



## MEMORANDUM

TO: Marijuana Control Board                      DATE: February 20, 2019

FROM: Erika McConnell, Director              RE: Regulations Project – University as  
Marijuana Control Board                      Licensee

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

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.

Unresolved issues include required separation distances between licenses and schools, and whether the board desires a university to be able to hold a testing license and another type of license, which is prohibited. I recommend the board review the comments, clarify its intent, and ask staff to make revisions and bring a revised draft back at a later meeting.

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 306.015(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. **The board will not issue a retail marijuana store license to a public or private university.** 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.**

<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		

**From:** [Lisa Coates](#)  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Comment on 3 AAC 306.015, 3AAC 306.020 (University Licensing)  
**Date:** Friday, February 08, 2019 5:07:22 AM

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Dear AMCO,

I am not opposed to the creation of a university license, but I do feel that there should be a non-compete clause of some sort written into the regulations. The university should be a place to conduct research and not profit from it. I do not support it as written.

Sincerely,  
Lisa Coates  
Herban Extracts  
License 14432



# 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

<b>Submitted By</b>	<b>Comment</b>
1/9/2019 8:08:52 AM Vernon L Smith <a href="mailto:smith.vernonlee@outlook.com">smith.vernonlee@outlook.com</a> Unknown location Anonymous User	I believe this proposal is currently a bad proposal. I think the university would be better off subcontracting to current licensees with the boards permission and opt for education information based off the licensees that are currently in business.