



## MEMORANDUM

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

DATE: October 16, 2018

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Out-of-State  
Investment in Testing Facilities

This project was noticed for public comment from July 26 to September 7, 2018.

At the January 26, 2018 board meeting, the members of the board opened a regulations project to look at the possibility of allowing out-of-state investment in testing facilities.

**Potential Actions:** Any substantive amendments will require the project to be put out again for public comment. Otherwise, the project may be adopted.

3 AAC 306.015 is amended by adding a new subsection to read:

(f) Notwithstanding (b) of this subsection, the board may issue a marijuana testing facility license to, renew a testing facility license, or approve the transfer of a marijuana testing facility license to;

(1) a partnership if at least half of the partnership interest is held by partners who are residents of the state;

(2) a limited liability company if the limited liability company is qualified to do business in the state and at least half of the ownership of the company is held by members who are residents of the state;

(3) a corporation if the corporation is incorporated or qualified to do business in the state and at least half of the corporate stock is held by shareholders who are residents of the state. (Eff. 2/21/2016, Register 217; add'l am 2/21/2016, Register 217; 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		

Submitted By	Comment
<p>8/6/2018 1:19:34 PM  Kara Jurczak  <a href="mailto:sales@peakanalyticalak.com">sales@peakanalyticalak.com</a>  Ketchikan, AK, US  Anonymous User</p>	<p>I oppose the proposed regulation change. Half ownership is not enough to be considered an Alaskan company; this could result in half the revenue leaving Alaska whereby hurting the Alaskan economy. With the State budget crisis we cannot afford to send half the revenue out of state; that would not be a fiscally responsible action by the AMCO Board. I propose either 100% Alaska residency required or something less like 75% at a minimum. Thank you for the opportunity to comment.</p>
<p>8/1/2018 10:14:53 AM  Mariam Swanson  <a href="mailto:ak_berry@hotmail.com">ak_berry@hotmail.com</a>  Anchorage, AK, US  Anonymous User</p>	<p>I do not agree with this regulation change. I do not wish to see even the smallest crack opened to allow outside residents a foothold in our newly formed industry. I do wish to see more interest from the university system in this state to encourage education and promote oversight in this field.</p>



**Stephen W. Brashear**  
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July 31, 2018

Marijuana Control Board

Mark Springer, Chair

Jeff Ankerfelt

Loren Jones

Brandon Emmett

Nicholas Miller

Alcohol & Marijuana Control Office

550 West Seventh Avenue, Suite 1600

Anchorage, Alaska 99501

RE: Proposed 3 AAC 306.015 – non-resident investment in marijuana testing facility

Dear Sirs:

Great Northern Cannabis, Incorporated (GNC) is an Alaska corporation with approximately 45 full- and part-time employees, and roughly three dozen Alaskan shareholders from a wide variety of backgrounds. We currently own and operate a cultivation facility and a retail store. We thank you for the opportunity to comment on the proposed regulations pertaining to non-resident investment in marijuana testing facilities.

In general, GNC finds the proposed changes to be reasonable and supports their adoption.

Thank you again for the opportunity to comment on these proposed changes. We would be happy to answer questions and participate in any rule-drafting discussions.

Best regards,

A handwritten signature in blue ink that reads "Stephen W. Brashear".

Stephen W. Brashear

*GreatNorthernCannabis.com*

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