

Lesson 1: Alaska Medical Marijuana Law

slide 1:

Welcome to the Marijuana Handler's Permit Training Program! Through the completion of this state endorsed course, you will earn a certificate, which will need to be turned in to the director of the Marijuana Control Board for processing. This will allow you to work in the Alaskan Cannabis Industry. Let's get started!

slide 2: AK Medical Marijuana Law

This first section, AS 17.37, regards the laws surrounding medical marijuana in Alaska. Before the implementation of Ballot Measure 2, the state permitted people to register for a card, which did produce additional protection for patients using cannabis as a medicine, but there were no regulations created to allow for the buying or selling of the products until now. However, one must remember that Ballot Measure 2 creates the parameters under which both medical patients and all adults over the age of 21 may legally purchase and consume cannabis flower and products, and does not create any state endorsed allowances for medical patients. Each individual retail establishment is able to make their own amenities for the medical community if they so wish.

slide 3: Confidential Registry of Patients

If a person has an Alaskan marijuana patient card, they are on a confidential registry, meaning the general public cannot go on line and find a list of patients registered with the state. When a person does register with the state, they must provide their personal information, plus their primary and alternate caregivers, if applicable. The purpose of this state registry is to protect patients who possess and use cannabis in private. Therefore, the only people authorized to access it are peace officers and certain state and municipal employees in case a situation were to arise. Since Alaska is now a legal adult use state, it will not be necessary to show a medical card to obtain products in a retail store, and everyone over 21 years of age has the same rights to possess and use cannabis.

slide 4: Patient's Physician

In addition to the above mentioned requirements from the patient, their physician must also submit some paperwork indicating the date of a physical exam, that the patient in question has been diagnosed with a debilitating medical condition, and that he or she has already considered other approved, reasonably available medications that were not effective. The doctor may then give a recommendation that the person may benefit from medical cannabis, but this is not to be confused with a prescription like those required for pharmacy drugs.

slide 5: Debilitating Medical Conditions

Each state with legal medical marijuana has a similar, but slightly different list of conditions that fulfill the debilitating medical condition requirement. Which of these conditions does the state of Alaska deem debilitating enough to warrant medical cannabis? One must have cancer, glaucoma, be positive for HIV or AIDS, have cachexia (which is weakness or wasting of the body due to severe chronic illness), severe pain and/ or nausea, seizures (some of which may be caused by epilepsy), or persistent muscle spasms, like multiple sclerosis.

slide 6: Primary Caregiver

The primary caregiver (or if for some reason the primary caregiver is unavailable, the patient may revert to the alternate caregiver) may only grow product for the patient if they are in possession of the original caregiver card, not a copy or altered one, which are both considered invalid. The patient may also only have one person growing for them at a time, either the primary or the alternate caregiver, but not both. If the patient later receives another diagnosis negating their debilitating condition, they are required to return all of the cards within 24 hours.

slide 7: Registration Requirements

So, to recap, the registration requirements are a sworn application with the personal information of both the patient and the physician as well as the primary and secondary caregiver, if those have been chosen. More specifically, this personal information includes the names, addresses, and driver's license numbers of all parties involved, the patient's date of birth to ensure he or she is over the age of 21. A patient under the age of 18 may still obtain a medical card, but they must also include parental consent and have recommendations from two physicians as opposed to just the one. Furthermore, no one may have a felony conviction, and may not be currently on probation or parole. Primary caregivers may only grow for one person at a time, unless they have a second person who is a family member by at least the 4th degree of kinship.

slide 8: Privileged Medical Use of Marijuana

So what does this card do for a patient? Essentially is it just an affirmative defense against criminal prosecution if they are caught in possession of cannabis. However, this was much more important before the passing of Ballot Measure 2 since now not only can patients be in possession of up to an ounce of cannabis outside the home, but so can anyone over the age of 21. A medical card is beneficial for patients under 21 because at this time they are the ones who still need the affirmative action defense for possession and use. This may also be very important for the parents. Remember, it is not allowed to be consumed publicly by anyone, and the products may not be out in the open for the general public to see. The law also gives physicians protection against any penalties, arrest, prosecution or disciplinary proceedings from the state for recommending medical marijuana to patients. However, it does not protect a physician whose employer doesn't allow them to give such recommendations.

slide 9: Restrictions on Medical Use

Now that you know the privileges a card warrants, what are the restrictions? The consumption of cannabis by the patient may not endanger another person's safety or well-being. The patient may not consume cannabis in public, and they may not sell it in any form. These items will remain the same under the new regulations. If a patient chooses to grow their own medicine, they may have no more than 6 plants at a time, and only 3 may be mature, or in bloom. This law does not give accommodations for use at a place of employment, a correctional, or medical facility. They also may not have it within 500 feet of a school, recreation or youth center, or a school bus.

Lesson 2: Ballot Measure 2

slide 1: Ballot Measure 2

This next section is meant to familiarize you with Ballot Measure 2, the initiative which Alaskans voted on November 4, 2014 to legalize the use and regulated sales and taxes of cannabis for all adults over the

age of 21.

slide 2: Purpose

According to the initiative, the purpose of the ballot measure is to legalize the adult use and sale of cannabis so that law enforcement can focus on violent and property crimes, and it focused on enhancing individual freedoms of Alaskans.

slide 3: Sales

The ballot measure starts by stating that sales must only be for adults over the age of 21 who present a form of valid ID. It also supports legitimate, taxpaying business people, not criminals, to conduct all sales. Products sold will be tested and labeled in order to inform and protect the public of their purchases. However, the legal sale of cannabis in this state shall not diminish the right to privacy given by the court case of *Ravin v the state of AK*, which states that a person is allowed to possess and consume marijuana in their home.

slide 4: Personal Cultivation

For those who choose to have a personal cultivation instead of purchasing from a store, they must understand that it cannot be in public view without binoculars, aircraft, or other optical aids. There must also be reasonable precautions to secure unauthorized access, such as a locked door. The person must also either own the property or have permission from the property owner in order to grow there. If there are any violations of these rules, the fines can be up to \$750.

slide 5: Personal Use

Ballot measure 2 gives each adult, over the age of 21, the right to possess, use, display, purchase, or transport marijuana accessories, and less than an oz of flower. It maintains that a person may possess, grow, process, or transport up to 6 plants, 3 of which may be flowering, and one may keep all of the marijuana produced by plants in the home. As of the time of this production, there is a question as to whether that means 6 plants per person or 6 plants per household, which has been interpreted by lawyers both ways. This may be clarified in the 2016 legislative session, but until it has, do not offer customers legal advice as to their rights on this topic. Please remember that the Marijuana Control Board creates regulations surrounding the legal sale of cannabis in the marketplace, but they may not create statues surrounding personal use. A person may also transfer or gift, 1 oz or less of cannabis and up to 6 immature plants to another person over the age of 21. It states that they may also consume cannabis, but not in public. The definition of "in public" is being left to each locality to determine. Lastly, it allows a person to help someone else over the age of 21 to conduct any of the above activities.

slide 6: Public Consumption

No matter if you grow your own or if you purchase from a retail establishment, there is no public consumption of cannabis, otherwise it could result in a fine up to \$100. "Public" is defined at this time as basically anywhere outside your own personal property, but there will be an exception for state endorsed retail establishments. At the time of this production, the specific regulations for this public, on site consumption have not been created except to be restricted to a designated area within the store.

slide 7: Underage False Identification

There will be up to a \$400 fine for any minors attempting to purchase or procure cannabis or cannabis products from, or to gain access to, a cannabis establishment.

