



## MEMORANDUM

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

DATE: October 16, 2018

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project – Definition of  
Residency

This project was noticed for public comment from July 31 to September 7, 2018.

This regulation change revises the definition of residency to clarify that the standard for being a licensee is eligibility for the permanent fund dividend at the time of application, and to add an exception for renewing a license when a licensee has good cause for temporarily not meeting the residency requirement.

**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(b) is amended to read:

(b) **Except as allowed in 3 AAC 306.035(h), the**[THE] board will not issue, **renew, or transfer** a marijuana establishment license to

(1) an individual or a sole proprietorship unless the individual or proprietor is a resident of the state;

(2) a partnership unless each partner is a resident of the state;

(3) a limited liability company unless the limited liability company is qualified to do business in the state and each member of the limited liability company is a resident of the state; or

(4) a corporation unless the corporation is incorporated or qualified to do business in the state and each shareholder is a resident 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		

3 AAC 306.015(e)(2) is amended to read:

(2) “resident of the state” means a person who **is eligible at the time of application for the most recent**[MEETS THE RESIDENCY REQUIREMENT UNDER AS 43.23 FOR A] permanent fund dividend [IN THE CALENDAR YEAR IN WHICH THAT PERSON APPLIES FOR A MARIJUANA ESTABLISHMENT LICENSE UNDER THIS

CHAPTER]. (Eff. 2/21/2016, Register 217; add'l am 2/21/2016, Register 217;  
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

3 AAC 306.035 is amended to add a new subsection to read:

(h) The board may renew a license where one or more licensees is not considered a resident of the state as defined at 3 AAC 306.015(e)(2), if, as part of the renewal application, the licensee submits documentation to the board's satisfaction that

(1) the licensee's primary residence is in the state;

(2) the licensee has good cause for not meeting the requirements to be a resident of the state as defined at 3 AAC 306.015(e)(2); and

(3) the cause of not meeting the requirements to be a the resident of the state as defined at 3 AAC 306.015(e)(2) is temporary. (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

Submitted By	Comment
<p>8/6/2018 1:20:34 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 1:05:57 PM  Vernon Smith  <a href="mailto:skipperlee44@gmail.com">skipperlee44@gmail.com</a>  Anchorage, AK, US  myAlaska User</p>	<p>Alaska Marijuana Control Board  I believe that the current requirements for residency are proper and should not be changed. I believe that if a person or persons applying for a License are legal residents than the current regulation regarding residency should not be changed. If the board should consider any changes it should detail what changes it wants in written form and allow sufficient time for comment before adopting any proposed changes.  Vernon L Smith  North Road Buds  PO Box 8705  Nikiski AK 99635</p>