



MEMORANDUM

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

DATE: December 20, 2018

FROM: Erika McConnell, Director
Marijuana Control Board

RE: Regulations Project – University as
Licensee

The board opened this regulations project at the October 2018 meeting.

This change would allow a public or private university whose main campus is in Alaska to apply to become a licensee. As drafted, the members of the governing board would need to submit the required information and be fingerprinted. The governing board would need to submit a resolution approving the application and designating an official responsible for the proposed establishment. The university license (and any license issued to a local government) would be non-transferable.

Options for the board:

- Put draft out for public comment as written
- Amend draft and put out for public comment
- Send back to staff for revisions
- Close the project without action

(Words in boldface and underlined indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.015(a) is amended to read:

(a) The board will issue each marijuana establishment license to a specific individual, to a partnership, including a limited partnership, to a limited liability company, to a corporation, **to a public or private university,** or to a local government. A person other than a licensee may not have a direct or indirect financial interest in the business for which a marijuana establishment license is issued.

3 AAC 306.015(b) is amended to read:

(b) Except as allowed in 3 AAC 306.035(h), 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; **or**

(5) to a public or private university, unless the main campus of the university is located in the state.

3 AAC 306.020(b)(2) is amended to read:

(2) the name, mailing address, telephone number, and social security number of each proposed licensee; unless the context requires otherwise, "licensee" means each individual named in an application that complies with this section; an individual to be identified as a licensee under this section includes

(A) if the applicant is an individual or a sole proprietor, the individual or sole proprietor;

(B) if the applicant is a partnership, including a limited partnership, and each general partner and each partner holding any interest in the partnership;

(C) if the applicant is a limited liability company, each member holding any ownership interest and each manager;

(D) if the applicant is a corporation, each owner of any of the corporation's stock, each officer, and each director; [and]

(E) if the applicant is a local government, an authorized official of the local government; **and**

(F) if the applicant is a public or private university, each member of the governing board;

3 AAC 306.020(b)(3) is amended to read:

(3) for each applicant that is not an individual, the applicable documents and information as follows:

(A) for a partnership, including a limited partnership, the partnership agreement, the name of each general or managing partner, and a list of all partners with the percentage of ownership of each partner;

(B) for a limited liability company, the limited liability company agreement, and a list of all members with the percentage of ownership of each member;

(C) for a corporation, the certificate of incorporation, the corporate bylaws, the name of each corporate officer and each director, and a list of all shareholders with the percentage of ownership of each shareholder;

(D) for a local government, a resolution of the governing body approving the application and designating an official responsible for the proposed marijuana establishment;

(E) for a public or private university, a resolution of the governing board approving the application and designating an official responsible for the proposed marijuana establishment;

3 AAC 306.020(d) is amended to read:

(d) An application for a marijuana establishment license must be signed by

(1) the applicant, if the applicant is an individual;

(2) an authorized general partner if the applicant is a partnership, including a limited partnership;

(3) a member who owns at least 10 percent of the limited liability company if the applicant is a limited liability company;

(4) the authorized officers of the corporation if the applicant is a corporation; or

(5) a designated official if the applicant is a local government **or a public or private university.**

3 AAC 306.040(e) is amended to read:

(e) In this section, "ownership change" means

(1) if the licensee is a partnership, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by any partners;

(2) if the licensee is a limited liability company, any change in the identity of the members or managers, or in the ownership percentage held by any member; [OR]

(3) if the licensee is a corporation, any change in its corporate officers, any sale of corporate stock to a person not currently an owner, or any change of the percentage ownership of an existing shareholder; **or**

(4) if the licensee is a public or private university, any change in the membership of the governing board or the designation of a new responsible official.

3 AAC 306.045(a) is amended to read:

(a) A person may not receive or transfer a marijuana establishment license or a controlling interest in a marijuana establishment license issued to a partnership, including a limited partnership, a limited liability company, a corporation, or a local government, without applying for and receiving the written consent of the board. Transfer of a license includes a sale of all or part of the interest of an individual owner. **Licenses issued to a local government or to a public or private university are not transferable.**

Register _____, _____ 2019 COMMERCE, COMMUNITY, AND EC. DEV.

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