Various Facility Allowances:

slide 1: This section will look at the special allowances given by Ballot Measure 2 to licensed marijuana facilities.

slide 2: Marijuana Accessories

It protects current retail stores as well as future cannabis retail facilities from seizure or forfeiture of assets for the manufacture, possession, distribution or sale of marijuana accessories to those over 21 years of age.

slide 3: Lawful Operation

It gives permission for the creation of 4 basic types of licenses: cultivation, manufacturing, testing, and retail facilities. The initiative does go into a bit more detail about what these businesses are allowed to do, but we will that in much more detail when we review the state's regulations.

slide 4: Landlords

Landlords in AK are now protected under BM2 so that they may lease or allow the use of property by a person, corporation, or other entity for the cultivation, manufacturing, testing, or sale of cannabis and its products. While it isn't directly stated in the initiative, it is best if the landlords own the property outright so there are no banks involved due to the federal ban on cannabis. The banks are federally ensured, and because cannabis is federally illegal, they feel there is too much risk to themselves in giving out loans or accounts to cannabis businesses, so you could run the risk of being shut down if a bank owns the deed to the property.

slide 5: Miscellaneous Items for Consideration

BM2 created other various essential protections and allowances for cannabis users and industry professionals.

slide 6: Local Control

Ultimately, it is up to local control as to whether or not a certain municipality or borough will participate in the legalized and regulated industry. They may choose to opt out through either an assembly ordinance or through a voter initiative. Ordinances may also be created to limit the time and place of production and sales of cannabis, including zoning restrictions and manner of operation, plus they have the ability to create local application fees if they choose. Municipalities must also respond to applications within 90 days of their submission, which should be a concurrent time period with the state application. Many municipalities are also relying heavily on the advice of the community councils to determine where these businesses will be located.

slide 7: Employers

Despite the fact that cannabis use is now legal statewide, all employers still maintain the right to prohibit cannabis use for their employees. They can enforce such rules via drug testing since it is a scheduled substance, even if a person has a state medical marijuana card. Additionally, employers may

also prohibit possession of cannabis on their property.

slide 8: Drugged Driving

Just as with all other intoxicating substances, the initiative does not permit people to drive under the influence of cannabis. Currently, there is no roadside test that can check for THC levels in a person's blood, and there is no consensus as to what an acceptable THC level might be to indicate intoxication. However, officers can conduct roadside tests to see how a person is able to walk and to solve simple problems. This gathering of evidence for a court hearing is just like they do for any DUI stops, so you should know your rights during a traffic stop.

slide 9: Excise Tax

The state of Alaska will collect a tax of \$50/ ounce from the cultivator after the sale of the flowers to either a processor/ manufacturer or to a retail establishment. Since trim does not have the same THC levels as the flower does, it will be taxed at \$15/ oz instead of \$50/ oz.

slide 10: Monthly Statements + Payments

In order to determine how much tax should be collected from each cultivator, there are required bookkeeping records to include the total number of ounces sold and transferred to retail or manufacturing facilities. This comprises the names and addresses of each buyer or transferee, the weight transferred to each buyer, and to pay the taxes from the preceding month. Failure of payments will lead to civil penalties, and the license may be revoked by the state. This potential revocation process will be discussed later in the course.

Lesson 3: Article 1: Licensing and Fees

Chapter 306. Regulation of Marijuana Industry

slide 1:

Chapter 306 pertains to the regulation of the marijuana industry, has been created by the Marijuana Control Board, reviewed by a state legal department, and adopted by the governor. These regulations are for the taxation and sale in the industry itself, and has no say on any laws regarding personal cultivation and use.

slide 2: State Regulations vs. Local Control

All items specified for the rest of this course are the state regulations, which are the minimum requirements for the cannabis industry. As previously specified, municipalities and boroughs may choose more stringent rules and regulations for their localities. Please make sure you take the time to familiarize yourself with the specifics for your area.

slide 3: Article 1: Licensing and Fees (Title Slide)

slide 4: License is Required

In order to operate within the state of Alaska, a marijuana establishment must obtain the appropriate license or licenses, issued by the Marijuana Control Board. The four main types of licenses include: operating a retail store, a cultivation facility, a product manufacturing facility, or a testing facility. One

may own any combination of the first 3 license types, but in order to maintain the integrity of the tested products, someone who owns a testing facility may not own or have any interest in a retail, cultivation or processing company.

slide 5: Location, Location, Location

The number one rule in real estate is location, location, location. This is especially true in the cannabis industry. Each marijuana business must be located at least 500 feet from a school, recreation or youth center, a building with regular religious services, or correctional facility. This distance will be determined by the shortest walking distance between the business's front door and the outer boundaries of sensitive area in question.

slide 6: Grandfather Clause

As long as the licensed cannabusiness is in operation before a sensitive area such as a school or church is created, that cannabusiness, in good standing, is grandfathered in, and will continue to earn their annual license. If the cannabusiness license is revoked or expires, another one will not be awarded to the same location until the sensitive area also relocates.

slide 7: Building License Restrictions

A marijuana license will not be issued to the same location as a liquor license. Likewise, a license will not be issued if there is local government protest, and in accordance with any additional local ordinances for zoning, unless the local government approves a variance. The license is applicable to a specific location and cannot be transferred to a new one unless the business fills out a new application. This is unlike alcohol licenses, which can be transferred to a new location or owner without resubmitting a new application.

slide 8: Personal License Restrictions

A license will not be issued if a partner or owner has, within the last 5 years, a felony conviction, sold alcohol to a minor or anyone else without a license, or had a misdemeanor involving a controlled substance, violence against another person, a weapon, or dishonesty. Additionally, if a person has received a misdemeanor for selling, furnishing or distributing marijuana within the last 2 years will not obtain a license.

Slide 9: License Conditions

Licenses may be awarded to individuals, partnerships (including both limited partnerships and LLCs) corporations, or local governments, however, only licensees may have a direct or indirect financial interest in the business. Every licensee must also be a resident of the state, as determined by their eligibility to receive the Permanent Fund Dividend.

slide 10: Application for New License

There is a board created application that must be initiated electronically, but it can be printed off and mailed in to the state, or submitted electronically as well. The application will include the business name, address, and business license #, the names and personal information of all licensees, application and licensing fees, as well as a fingerprint card, which also accrues a fee. The fingerprint card is used for criminal justice information and a national criminal history record check. Additionally, all of the standard

operating procedures, security, etc are included in the application. One set of fingerprints and the subsequent criminal justice report can be used for any applications submitted within the following 12 months.

slide 11: The Board

Once you notify the board of completion, the director reviews the application. If it has been approved, the director will notify the applicant, the local government, community council, and any nonprofit community who requested notification. If the application is incomplete, it will be returned to the applicant with a request for additional information within 90 days. However, the board itself must either grant or deny the application within 90 days of receipt of a completed application.

Video 2

slide 1: No Local Gov't

If an applicant's business address is within 50 miles of a local government, they must get a petition signed by a majority of the residents that live within a one mile radius of the proposed business. If the applicant wants to open a business over 50 miles outside a local government, they must obtain the signature approval from at least 2/3 of the residents within 5 miles of the nearest post office.

slide 2: Protest by Local Gov't

If there is a local government, then any initial application, or one for renewal or for a transfer of license may elicit local protest, but the board must receive this protest within 60 days of the application filing. The board may reject the application based on the protest, provided that it's not arbitrary, capricious, or unreasonable. A local government may also request special conditions for the business, but then it becomes their responsibility to monitor business compliance to that condition. The board also has the option of holding a hearing to have the public weigh in on the business license in question.

slide 3: Public Participation

A person may object to an application or renewal of a license by submitting a written statement of reasons for the objection to the board and to the applicant within 30 days of the director determining the application is complete. If the board decides to conduct a public hearing, the protestor may give oral testimony at the public hearing.

slide 3: Application for Renewal

It is the director's responsibility to send a renewal application before May 1st each year via the email link provided by the licensee. The renewal application has similar information as the original, but this is the time to adjust any licensees, locations, or products produced. Annual application and licensing fees will be collected, and there is an additional \$1000 late fee if everything is not returned by June 30th. The director must give a notice of expiration by Aug 15th, and if it has not been renewed by Aug 31th it will expire, and the business will have to shut down and start the application process from the beginning, and the expired license must be returned to the state.

slide 4: Ownership Change

If there is an ownership change within a company, they must notify the board within 10 days of the change. If it results in an alteration of controlling interest, then this triggers a new application entirely. With the application change, the current owner must also submit a sworn statement indicating how

much money is still owed to which creditors, and a license renewal application before or concurrently with the new application for the new owner.

slide 5: Application Procedure

The steps in the application procedure are as follows: The applicant must start an application electronically, then post a copy of it for 10 days at the location in question, and at one other conspicuous location near the business address. You must also publish an announcement 1 time per week for 3 weeks in a commonly circulating newspaper. If the applicant lives in a location without a newspaper, it must be announced on the radio twice a week for 3 weeks. This must include the name of the applicant, the name and location of the business, the type of license requested, and the fact that any comments or objections may be submitted to the board. Last, you must notify the board that you have completed all of these steps.

