



MEMORANDUM

TO: Board Chair and Members of the
Marijuana Control Board

DATE: August 15, 2018

FROM: Sarah Oates, Program Coordinator

RE: Licensing & Education Report

Staff Updates and Workloads

The licensing unit still has one vacant position – the Records & Licensing Supervisor position was reposted on Workplace Alaska on July 27, and the recruitment closes today.

Examiner Jacqlene Drulis has continued to process new applications while taking on additional marijuana licensing duties, TJ Zielinski has been responsible for marijuana renewal applications and began learning how to process new license applications, and Jane Sawyer has continued to juggle everything related to marijuana licensing. Meanwhile, examiners Carrie Craig and Mikal Milton have been doing an excellent job keeping up with the hefty alcohol licensing workload while Campbell Anderson continues to process permit applications.

The licensing and education teams are gearing up for a busy alcohol license renewal season. We are strategizing ways to increase efficiency this season, which include plans to send out applications earlier this year, and to have Local Government Specialist Jed Smith provide renewal training to licensees in a few areas around the state. Our objective is for processing of marijuana license applications to continue as normal, without having to reassign examiners to assist with alcohol license renewal applications.

Marijuana License Renewal Applications

As of August 9, licensing staff have received and processed 198 (90%) license renewal applications, out of the 219 licenses for which renewal notices were sent. Of those, 188 (86%) have been determined to be complete.

On May 15, 2017, the Board delegated to the director the authority to approval renewal applications, but requested that staff bring to the Board renewal applications for licenses that have received notices of violation. Those are included in your packets as tabs 57 and 59-97. We have also brought to the Board renewal applications for licensees who are either delinquent in their payment of taxes due to the Department of Revenue, or who have not



met the residency requirement. So far, we have not received any public objections or local government protests for renewal applications that were determined complete by July 27.

On August 10, warning notices were emailed to licensees whose renewal applications were either incomplete or had not been submitted to AMCO. This notice was a reminder that any establishment that fails to deliver a complete license renewal application by August 31 will be expired and must immediately cease operations, as required by 3 AAC 306.035(g).

Public Comments

AMCO staff have received a number of public comments in both the marijuana mailbox and in the regulations inbox that have locked/protected documents attached to them. When documents are received this way, it is very time consuming for our team to add them to the appropriate PDF tab for a Board meeting. Please make sure that attachments are not locked or password-protected – AMCO staff will not modify comments that are received before providing them to the Board.

Education and Outreach

Jed and I have continued our work on a short- and long-term training and education plan. Some of you may have noticed that our office has begun using the AMCO Marijuana email to send out notices to all interested parties about important news and events (eg: notice of this meeting was emailed to subscribers on August 3; notices of proposed regulation changes were emailed to subscribers on August 1). Any persons interested in receiving notices and important news from this office may do so by visiting the following link:

<http://list.state.ak.us/mailman/listinfo/amco.marijuana>

Over the next couple of months, we will continue to expand our outreach and education to stakeholder groups, produce and update guidance materials, and strategizing to improve communication with stakeholders and the public.

Products Sold by Retail Marijuana Stores

Our team recently had a conversation with employees from DEC's Food Safety & Sanitation Program, and they informed us that some retail marijuana stores have added certain types of marijuana products to their "menus" without obtaining the required permit from DEC. Retail stores are not asked to provide menus to our office, but our regulations do require that licensees remain compliant with all public health and safety laws. Any time a retail marijuana store licensee plans to add a new product(s) to its inventory, it should first contact Environmental Health Officer Jessica Davison by emailing jessica.davison@alaska.gov to



determine whether there are additional permitting requirements through the Food Safety & Sanitation Program.

Approval of Marijuana Products

3 AAC 306.525(a) states that 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 has now approved hundreds of marijuana products to be manufactured by ~30 licensees in Alaska. Applicants and licensees typically request Board approval of each individual flavor as a separate product, which I recall to be the Board's intent when adopting the initial set of regulations in 2015. However, we are now regularly receiving applicant requests for Board approval of umbrella categories of products that would cover multiple flavors and variations of ingredients, rather than individual approval of each specific product (eg: requesting approval of "Brownies", which could be regular brownies, or brownies with almonds, marshmallows, or numerous other ingredients).

We are requesting guidance as to how the board would like to address this issue. Would the Board consider an umbrella category of products to meet the current regulatory requirement that each product receive Board approval, or should each product have a set ingredients list with no variation. You may recall from my June report that DEC's Food Safety & Sanitation Program staff reviews our product forms to determine labeling and other requirements under their laws. Approving umbrella categories, rather than each specific product, may potentially lead to difficulty and confusion for enforcement and Food Safety staff when trying to determine which products have received approval, and which might have additional requirements.

If the Board decides to allow licensees to request and receive approval of umbrella categories, it might need to open a regulation project, or at least provide guidance to staff, setting clear parameters. How broad can a category be, and how much can the ingredients vary? Would "snack bars" be able to cover cheesecake bars, lemon bars, cereal bars, etc.?

2018 Licensing & Education Statistics as of August 1, 2018

Marijuana licensing emails:	23,984
Marijuana new/transfer applications:	141
Marijuana renewal applications:	198
Alcohol licensing emails:	35,950
Alcohol event permit applications:	821
Alcohol new/transfer applications:	227



Alcohol renewal applications: 968
 Local government/education emails: 12,291

License Applications as of August 9, 2018

Status	Testing	Limited Cult.	Standard Cult.	Concen. Manuf.	Product Manuf.	Retail	Total
Active - Operating	2	58	91	5	14	70	240
Active - Pending Inspection	2	14	17		2	7	42
Delegated		16	17	1	8	6	48
Tabled	1	3				1	5
Complete		7	6			9	22
Incomplete		1	2	1		2	6
Under-Review Queue		27	15	3	13	19	77
Initiated	1	66	61	16	42	61	247
New		4	12	3	4	11	34
Failed to Complete	2	43	76	17	15	52	205
Denied		2	1			2	5
Surrendered	1		1				2
Revoked					1	1	2
Rescinded		7	15	2		2	26
Void	7	56	55	13	27	48	206
Total	16	304	369	61	126	291	1167