



## MEMORANDUM

TO: Marijuana Control Board                      DATE: May 1, 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. The current draft establishes eligibility criteria for possible out-of-state investment in a licensed testing facility, and provides factors for the board to consider when determining whether or not to approve such a facility.

The public comment period on this regulations project closed on April 12. Two comments were received and are attached.

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

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



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April 12, 2019

Marijuana Control Board  
[AMCO.regs@alaska.gov](mailto:AMCO.regs@alaska.gov).

Re: Ownership Of Marijuana Testing Facilities

Dear Marijuana Control Board:

Great Northern Cannabis, Incorporated (GNCI) is an Alaska corporation with approximately 90 full- and part-time employees, and roughly two dozen Alaskan shareholders from a wide variety of backgrounds. We currently own and operate a cultivation facility and two retail stores. We thank you for the opportunity to comment on the draft fine schedule.

As an industry we owe it to our customers to ensure access to safe, high quality product. Accordingly, we believe that the Alaska marijuana industry would be best served by providing the widest possible range of assistance to the marijuana testing sector. Therefore we support the proposed regulation as drafted.

We appreciate the opportunity to provide public comment and we would be happy to participate in any future rule-making processes.

Sincerely,

A handwritten signature in blue ink that reads "John E. Redden". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John E. Redden

*GreatNorthernCannabis.com*

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**From:** [Caleb Saunders](#)  
**To:** [CED AMCO REGS \(CED sponsored\)](#)  
**Subject:** Testing Facility  
**Date:** Friday, April 12, 2019 11:09:38 AM

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Greetings,

I am in support of allowing testing facilities to bring in owners and expertise from outside of Alaska. Testing is the hinge pin of the industry and I believe allowing for an avenue for more expertise to be brought into the state.

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Caleb L. Saunders  
CEO | Green Jar  
907-887-3684  
[Green Jar](#)