slide 6: Location of Licensed Premises

Unlike Alaska state alcohol licenses, a marijuana establishment is licensed to a specific premise and is nontransferable. If the location changes entirely, this triggers a whole new application, and the existing license must be surrendered. If the business is expanding, the old license remains intact for the remainder of the year.

slide 7: Denial of License Application

There are many reasons the board may deny a license application. It may have been submitted incomplete, it may violate the restrictions previously mentioned above for either the location of the business, or for the licensees, such as a felony conviction. It may also be in violation of a local ordinance or election result opting out of businesses, not have an adequate operating plan (this will be discussed in greater detail in a later section), or the business may not be in the best interest of the public. For those businesses submitting a renewal application, it may be denied because the business was found to violate a condition of operation in the previous year, or they may be delinquent on their taxes.

slide 8: After Denial

The board must notify the applicant within 15 days of when it denied the application. If the applicant would like, they may request an informal hearing with the director or with the board, and this may be executed telephonically. If the applicant is not satisfied with the results, they may request a formal hearing by filing a notice of defense. This must be done within 15 days of either getting the denial or after the informal conference. The board can then request that the formal hearing be conducted by the Office of Administrative Hearings. An applicant may also appeal to the board any action of the director or an employee or agent of the board regarding the application. They may also appeal the board's decision to the superior court.

slide 9: Fees & Refunds

The type of application will determine the cost. A new application, or a transfer of an existing application to a new person or location, or to add on site consumption endorsement to a retail license will all cost \$1000 where a renewal application will only cost \$600. However, if the renewal application is late, there is an additional \$1000 fine assessed to the business. If the business only wants a minor change, like the name of the business, or to submit a new diagram of their premise layout, a new

operating plan, or they want to produce a new product, this will only cost \$250. However, all of these fees are non-refundable, so make sure you've done everything right the first time!

slide 10: Annual License Fees

One must also pay the annual licensing fee when the application is submitted. Renewal fees are slightly more than the initial year fees for licenses. A limited cultivation pays \$1400, and a testing or concentrate only facility pay \$2000. Larger businesses, like the unlimited cultivators, the retail establishments, and those businesses who are taking the extracts and generating new products, will all have to pay \$7000 annually. All of these license fees are refundable IF the license has been denied. Additionally, you must all pay \$50 for the processing of your Marijuana Handler permit card. Additional fees will be accrued by a business if they do not pay their taxes on time.

slide 11: Endorsements

The board may extend an endorsement to a license to expand the boundaries of the premise or to authorize activities, such as onsite consumption for retails. It is only valid in conjunction with the license, so it must be transferred with the license or revoked with the license.

Lesson 4: Article 2: Local Options

slide 1: Title Slide

slide 2: Ordinances & Elections

An assembly or city council can pass an ordinance in order to prohibit the sales or operation of any license type. This may opt the locality out of just sales (as in the retail stores) or just cultivation, etc. or they can opt out of all businesses altogether. Ballot initiatives may offer the same options so that the people make the decision, as opposed to a handful of representatives. However, a second ballot initiative at a later date may cancel the first one to opt out. Lastly, no ordinance or ballot measure may prohibit the personal use or possession of cannabis. That right has been protected by Ballot measure 2 for everyone.

slide 3: Effect on Licenses of Restriction on Sale

The Marijuana Control Board may not approve an application for a license for an establishment within the boundary of a locality that has opted out of any or all license types either via ordinance or through an election. If the locality in question is adjacent to an unincorporated area, then the first 10 miles of the unincorporated area will also have prohibition. If this change occurs after licenses have already been distributed, they will become void 90 days after the election is certified or the ordinance is adopted.

slide 4: Notice of Results of Local Option Election

Once a locality has opted out of cannabis businesses, it is the responsibility of the local government's clerk to notify the MCB. They must also post public notices of the prohibition in a central location. From there, the board will notify both the Department of Law and the Department of Public Safety of the prohibition.

Lesson 5: Article 7: Operating Requirements for all Establishments

slide 1: Article 7: Operating Requirements for All Marijuana Establishments

We're going to go a little out of order here. The reason for this is because article 7 discusses operating requirements pertinent to all establishments so when we reference them later, we are looking at something you've already learned as opposed to saying that you'll learn it in a future lesson or repeat ourselves over and over.

slide 2: Marijuana Handler Permit

This is the course required to obtain this Marijuana Handler Permit. In order to qualify as a state endorsed certification program, we have been approved by the Marijuana Control Board. Every licensee, employee, or agent of a marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana flowers or products, or if you check customer IDs, you must have a permit from the board before employment may commence.

slide 3: Obtain a Card

In order to obtain your Marijuana Handler's Permit card, one must complete this course, pass a written exam, undergo a name based state of AK background check, submit the course completion certificate to the AMCO office, and you will receive your card, valid for 3 years from the certificate completion date. In order to renew it, one must just pass the written exam again. Please remember to keep your card on you at all times while working, or you may also have a copy of it stored in the office on the premises.

slide 4: Card Restrictions

You may not obtain a Marijuana Handler Permit if you have been convicted of a felony in the past 5 months in AK or if you are currently on probation or parole for that felony. You will not get a Handler Card if you have been convicted of a class A misdemeanor involving a controlled substance other than a Schedule VIA controlled substance, or if you got a class A misdemeanor related to selling or distributing marijuana in the past 2 years, or if you are currently under indictment listed here.

slide 5: Licensed Premises

The marijuana establishment license will be issued for a specific premise, and must indicate that there is adequate space to conduct the approved operations such as growing, manufacturing, processing, packaging, or storing of cannabis flowers and/ or products. The facility must also be located and constructed to facilitate cleaning, maintenance, and proper operation. The license itself must be located in a conspicuous place within the licensed premises.

slide 6: Premise Alteration

The holder of the license may not alter or modify the functional floor plan without first obtaining the director's written approval. There is a \$250 fee associated with this alteration, and the drawing should show the proposed change, evidence that the change conforms to any local restrictions, and that applicable local building permits have been acquired.

slide 7: Restricted Access Areas

Any area where cannabis is grown, processed, tested, stored, or stocked must have restricted access with conspicuous signs stating, "Restricted access area. Visitors must be escorted." There is a limit of 5

visitors per escort, who must accompany them at all times and have a company photographic ID badge on their person during the tour. Visitors must show proper identification to verify that they are over 21 years of age and they must also wear a visitor ID badge while in the restricted area.

slide 8: Security Alarm Systems/ Lock Standards

Every licensee, employee, or agent of the establishment must display an ID badge at all times while on the premises. All establishments must have exterior lighting to facilitate surveillance systems, a security alarm system on all exterior doors and windows, and continuous video monitoring. They shall also have policies and procedures in place to prevent the diversion of cannabis flower and products from entering the black market, and prevent loitering. If an establishment decides to include any additional security measures such as motion detectors, pressure switches, or panic/ hold up alarms, these must be described, as well as the actions taken by licensees, employees, or agents if any automatic notification systems alert a local law enforcement agency of an unauthorized breach of security. All establishments must use commercial grade, not residential grade, exterior door locks. A marijuana establishment will notify the Department of Commerce, Community, and Economic Development, Alcohol and Marijuana Control Office as soon as is practical, and no more than 24 hours after a theft, diversion, or unexplained disappearance of product or money has been discovered.

slide 9: Video Surveillance

At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of the outside of each entrance to the licensed premises. Any area where marijuana is grown, cured, manufactured, packaged, where marijuana waste is destroyed, and at each point of sale must have a camera placed in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times. (d) Surveillance recording equipment and video surveillance records must be housed in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board.

slide 10: Video Surveillance

A marijuana establishment may use an offsite monitoring service and offsite storage of video surveillance records as long as security requirements at the offsite facility are at least as strict as onsite security requirements as described in this section. (e) Each surveillance recording must be preserved for a minimum of 40 days, in a format that can be easily accessed for viewing. All recorded images must clearly and accurately display the time and date, and must be archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated. After 40 days, a marijuana establishment may erase video recordings, unless the licensee knows of any pending criminal, civil, or administrative investigation for which the video recording may contain relevant information.

slide 11: Inspection of Licensed Premises

The director, employee, agent of the board, or officer for enforcement, including the local fire department or other health and safety agencies, may inspect the premises, qualifications of personnel,

methods of operation, business and financial records, the marijuana inventory tracking system, policies, and purposes of any marijuana establishment and of any applicant for a marijuana establishment license.

