



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL AND MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Marijuana Control Board DATE: February 20, 2019

FROM: Erika McConnell, Director RE: Regulations Project – Out-Of-State
Marijuana Control Board Investment in Testing Facilities

The board opened this regulations project at the January 2018 meeting. Public comments were accepted for over 30 days ending in September of 2018 and are attached. The board discussed the benefits and drawbacks of this proposed change at the October 2018 meeting. Mr. Jones volunteered to work on some language to bring back to the board.

Options for the board:

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

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, renew a testing facility license, or approve the transfer of a marijuana testing facility to the following entities upon determining the non-resident involvement enhances marijuana testing in the state.

(1) Eligible entities are

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

(B) 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; or

(C) 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.

(2) The board shall consider, but is not limited to, the following factors when determining whether the non-resident involvement enhances marijuana testing in the state: commitment to invest equity, expertise in testing, expertise in developing standards for testing, expertise in maintaining quality control, and provision of state of the art equipment for testing. (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 306.015 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

(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 _____)

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 1:19:34 PM Kara Jurczak sales@peakanalyticalak.com 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 ak_berry@hotmail.com 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>



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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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