



## MEMORANDUM

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

DATE: October 16, 2018

FROM: Erika McConnell, Director  
Marijuana Control Board

RE: Regulations Project –Ownership  
Change Without Licensee Change;  
License Expiration for Renewal;  
Wholesale Concentrates to Retail  
License

This project was noticed for public comment from September 4 to October 7, 2018

**Ownership Change Without Licensee Change:** The board initiated a project in January of 2018 to explore options regarding ownership changes when the actual persons involved were not changing. While many of the license application requirements would still be in place under the proposed regulation changes, the applicant would have an option to submit an affidavit in lieu of the most demanding and time-consuming pieces of the application – the operating plans and premises diagrams – if no changes to those current documents and operations are being made.

**License Expiration for Renewal:** The board initiated a regulation project on June 15, 2018 to clarify which licenses are required to renew during a renewal season. The proposed regulation change clarifies that a license must be renewed if it is in Active – Operating status on or before June 30 of the current year.

**Wholesale Concentrates to Retail License:** This proposed change would allow product manufacturing facilities and concentrate manufacturing facilities to sell or transfer wholesale packages of concentrates to retail stores, so the retailers may sell the concentrates deli style to consumers. The proposal prohibits retailers from using the bulk concentrate to create a new marijuana product, such as a vape pen, a vape cartridge, caviar nugs, moon rocks, and the like.

**Potential Actions:** Any substantive amendments will require the project, or parts of the project, to be put out again for public comment. Otherwise, the project may be adopted in its entirety, or in part.

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. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_, Register \_\_)

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. (Eff. 2/21/2016, Register 217; am \_\_/\_\_/\_\_, Reg \_\_)

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. (Eff. 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(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

3 AAC 306.045 is amended by adding a new subsection to read:

(e) When a transferee intends to continue to operate a marijuana license with the operating plan approved by the board for the transferor, the transferee may submit a form approved by the board certifying that the transferee is making no changes to the operating plan or licensed premises, in lieu of submitting information required by 3 AAC 306.020(b)(8), 3 AAC 306.020(c), 3 AAC 306.315(2), 3 AAC 306.420, 3 AAC 306.520(2) and (3), and 3 AAC 306.615. (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

3 AAC 306.565(c) is amended to read:

(c) **Except as prohibited in 3 AAC 306.555(b)(2), a**[A] licensed marijuana product manufacturing facility may transfer marijuana [PRODUCTS THAT ARE NOT EDIBLE MARIJUANA PRODUCTS] **concentrates** to another licensed marijuana product manufacturing

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facility **or to a licensed retail marijuana store** in wholesale packages not to exceed five pounds. (Eff. 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