Video 2

slide 1: Marijuana Inventory Tracking System

Any tracking system used by a marijuana establishment must be capable of sharing their information with the state's system, which is Franwell Metrc. This is to ensure the tracking of all cannabis flower and products from seed to transfer to sale and even to disposal, and to ensure there's no diversion to the black market. All cannabis delivered to an establishment must be weighed on certified scales.

slide 2: Health & Safety - Buildings

There are many health and safety considerations for those who work at licensed facilities as well as for the customers who frequent our establishments and purchase our products. Inspection of the buildings must be completed by a member of the fire department, a building inspector, or a code enforcement officer.

slide 3: Health & Safety - Contamination

The establishments must ensure that their workers are not sick or have open wounds when handling cannabis. There must also be readily accessible toilet facilities in good repair and running hot and cold water for handwashing stations. Each person working in direct contact with cannabis must maintain adequate personal cleanliness, washing hands before starting work, after using the restroom, and at any time their hands may become contaminated. There must also be proper waste disposal to avoid contamination of product and to prevent odors and attracting pests. Any toxic cleaning compound, sanitizing agent, and pesticide chemical must be identified and stored in a safe manner to protect against contamination of marijuana or marijuana product and in compliance with any applicable local, state, or federal law. Any marijuana or marijuana product must be stored in a manner that prevents the growth of bacteria, microbes, or other undesirable microorganisms or to attract any other pests and vermin.

slide 4: Health & Safety - Storage

Any cannabis flower or product that has been stored beyond its usable life, or was stored improperly, cannot be salvaged and returned to the marketplace. This includes being exposed to extremes in temperature, humidity, smoke, fumes, pressure, or radiation due to a natural disaster, fire, accident, or equipment failure.

slide 5: Health & Safety - Waste Disposal

A marijuana establishment shall store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation production, processing, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations. Waste disposal must be rendered unusable and includes any plant waste, such as the roots, stalks, leaves and stems, and any samples that were given for the negotiation of sales for the retail or manufacturing establishments, and samples used for testing at labs. The establishment must give the board at least 3 days notice in the inventory tracking system and via email, using a standardized form before making the waste unusable,

unless the director grants an emergency allowance. Either way, records must be kept of the destruction. The waste must be rendered unusable by grinding it up and mixing it with at least an equal amount of compostable materials such as food waste, yard waste, vegetable based grease or oils, or other wastes approved by the board when the mixed material can be used as compost feedstock or in another organic waste method such as an anaerobic digester with approval of any applicable local government entity or non-compostable materials including paper waste, cardboard waste (yes I am aware that these two items are in fact compostable, but this is how it reads in the regs), plastic waste, oil, or other wastes approved by the board when the mixed material may be delivered to a permitted solid waste facility, incinerator, or other facility with approval of any applicable local government entity.

slide 6: Standardized Scales

Certified scales must be used in compliance with the Alaska Weights and Measures Act, and each establishment shall keep records of registration and reports of inspection available for the board or director to review.

slide 7: Transportation

Allowances for the transportation of cannabis depends on the establishment in question. A cultivation facility may transport it to another cultivation, manufacturing, testing or retail facility. A manufacturing establishment may transfer it to another manufacturing, testing or retail facility. A testing facility may return product back to its owner or transport it to another testing lab, and a retail establishment may transport it to another retail establishment.

slide 8: Originating Establishment

A marijuana establishment from which a shipment of marijuana or marijuana product originates is responsible for preparing, packaging, and securing the marijuana or marijuana product during shipment, for recording the transfer in the marijuana inventory tracking system with the type and weight of the products, the transporter's name, the time of departure and the expected time of delivery, as well as the make, model, and license plate of the delivery vehicle. The originating establishment must also prepare the transport manifest with the above items. Any individual transporting marijuana in compliance with this section must also have a marijuana handler permit.

slide 9: Product in Transport

During transport, any marijuana flower or product must be in a sealed package or container in a locked, safe and secure storage compartment in the vehicle transporting the product. The sealed package may not be opened during transport, and any vehicle transporting marijuana or marijuana product must travel directly from the shipping to the receiving marijuana establishment, and must not make any unnecessary stops in between except to deliver or pick up product at any other licensed marijuana establishments. The recipient must also use the tracking system immediately upon receipt of the products to also input the type and weight of the products. The recipient may not accept any products unless they are accompanied by a manifest.

slide 10: Business Records

Each establishment must maintain business records of each transaction under its license for the current year plus the preceding 3 years. The last 6 months' records must be kept on premises, but anything

older that is kept off premises, must be accessible within 3 business days. No loss of these records is considered a legitimate excuse and will be considered by the board as a license violation. The business must maintain a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent. There must also be the business contact information for vendors who maintain any video surveillance systems and security alarm systems, records related to advertising and marketing, a current diagram of the licensed premises including each restricted access area, a log recording the name, date, and time of entry of each visitor permitted in a restricted access area, transportation records, tax documents, accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana flower or product is sold to a consumer, to another marijuana establishment, or destroyed.

Slide 11: Trade Shows

A cultivation facility may bring one marijuana plant for display to a trade show or event, but it must be tracked in the inventory tracking system. A cultivation or a retail may bring up to an oz of flower for display, which also must be tracked in the inventory tracking system. The product must be contained so it cannot be removed by a member of the public. In fact, one must be employed by and have a valid Handler Card to touch any product at a booth. However, a testing facility cannot conduct any tests for any licensed facility at a show or event.

Slide 12: Signs, Merchandise, Advertisements, and Promotions

Business cards, merchandise like apparel and stickers that are distributed by a marijuana establishment and any signage along the premises of the facility are not considered advertisements or promotions. Any advertisements must include the business name and license number. If an ad has very basic location and contact information, and there's no depiction of cannabis in any way, then the warning statements do not need to be included.

Lesson 6: Retail Stores

Sub- Lesson 1: Retail Cannabis Consumption Information

slide 1: Types of Products

It is essential for people in the industry to have a firm understanding of the various forms of marijuana and how they affect people differently.

slide 2: When Speaking to Customers...

In order to protect yourself and your place of employment, one of the most important things to remember is that we are not medical professionals, and that we are to never give medical advice to patients. As you will see, different strains effect individuals differently based upon their own biological chemistry. Instead, it is better to tell stories of what you personally have experienced or what you have heard other people have experienced with a particular strain. For instance, do not say, "Strain X will help you with your sleep deprivation." Instead, you can say, "I have found that when I can't sleep, strain X has helped me to do so." or "I know someone who loves to take a few hits of strain X in order to help her sleep better at night."

slide 3: Ways to Consume: Smoking

The most commonly known way to consume cannabis is to smoke it. Smoking cannabis is the combustion or burning of the flowers or buds at a high temperature, typically around 200 degrees F, so that you are inhaling not only the desired cannabinoids such as THC or CBD, but also the fibrous plant matter like cellulose and chloroplasts. Some of the cannabinoids are even destroyed at these higher temperatures so that the smoke you're inhaling may contain much less of the desired THC. However, when smoking, the individual will start to feel the effects within a few seconds, or maybe up to a minute after consumption. These effects can last for about 1 and a half to 4 hours, depending on the amount that is smoked as well as the THC content of the strain. Joints consist of loose plant material rolled up into a paper so that it resembles an unfiltered cigarette. A blunt is basically the same thing, but the cannabis is rolled up in a cigar leaf as opposed to a piece of paper. One end is lit, and the customer inhales the smoke through the rest of the cigarette. Cannabis flowers can also be placed into the bowl of a pipe, bong, or bubbler, lit and inhaled that way by breathing the smoke in through the device. A pipe doesn't have anything to filter the smoke, but a bong or bubbler pull the smoke through water first before it goes into the consumer's lungs.

