



MEMORANDUM

TO: Marijuana Control Board DATE: February 20, 2019

FROM: Erika McConnell, Director RE: Regulations Project – Protest by Local
Marijuana Control Board Government

The board opened this regulations project at the December 2018 meeting. Public comments were accepted for over 30 days and are attached.

This change would require local governments to indicate whether or not their protest was a conditional protest. A conditional protest would be defined as a protest based on the applicant not having some local government approval that they are expected to acquire within a reasonable period of time. Examples include conditional use permits, special land use permits, and local marijuana licenses. For applications with conditional protests, the board would be able to approve with delegation rather than denying with an abeyance period. Non-conditional protests would be for all other issues, and the existing language that states that the board must deny an application with a (non-conditional) protest unless the board finds the protest arbitrary, capricious, and unreasonable, would remain.

This distinction will allow applications with conditional protests to move more easily through the system, and when a conditional protest is received after a delegated approval by the board, the application would not need to come back before the board.

Options for the board:

- Vote to adopt as written
- Amend; if amendment is significant, 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 306.060(a) is amended to read:

(a) Not later than 60 days after the director sends notice of an application for a new marijuana establishment license, renewal of a marijuana establishment license, license conversion, or transfer of a marijuana establishment license to another person, a local government may protest the application by sending the director and the applicant a written protest and the reasons for the protest. The director may not accept a protest received after the 60-day period. **If the protest is a conditional protest, the board will require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director may issue the license. If the protest is not a conditional protest,** [IF A LOCAL GOVERNMENT PROTESTS AN APPLICATION FOR A NEW OR RENEWAL LICENSE, FOR A LICENSE CONVERSION, OR FOR A TRANSFER OF A LICENSE TO ANOTHER PERSON,] the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

3 AAC 306.060(d) is amended to read:

(d) In this section,

(1) "local government" means each local government with jurisdiction over the licensed premises;

(2) “conditional protest” means a protest by a local government based on requirements of the local government which the applicant must meet before licensure, and that the applicant has not yet met but that the local government expects the applicant will

be able to meet within a reasonable period of time. (Eff. 2/21/2016, Register 217; am 12/28/2017, Register 224; am ___/___/_____, Register _____; 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



MIDNIGHT GREENERY

Tina M. Smith, CEO
Midnight Greenery
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To: MCB Board members, Director McConnell,

I am writing in regards to the listed proposed regulation changes,

3 AAC 306.055(a): In full support

3 AAC 306.060: in full support, suggest that “a reasonable time” is subjective and should be a solid timeframe. This gives a very clear picture of expectations and is not subjective.

3 AAC 306.015: I am in full support of allowing universities, both private and public to apply for a marijuana license. My only suggestion is to not prohibit the universities from having a retail license. All security measures and age requirements are still in place, assuring that only responsible aged adults are allowed to purchase or enter an establishment. The UAA campus at this time does have an active liquor license on its grounds inside the Alaska Airlines Center #5328, which also allows for university sponsored events and requires a UAA application process. To allow alcohol serving licenses and prohibit cannabis sales makes no sense, especially with what we have learned in the last 3 years regarding the detriment of alcohol vs. cannabis on the human mind and body.

3 AAC 306.020: In full support



MIDNIGHT GREENERY

3 AAC 306.100: While I do not object to license fee increases to cover the debt to the state general fund, I do believe the new fee schedules are very problematic with the very steep increases.

A 40% increase on the larger businesses is already a very steep incline for our very first fee change, then you consider in the 100% increase on renewals, being put upon the license types that are struggling the hardest to stay afloat (limited cultivation), its ridiculously steep incline. This in no way promotes small business, in fact is very much a hinderance that is not shared equally among license types in this proposed change.

I would suggest a 20% to 25% increase across all license types.

Thank you for your time and consideration,

Sincerely,

Tina Smith



MATANUSKA-SUSITNA BOROUGH

Planning and Land Use Department

Development Services Division

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February 11, 2019

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SUBJECT: Questions regarding the proposed amendment to 3 AAC 306.60(d)

The Matanuska-Susitna Borough requests clarification of the phrase, "...a reasonable period of time." For context, the Borough's local government requirements generally necessitate 60 to 180 days for the completion of all applicable permit requests and permitting processes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Adam Bradway".

Adam Bradway, Planner I
Development Services Division
Matanuska-Susitna Borough