



MEMORANDUM

TO: Marijuana Control Board DATE: May 1, 2019

FROM: Erika McConnell, Director RE: Regulations Project – Onsite
Marijuana Control Board Consumption Cleanup

This project proposes the following changes to the recently adopted onsite consumption regulations:

- Addresses applying for an endorsement in an area with no local government;
- Creates the allowance for an edibles-only onsite consumption endorsement that may be sought by retail store licenses that are not in freestanding buildings;
- Clarifies that a ventilation system is only required for an onsite consumption area where consumption by inhalation is permitted;
- Requires information on air intake vents for an outdoor consumption area to be submitted only if consumption by inhalation is permitted;
- Clarifies that a freestanding building may include other marijuana licensed premises.

Options for the board:

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

3 AAC 306.030 is amended to read:

(a) The board will not approve a new license **or a new onsite consumption endorsement** in an area outside, but within 50 miles of, the boundary of a local government unless the board receives a petition to issue the license **or endorsement** signed by a majority of the permanent residents residing within one mile of the proposed premises.

(b) The board will not approve a new license **or a new onsite consumption endorsement** in an area that is 50 miles or more from the boundary of a local government unless the board receives a petition to issue the license **or endorsement** containing the signatures of two-thirds of the permanent residents residing within a radius of five miles of the United States post office station nearest to the proposed licensed premises. If there is no United States post office station within a radius of five miles of the proposed licensed premises, the petition must be signed by two-thirds of the permanent residents residing within a five-mile radius of the proposed licensed premises.

(c) A petition authorized by this section must be on a form the board prescribes. The applicant must obtain the required signatures within the 90-day period immediately before submitting the petition to the board. A signature may not be added to or removed from the petition after the board has approved the application.

(d) In this section, "permanent resident" means a person 21 years of age or older who has established a permanent place of abode. A person may be a permanent resident of only one place.

3 AAC 306.370(a) is amended to read:

(a) Unless prohibited by local or state law, a [FREESTANDING] licensed retail marijuana store with an approved onsite consumption endorsement is authorized to

(1) sell

(A) marijuana bud or flower, in quantities not to exceed one gram to any one person per day, and edible marijuana products, [EXCLUDING MARIJUANA CONCENTRATES,] in quantities not to exceed 10 mg of THC to any one person per day, to patrons for consumption on the licensed premises at the time of purchase, only if the licensed retail marijuana store is freestanding, and only in an area designated as the marijuana consumption area and separated from the remainder of the premises[,]
either by a secure door and having a separate ventilation system[,]
or by being outdoors in compliance with (c)(4) below; **or**

(B) edible marijuana products, in quantities not to exceed 10 mg of THC to any one person per day, to patrons for consumption on the licensed premises at the time of purchase, only in an area designated as the marijuana consumption area and separated from the remainder of the premises either by a secure door or by being outdoors in compliance with (c)(4) below;

(2) sell for consumption on the premises

[(A) MARIJUANA BUD OR FLOWER IN QUANTITIES NOT TO EXCEED ONE GRAM TO ANY ONE PERSON PER DAY;

(B) EDIBLE MARIJUANA PRODUCTS IN QUANTITIES NOT TO EXCEED 10 MG OF THC TO ANY ONE PERSON PER DAY; AND

(C)] food or beverages not containing marijuana or alcohol; and

(3) allow a person to remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided it is packaged in accordance with 3 AAC 306.345.

3 AAC 306.370(c) is amended to read:

(c) A marijuana consumption area shall have the following characteristics:

(1) the consumption area shall be isolated from the other areas of the retail marijuana store, separated by walls and a secure door, and shall have access only from the retail marijuana store;

(2) a smoke-free area for employees to monitor the marijuana consumption area;

(3) a ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line, **if consumption by inhalation is permitted;**

(4) if outdoors, be found by the board to be compatible with uses in the surrounding area through evaluation of

(A) neighboring uses;

(B) the location of air intake vents on neighboring buildings, **if consumption by inhalation is permitted;**

(C) a sight-obscuring wall or fence around the outdoor marijuana consumption area;

(D) objections of property owners, residents, and occupants within 250 linear feet or the notification distance required by the local government, whichever is greater; and

(E) any other information the board finds relevant.

Register ____,____ 2019

COMMERCE, COMMUNITY, AND EC. DEV.

3 AAC 306.990(b)(42) is amended to read:

(42) “freestanding” has the meaning given in AS 18.35.301(i)(1), **and includes buildings that contain premises licensed under this chapter;**