slide 4: Immediate Effects of Smoking

Again, when a person smokes cannabis, the effects can be felt in less than a minute, and can last up to 3 to 4 hours. Some of these immediate effects include euphoria due to the release of dopamine, a type of neurotransmitter, in the brain. Neurotransmitters are chemical signals in your brain that allow one brain cell to communicate with the next one. Dopamine is the type of neurotransmitter that controls the parts of the brain that are in charge of an individual's feelings of reward, pleasure, fine motor function, emotions, and impulse control. In addition to contributing to feelings of happiness, dopamine does have some control over motor functions, so it makes sense that cannabis will also help a person relax, it reduces the feeling of pain, can produce a bit of numbness or tingling, and it can reduce swelling, which can also aid in pain reduction.

slide 5: Immediate Effects of Smoking

Additional effects of smoking cannabis include: a possible increased appetite, which is why it has been recommended for people feeling nausea or who have wasting syndrome, HIV or AIDS. Smoking can increase a person's heart rate, so that in some it can make them more anxious, while in others it can decrease anxiety. Just like some people will experience more or less anxiety, some individuals will find that smoking causes concentration problems, while others with ADD have found that it increases their ability to concentrate. Some will find a decrease in motivation, which others increase their productivity. Each of these characteristics will depend on the person's individual chemistry, coupled with the strain type, and the age of the product. The longer the flower sits out in the UV radiation, the more likely it is that the THC-A is broken down into CBN, which has been known to cause feelings of paranoia and anxiety.

slide 6: Indica Strains

While most strains are actually hybrids at this point due to cross breeding, many are going to have genes that are predominantly indica or predominantly sativa in character. Indica plants have wider leaves, shorter stature, and will finish their bloom cycle in about 8 weeks. These strains have been known to be excellent for night use because they will typically leave the consumer feeling relaxed, with what's known

as a “body high.” This is when one feels numb or tingly all over, and potentially very sleepy, helping those with insomnia. People who smoke before bed often find that they don’t dream. We dream as we are going into and out of our deep REM sleep, but smoking decreases the time that we dream so we can go directly into that deep sleep. These strains have been known to reduce swelling and pain.

slide 7: Sativa Strains

Sativas generally have opposite characteristics from indicas. The plants grow taller, with narrower leaves, and they take a few more weeks during the bloom cycle to fully mature, typically around 10-12 weeks. Many consumers prefer sativas during the day time because they produce more of a “head high.” This is where the person may feel energized, motivated to complete tasks, and many have experienced bursts of creativity while under the influence of these strains.

How to Prevent Someone from Consuming Illegally

Slide 1: There are a few instances in which an employee may need to prevent someone from consuming illegally.

Slide 2: 21 & Over

No one may enter any cannabis establishment unless they are at least 21 years of age, which must be verified by a valid form of state or country issued ID, including a state ID card, driver’s license or permit, or a passport. In the section on retail establishments we will go over how to determine if an ID is valid in much greater detail.

Slide 3: No public consumption

Your retail establishment should display signs indicating that there is no consumption on the premises, or that consumption must occur within a designated area. This is an easy preemptive measure that can go a long way toward alleviating any misunderstandings that people may have. Alaska is the first state to allow for a consumption on location endorsement, so there may be some excited tourists, and even some locals, who think they can consume in all shops. Depending on your local ordinances, this may or may not be the case. Either way, the retail facility must obtain the extra endorsement, and not all shops may have the ability to do so. Since the regulations for this haven’t been created at this time, one can only assume that the shop will have to be large enough to have a separate designated consumption area, as well as an adequate ventilation system with a high rate of air exchange. Additionally, the regulations state that there is no consumption inside the other business license types.

Slide 4: Approaching a Customer

If, despite the signs, a customer tries to light up, please approach them politely. This has the potential to be an awkward situation because you want to continue to give good customer service, but you must adhere to state regulations banning consumption in public. The most important thing to remember is to remain calm and to smile. Chances are, they probably heard that Alaska is the first state to allow consumption on location, and they misunderstood the details of the law. Politely tell them that this establishment does not have a consumption endorsement, or where the designated area is located while pointing to the signage indicating the same information. This will take care of the vast majority of issues. However, if they ignore your warnings, calmly inform them that security will have to escort them off the premises, and that you will be required to inform the officials if they refuse to comply. This is the

best series of options to make sure that your business has taken all reasonable courses of action to abide by the regulations while still maintaining good customer service.

Video 2

slide 1: Ways to Consume: Vaping

Vape pens and volcanos also heat the cannabinoids, but to a lower temperature so that you're inhaling vapor as opposed to smoke, which we stated has the additional unwanted fibrous materials. The temperature is high enough to vaporize the cannabinoids, but low enough to avoid combustion, so that up to 95% of the inhaled vapor contains the desired cannabinoids. This means that there will be fewer harmful effects than smoking, and it won't hurt your throat as much either during the process. Another benefit is that there is less of a distinctive smell, making it a more discrete option. Just like when someone smokes the whole flower, vaping will affect the consumer immediately and will also last about 1.5 to 4 hours. Some people experience a greater effect with less product while vaping, while others experience less of an effect. Again, it can depend on the strain and the concentration of the final product.

slide 2: Comparison

Let's do a quick recap comparing the two inhalation methods of consumption. When smoking joints, or with pipes and bongs, one will consume all of the fibrous material too due to the increased combustion temperatures. When vaping, the lower temperature means that one only consumes the vaporized cannabinoids, making this a potentially healthier option.

slide 3: Ways to Consume: Edibles

Edibles, on the other hand, must be digested and go through the bloodstream to the brain to feel the effects, so it can take at least 30 minutes, and sometimes up to 2 hours before they are felt. Encourage people who are new to edibles to "Start low, and go slow." Start with about 5 mg of THC and wait at least an hour before consuming any more. If you do add more, only add another 5 mg and wait another hour to determine the effects. This is the suggested way to start consuming edibles until a person knows their own resistance and limitations. Typically, the effects of edibles will last longer than when cannabis is inhaled, often around 4 hours or so.

Cannabinoids are fat soluble, so they must be dissolved into a fatty substance in order to be transferred into something consumable. This may include butter, vegetable oil, or coconut oil, which are then used to cook or bake the edible. The dosing depends on the % THC in the original product that is dissolved into the butter or oil as well as how much of that butter or oil is used in the manufacturing of the edible. Therefore, the flowers will be tested before the edibles are manufactured in order for the company to accurately determine the dosing, and then it is tested again after completion to ensure the precision.

slide 4: Ways to Use: Topicals

Since products like lotions, salves, balms, sprays, oils, and creams are used externally by rubbing them on the skin, there are no psychoactive effects. The CB2 receptors in your skin take in the active chemicals and bring it directly to the inflamed or painful area so that it never crosses the blood/ brain barrier. These are perfect remedies for psoriasis, arthritis, migraines, if you rub it on the affected area like the temples, restless leg syndrome, spasms, and muscle stress.

slide 5: Withdrawal Symptoms

Studies done by The National Institute on Drug Abuse show that only 9% of consumers become dependent to cannabis and cannabis products. The studies further show that the earlier a person starts and the more frequent the use, the higher this rate can climb, up to 25-50% for those who start as a teen and use it daily. Without it, they may experience some withdrawal symptoms such as cravings, irritability, sleeplessness, decreased appetite, and anxiety.

slide 6: Identifying an Impaired Individuals

It is important for budtenders to be able to determine if a customer has already been consuming cannabis. Each retail establishment holds the right to refuse service to anyone who they think could endanger themselves or others, and if someone is already intoxicated, they may fall into this category. An impaired individual may have red eyes with dilated pupils. They may have dry mouth, making it difficult to speak or swallow. They may have slowed reaction times to normal situations, yet they may be quick to laugh at things that may or may not be funny to a sober individual. Someone who is high may also have short term forgetfulness and a distorted sense of time.

Please remember that while a person who experiences these symptoms may already have consumed cannabis, these are also some signs and symptoms of people with ailments that are helped by consuming cannabis. Slowed reactions and short term forgetfulness may also be symptomatic of chemotherapy, so be careful to not offend customers or to open the retail store up to a lawsuit.

