU2018200331.002	Extend video storage retention time	11/14/17	Springer	Draft on 4/3/18 agenda; voted out for public comment 4/6/18; posted 4/19; cmts due 6/1; amended and put out for comment 6/15/18; cmts due 9/7/18		
JU2018200331.001	Date of issuance of handler permits	1/25/18	Jones	Signed by Lt Gov 8/8/18	6/15/18	9/7/18

MCB REGULATIONS PROJECTS

DOL Project Number	Topic	Date Opened by MCB	Board member point person(s)	Current Status/Notes	Date Adopted by MCB	Effective Date
JU2017200829	Definition of resident	9/14/17		Draft on 11/14 agenda; voted out for public comment 11/29/17 comment period closed 1/3/18; approved 1/25/18; rescinded 5/7/18		
	Financial background investigations	9/14/17	Jones	Draft on 11/14 agenda; voted out for public comment 11/29/17 comment period closed 1/3/18; sent to cmte 1/25/18		
	Random sampling	2/2/17		Draft on 11/14 agenda; referred to testing cmte 11/29/17		
	Require trim that is sold separately to be tested separately; kief	5/15/17	Emmett; Miller	Voted out for public comment 7/14/17; posted 8/15/17; cmts due 9/22/17; on 11/14 agenda; referred to testing cmte 11/29/17		
	Streamline edibles testing	7/14/17	Emmett	Draft on 11/14 agenda; referred to testing cmte 11/29/17		
	Overlapping premises	1/25/18	Jones			
JU2018200720	Allow out-of-state investment in testing labs	1/25/18	Springer	Minor amendment and voted out for public comment 6/15/18; cmts due 9/7/18		
	Change from limited to standard cultivation license	1/25/18	Jones	Initial draft on 8/15/18 agenda		
	Ownership change when licensees don't change	1/25/18	Jones	Initial draft on 8/15/18 agenda		
	Sample jars			Initial draft provided to board on 8/15/18		
JU2018200632	Testing Working Group Recs #1	6/15/18	Emmett	Chose option two for sampling; voted out for 45 day public comment 6/15/18; cmts due 8/8/18		
	Expiration of public notice	6/15/18	Emmett	Initial draft on 8/15/18 agenda		
	License expiration for renewal	6/15/18	Jones	Initial draft on 8/15/18 agenda		
	Wholesale concentrates to retail	6/15/18	Emmett	Initial draft on 8/15/18 agenda		
	Definition of residency #2	6/15/18	Emmett	voted out for public comment 6/15/18; cmts due 9/7/18		
	Protest by local government					