Sub-Lesson 2: Article 3: Retail Store Regulations

slide 1: In article 3 you will learn about the items required to work in a retail marijuana store.

slide 2: Retail Marijuana Store License Required

No one is allowed to sell any marijuana or marijuana products without a license. As we previously discussed in article 1, to get a license, a person must submit an application to the board. Again, anyone who owns a testing facility may not hold any of the other 3 license types, including this one.

slide 3: Retail Marijuana Store Privileges

Employees of a retail establishment may sell marijuana or marijuana products purchased from a cultivator or a product manufacturing facility. They may also store products on site, and with prior approval from the board, they may permit consumption of products purchased in the store in a designated area on the premises.

slide 4: Acts Prohibited at Retail Marijuana Store

Retail marijuana stores may not sell any products to people under the age of 21, even if they hold an AK state medical marijuana card. Stores also may not sell to intoxicated people under the influence of alcohol, inhalants, or any controlled substances. All products must be appropriately labeled, and the total sales may not exceed 5600 mg of THC if there are an assortment of products. This equates to one ounce of cannabis flower. Stores may not sell items over the internet. The person must be physically present in the store to purchase products, and stores may not sell any product past the expiration date.

slide 5: Prohibitions Cont.

All stores must be closed between 5-8 am each day. Local ordinances may restrict this further, as is the case with alcohol sales. There may be no consumption on site, unless the license includes a consumption endorsement. Stores may not give out samples or free product to customers for any reason. Last, there may not be any alcohol, neither free or for sale on premise.

slide 6: Retail Application

In addition to the pieces already laid out in Article 7, part of the retail application will include a copy of the food safety permit, the operating plan, and a description of how cannabis and cannabis products will be displayed and sold.

slide 7: Marijuana Handler Permit Required

Everyone, all licensees, employees, or agents who work on the licensed premise must pass this course and either have their card on their person or a copy of it must be on file in the office on premise.

slide 8: Access Restricted at Retail Marijuana Store

There must be signs clearly posted stating that no one under the age of 21 is allowed on premise, and every person who enters the establishment must have a valid form of identification, even if they are clearly over the age of 21. The signs must be at least 12 by 12 inches in size, and the letters must be at least ½ inch in height. Additionally, customers are restricted from accessing any area where cannabis is stocked or actually dispensed. Any sniff jars that are utilized must have a mesh screen over the top and remain monitored custody in the store.

slide 9: Marijuana Inventory Tracking System

The specifics for the tracking system will be included in the cultivation section, as per the regulations, but the aspects of it that are pertinent to retail will be discussed here. A retail establishment may not accept cannabis or cannabis products from a cultivator or processor/ manufacturer unless it has a valid transport manifest generated from the inventory tracking system that originated the delivery. This information must immediately be entered into the store's tracking system since any cannabis acquired by the retail establishment must continue to be tracked until it has been sold, transferred to another establishment, or destroyed. At the end of each business day, the retail establishment must reconcile the point of sale system with the current inventory in the tracking system to ensure no products have been funneled into the black market or stolen. If the inventory doesn't match, it is the retail establishment's responsibility to account for the variance.

slide 9: Packaging

Retail stores must ensure that all cannabis flower and products sold must adhere to the regulations requiring testing, labeling, and packaging of products. Testing specifics will be discussed in the testing section later. Flower may be displayed and sold in a clear bag, but when any product leaves the store, it must be in an opaque re-sealable, child-resistant packaging, These should be difficult for a child of 5 or under to open, but reasonable for an adult to open.

slide 10: Labeling

In addition to the other required labeling, a retail store must also affix either their name or logo to each packaged product sold to customers, plus the estimated amount of THC in the package. This is so it can be tracked if there is a problem after the sale. There are also 5 statements that must be somewhere on

the package. They are:

- * "Marijuana has intoxicating effects and may be habit forming and addictive."
- * "Marijuana impairs concentration, coordination, and judgement. Do not operate a vehicle or machinery under its influence."
- * "There are health risks associated with consumption of marijuana."
- * "For use only by adults 21 and older. Keep out of the reach of children."
- * "Marijuana should not be used by women who are pregnant or breast feeding."

slide 11: Daily Sales Limits

A retail store may only sell a certain amount of product to a customer per day. A customer may purchase up to 1 oz of flower, or 7 g of concentrates, or 5600 mg of THC in edible products per day. 5600 mg was used for edibles because that is the approximate equivalence of THC in 1 oz of flower with 20% THC and 7 g of concentrate at 80% THC. Therefore, a customer could purchase a combination of products provided their total THC amount does not exceed 5600 mg.

slide 12: Signage

Each establishment may have up to 3 signs, each of which may be up to 4800 square inches. These signs may be in the public right of way, and may be in the storefront window or attached to the outside of the premises.

Lesson 6 (cont)

slide 1: Advertising Restrictions

Any advertising may not make a statement or illustration that is false or misleading, promotes excessive consumption, or represents that the use of marijuana has curative or therapeutic effects (remember you learned in a previous section that you are not a physician and should not indicate that marijuana will have certain health effects). Any advertising must also include the same written warnings that are on packaging: "Marijuana has intoxicating effects and may be habit forming and addictive;" "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;" "There are health risks associated with consumption of marijuana" "For use only by adults twenty-one and older. Keep out of the reach of children;" and "Marijuana should not be used by women who are pregnant or breast feeding."

slide 2: Advertising Restrictions cont

Advertising may also not depict an person under the age of 21 or have an object or character that may appeal to minors, and there may be no advertising within 1000 feet of any child-centered facility including schools, daycares, playground or rec centers, parks, libraries, or arcades or substance abuse treatment facilities. They may also not be placed on or in vehicles or shelters for public transportation, publicly owned or operated property, or on campuses for post secondary education.

slide 3: Promotions

Retail stores may not use promotional giveaway coupons, nor may they conduct games or competitions to encourage the sale of cannabis flower or products.

slide 4: Identification

In order for people to enter the retail establishment, they must be carded to ensure that they are over the age of 21. There are 3 basic forms of ID that are deemed acceptable. They include any unaltered, unexpired state issued driver's license or identification card, or any international passport. It is a good idea to have a security guard check ID upon entering the facility, and then have the bartender check it again upon cash out. This should reduce minors from trying to gain entrance to the establishment, and will increase the likelihood of one of them catching a fake ID. It is also good practice to have the date and year of a person turning 21 on that day posted at the front door and at the cash register to ensure the math is done correctly.

slide 5: How to Spot a Fake ID

There are a few tricks to spotting fake IDs. This graphic shows some of them, but we will go over them in more detail in the next few slides. Additionally, retailers should purchase the ID Checking Guide

slide 6: Feel the Edges

When you first examine the card, feel the edges. Most IDs are 30 millimeter PVC cards, which have smooth, uniform edges. If you bend the card slightly, it shouldn't have pieces inside the separate slightly, or buckle. Fake ones are often laminated so they may come unglued, and the picture or the printed areas may come apart.

slide 7: Foils + Holograms

Each state has a foil or hologram on it, typically it will be an icon like the state crest, shape, or name. These should flash in and out as the light shines on it, but should not look like it's consistently on.

slide 8: Microprint

Most states have a microprint. To the naked eye it will look like a solid line, and that's often what a fake ID will have. With just a 10x magnifying glass, you can read any readable writing, indicating it's a legitimate card.

slide 9: Study the Cardholder

If the ID does have the extremely small writing on it, the card may still be a fake if someone is trying to use another person's license. Make sure the person actually matches the picture on the card, and be careful because relatives can look similar to each other.

slide 10: Ask the Cardholder for Info on Card

Sometimes asking a few simple questions about the ID will help you determine if the ID has been stolen or borrowed from the rightful owner. Good questions to ask are the zip code or height and weight of the person on the card. You can also ask the person to state the ID number, but this may not be a true indication of ownership. If the person knows it too well, that may show that it's a fake since most people don't memorize the number. If you have doubts, ask for another piece of ID, like a work or school ID or a Costco card, all of which should have a photo on it. Even a credit card can be helpful because it will at least show that the person has many items with the same name on it.

slide 11: Have a Manager Look at It

Another tactic is to tell the person that you're going to have a manager look at it. If the person asks for it back or acts anxious, it's probably a fake. If it's real, then they probably won't have a problem with someone else examining it.

slide 12: Onsite Consumption

A retail store in a stand-alone building may apply for an onsite consumption endorsement provided the local government has not prohibited it. This will allow the retail store to sell cannabis to patrons to consume the products in a designated space on the premise only. This space must either be separated by walls and a door and have a separate ventilation system or be outside. Employees must have a smoke-free area from which to monitor the consumption area. The ventilation system must be able to remove visible smoke and adequate to remove odor at the property line. If it is an outdoor area, it must be compatible with uses in the surrounding area and have a sight obscuring wall or fence.

slide 13: Onsite Limits

A person may purchase up to 1 gram of flower or 10 mg of edible products in a given day for consumption onsite, however, no concentrates can be consumed. Other food and drinks can be sold, and people can take unused products with them, packaged appropriately for exiting a licensed premise when they leave, but no outside products may be brought onto the premise. Employees may not consume product while on shift, and no tobacco products may be consumed at any time. Retailers cannot offer discounted pricing for product sold in the onsite consumption area beyond what is offered in the regular retail space that day. There can be no games or contests, or "all you can consume" situations.

Lesson 7: Article 4: Cultivation Facilities

slide 1: Article 4: Cultivation Facilities (Title Slide)

slide 2: Cultivation License Required

No one may cultivate and sell cannabis to a retail establishment without a cultivation license or is an employee of a cultivation facility. In order to obtain a license, one must submit an application as previously articulated in Article 1. Again, just like a retail establishment, a cultivator may not also have a financial interest in any testing facility. There are two different sized cultivation facility options from which to choose. One may have a standard license, which allows for unlimited space to cultivate, trim, store product, etc. The second option is a limited cultivation license, which allows for only 500 feet of cultivation space. That's for your veg and bloom areas, but you may also have additional space for trimming and storage.

slide 3: Cultivation Privileges

A standard or limited cultivation facility may propagate, cultivate, harvest, prepare, cure, package, store, and label cannabis. The only difference is the amount of space they are allowed to cultivate. They may also sell their flowers to a retail establishment, another cultivation facility or a manufacturer. In order to test the flowers, cultivators must give samples to the testing lab, and transport product to any of these other licensed facilities. They may conduct in house testing for their own purposes, but this information may not be used on the labeling of product. Finally, they may give samples to retail stores and manufacturers for the purpose of negotiating sales of their products. Cultivations may bring new strains into their facility by filling out the appropriate form, which is then submitted to and approved by the

director. This will allow a facility to receive up to 6 clones, without compensation, from a person over 21 years of age.

slide 4: Stacked Licenses

If a company has multiple licenses, each must be conducted in its own space, separated by secured doors if they share the premises. They must also each adhere to the regulations laid out for each license. For example, customers may not purchase flowers from the cultivation area, but only within the retail establishment. Due to the potentially dangerous nature of the extraction process, there must be clear signage indicating concentration production, and that unauthorized persons must stay out.

slide 5: Cultivation Prohibitions

Cultivation facilities may not allow any consumption of cannabis on premise or within 20 feet of the exterior of any building or outdoor cultivation facility. They may not adulterate or treat their cannabis with any chemicals in an attempt to alter the appearance weight, or odor of the product. Cultivators may not do any extractions unless they also obtain an extraction license. All product must be labeled and packaged appropriately in order to sell it to a retail or manufacturing facility.

slide 6: Application

In addition to the application procedures required for all marijuana facilities, cultivators must also include the size of the cultivation area, the growing medium, like soil or hydroponics, what types of fertilizers, chemicals, gases, like CO2 and their delivery systems, irrigation systems and the plan for waste water so we don't have a bunch of nutrients dumped into our sewer systems creating algal blooms, the overall waste disposal, odor control systems, and testing protocols.

slide 7: Restricted Access Area

If the facility has indoor cultivation, then the building must be secured with rigid walls, roof, and doors, but if the cultivation is outside, then it can be executed in a non-rigid greenhouse or on open land that is fully enclosed with a physical barrier at least 6 feet high. There must be odor controls in place, and there must of course be security cameras present, which we will get into in a later article.

slide 8: Inventory Tracking System

An individual tracking # must be assigned to each plant exceeding 8 inches in height. Harvest batches of distinct strains can be created for up to 5 lb for trim and flower or up to 50 plants for a clone batch.

slide 9: Sales and Transport

All cannabis sales and transports must be recorded in the tracking system, and a manifest must accompany the transport to another facility.

slide 10: Health & Safety

The basic idea in terms of health and safety is to ensure that nothing contaminates the cannabis. This means that anyone who comes in contact with it must wear clean clothing, and protective apparel, such as head, face, hand, and arm coverings, as necessary. Basic sanitation and health habits should be sufficient, but remember, not only is this to benefit the plants, but it will also protect your bottom line to prevent spider mites and other nasty infestations from taking hold of your cultivation facilities.

Video 2

slide 1: Certified Scales

Certified scales must be used in order to ensure the weights of products.

slide 2: Laboratory Testing

The cultivation facility must get each batch of flower tested by a testing facility, but the sample must be chosen at random from the complete batch to be tested. The amount submitted is based upon the total weight of the harvest, based upon the following chart:

Harvest Batch Size (pounds)	Quantity of samples (one gram each)
1	4
2	4
3	5
4	6
5	8
6	10
7	11
8	13
9	14
10	16

There will be a designated individual that will prepare a signed statement for both the testing facility as well as one for the business record. The batch of marijuana from which the sample was selected must be segregated and stored until the results have been determined. Only at that time may the batch be sold to another facility.

slide 3: Sample Documentation

A cultivator may give up to 3.5 g per strain, up to an oz of total product per month, free of charge, to a retailer as part of the negotiation of a sale. The amount of the sample given, the store or manufacturer who is receiving the samples, and if any expired samples have been returned to the cultivator for disposal must be documented in the business records. The sample must be packaged in a sample jar protected by a mesh screen so customers can see and smell the product before purchasing it. The retailer must either destroy the same, providing documentation or return it to the cultivator when finished, but it may not be sold to customers. Samples provided to employees for quality control cannot exceed a cumulative total of 1 oz of flower per 30 days. This must also be tracked in the inventory tracking system, and a quality control form must be filled out and filed at the facility with their business records.

slide 4: Random Sampling

The director may occasionally request a cultivation facility to provide samples of their growing medium, soil amendments, fertilizers, crop production aids, pesticides, and water to go to a testing facility to be tested for pesticides and chemical residues, unsafe levels of metals, and whatever else the director may find of interest to the public. This will all occur at the cost of the cultivation facility.

slide 5: Packaging Marijuana

When a cultivator packages flower for a retail store, they may either repackage all product into bags

that are no more than 1 oz, ready for resale, or they may package the flower wholesale in packages up to 5 lb, so that the retailer can re-package as needed. When a cultivator is packing product for a manufacturing facility, the packages must be no more than 5 lbs each, and they must be labeled with the single or multiple strains contained therein. In either case, all packages must have tracking labels consistent with the inventory control system.

slide 6: Transport of Product

As previously mentioned, cannabis must be transported in the properly labeled, sealed, tamper-evident shipping containers, accompanied by a transport manifest, and there must be a copy of this manifest provided for the business records of both the cultivation facility as well as for either the manufacturer or the retail establishment.

slide 7: Resale of Cultivation Labeling

If the flowers are pre-packaged for immediate resale, in addition to the 5 warnings required on all packaging, the labels must also contain the name and license # of the cultivation facility, the testing lab, the harvest batch #, net weight of the package contents, and a complete list of all pesticides, fungicides, and herbicides used.

slide 8: Wholesale Cultivation Labeling

If the cultivation sends flower to a retailer or manufacturer in a wholesale package up to 5 lbs in weight, then the following test results must be included: the cannabinoid potency profile, which is the range of lowest to highest % for each cannabinoid from every test conducted on that strain from the same cultivation facility for the last 3 months, a statement listing the results of testing for microbials, residual solvents, mold, mildew, filth, herbicides, pesticides, fungicides, and harmful chemicals. If a cultivation facility ships flower that has not been tested for contaminants, the batch label must indicate that it hasn't been tested. There must be a label affixed to the package including the name and license number of the cultivation facility, the inventory tracking number, the net weight of the product inside the package, a complete list of all pesticides, fungicides, and herbicides used, as well as the test results.

slide 9: Marijuana Tax

The marijuana tax must be paid by the cultivator, and monthly reports must be given to the Department of Revenue. The tax is \$50/ ounce on all product either sold or given as samples.

Lesson 8: Article 5: Product Manufacturing Facilities

slide 1: Article 4: Marijuana Product Manufacturing Facilities (Title Slide)

slide 2: License Required

A person may not extract any concentrates for sale or to produce any marijuana products for sale without a license or is an employee of someone with a license. There are two license types for this process. The first is the standard product manufacturing, which includes both the extraction piece as well as the manufacturing of the products to be sold. The second is the concentrate manufacturing facility, which allows them to just create the concentrates, which can be sold to a retailer as is, or to a standard product manufacturing facility, which can make the final products. They may not refine or make additional products in any way.

slide 3: Manufacturing Privileges

Manufacturing license holders may purchase cannabis from either a cultivator or another manufacturing facility. They may extract concentrates, manufacture, refine, process, cook, package, label and store products intended for consumption or for use on the body, like ointments, salves, patches, or tinctures. They may then sell these products to a retail establishment, and transport them there or to a testing facility. They may also provide samples of product for the negotiations of sale, and conduct in house testing for their own use only.

slide 4: Prohibitions

Manufacturing facilities may not sell products directly to customers. They must all go through a retail facility. There can also not be any products sold out of compliance, and just like all other license types, there may not be any consumption of products on premise. Additionally, the products themselves may not be adulterated food or drinks, they may not closely resemble familiar foods or drinks, so that its packaging can't look like a widely distributed branded product. The idea is that infused products won't be accidentally mistaken for these non-infused versions once outside the store. They also cannot be packaged to look like candy or to appeal to children.

slide 5: Application

Just like the other applications for the other license types, they must be initiated electronically, and in the format required by the board. Additionally, a food safety permit may be required from the Department of Environmental Conservation or a municipality with authority. A diagram of the proposed license premise, including where the in-house testing, if any, will occur, and where products will be stored.

slide 6: Application

The application operating plan must include the equipment, solvents, gases, chemicals + the type of process used, packaging and samples of the labels to be used, and the waste disposal plan. Each product must also be described indicating the color, shape, texture ingredients, and standard production procedure to be used. A photograph, drawing, or graphic representation of the expected appearance of each final product are required. If a facility would like to add a new product during the year when it's not part of the annual license renewal, it will cost \$250 for the product approval request to the board. The ingredient list and potency limits for all manufactured products at the facility must be available for inspection on request by the director, employee or agent of the board.

slide 7: Training Cards

Just like all licensees, employees, and agents of any licensed business, workers must complete this course to obtain their Marijuana Handler's Permit Card as well as the state's Food Safety Worker Training, used by anyone handling food for sale.

slide 8: Restricted Access

There must be restricted access to any area where extraction or product manufacturing occurs. There must also be video surveillance wherever there is concentrate production, product manufacturing, storage of products, or waste destruction. The storage area must also be moisture and temperature controlled and protected from pest and vermin infestations.

slide 9: Tracking System

All cannabis used in the manufacturing of products must be documented in the tracking system, as well as any product that has expired. The sale or transfer of flowers, concentrates, or products into and out of the facility must also be included in the tracking system, and just like any other transfer of product from one establishment to another, there must be a manifest escorting the product in question, and all trackings must be reconciled at the end of each business day, with any variance accounted for.

slide 10: Health & Safety Standards

In addition to the health and safety standards set for all establishments, manufacturers producing edibles must also comply with the AK Food Safety Code 18 AAC 31 and any local kitchen related health and safety standards for retail food establishments.

Video 2

slide 1: Title Slide

slide 2: Laboratory Testing

The processor must provide a random sample to the testing facility of each production lot to be sold, but the lot must remain appropriately segregated in storage until the results are released from the lab. A designated individual will prepare a signed statement showing that each sample has been randomly selected for testing and provide a copy of the statement to the testing facility and the establishment business records. The sample may be transported as indicated previously in Article 7. The results of the production lot test must also be included in the business records. When geographic location and transportation limitations make it unfeasible for a manufacturing facility to transport testing samples to a lab, an applicant for licensure may propose alternative means of testing to meet the requirements of this code.

slide 3: Concentrate Production Plans

Before producing any cannabis concentrate for sale, a product manufacturing facility must develop standard operating procedures, good manufacturing practices, a safety plan, and a training plan for each individual employed in an extraction process.

slide 4: Concentrate Production

A water-based concentrate may be produced by extracting cannabinoids from marijuana by using only water, ice or dry ice while a food-based marijuana concentrate may be produced by extracting cannabinoids from marijuana through the use of propylene glycol, glycerin, butter, olive oil, or other typical cooking fats; infused dairy butter and oils or fats derived from natural sources may be used to prepare infused edible products, but may not be prepared as stand-alone edible products for sale

slide 5: Concentrate Production

solvent-based marijuana concentrate may be produced using the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases the board approves that exhibit low to minimal potential human health-related toxicity; approved solvents must be of at least ninety-nine percent purity and

must be used in a professional grade closed loop extraction system designed to recover the solvents in an environment with proper ventilation; and with control of all sources of ignition if a flammable atmosphere is or may be present

slide 6: Closed Loop System

A marijuana product manufacturing facility using a professional grade closed loop gas extraction system must ensure that (1) every vessel is used in compliance with the manufacturer's stated pressure ratings; (2) any CO2 used is of at least ninety-nine percent purity; (3) any person using a solvent or gas to extract marijuana concentrate in the closed looped system must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and handle and store the solvent and gas safely; (4) a licensed engineer has certified that the professional grade closed loop system was commercially manufactured, is safe for its intended use, and is built to codes of recognized and generally accepted engineering practices; (5) any professional grade closed loop system, and other equipment and facilities used in the extraction process must be approved for their use by the local fire code official and must meet any applicable fire, safety, and building code requirements.

slide 7: Concentrate Production

A marijuana product manufacturing facility may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts

slide 8: Quality Control Sampling

Employees may obtain samples for quality control provided they have a Handler Card, consumption is done off premise, no samples are sold, and the quantity does not exceed a daily limit in a 30 day period, a quality control form is filled out and filed on premise, and the product leaves in an opaque, child resistant container marked "For Quality Control" on it.

slide 9: Potency Limits

A single serving of infused edible equals 5 mg of THC, and the package in its entirety may have no more than 10 servings, or 50 mg of THC total.

slide 10: Packaging Marijuana Products

Any label on an infused edible may not have an image that targets children. The packaging itself must not only protect the product from contamination, but may not impart toxins to the product either. If there are multiple servings in one package, there must be demarcations indicating each serving. In the case of liquids, the number of servings must be clearly labeled on the package.

slide 11: Labeling Marijuana Products

The manufacturing facility must label each product with the name + license # of the testing lab, the results of the test, the name and license # of the manufacturing facility, plus the net weight of the product inside the packaging. No products may be labeled "organic" because the FDA doesn't approve organic methods for cannabis at this time, but it can be labeled as "grown using organic methods." Finally, just as all other cannabis products, the 5 standard warnings must be on each product. "Marijuana has intoxicating effects and may be habit forming and addictive;" "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;" "There are health risks associated with consumption of marijuana;" "For use only by adults twenty-one

and older. Keep out of the reach of children" "Marijuana should not be used by women who are pregnant or breast feeding."

slide 12: Packaging for Transport

Each product must have a tracking label generated by the manufacturing facility's inventory control system, and they must follow the same transportation requirements of being in a sealed, tamper-evident, labeled shipping container with a manifest that must remain with the products during transport. A copy must be generated for both the business records as well as the retailer to whom it is being delivered. The label affixed to the shipping container must include the cannabinoid potency profile as a percentage range of lowest to highest of concentration for each cannabinoid listed from every test conducted on that production lot from the same marijuana product manufacturing facility within the last three months, the microbial, residual solvents, mold, mildew, filth, herbicides, pesticides, fungicides, and harmful chemicals. If no testing is available for the contaminants listed, then the label must state as such.

Lesson 9: Article 6: Testing Facilities

Slide 1: Title Slide

slide 2: Applicability

Testing facilities can offer testing services such as potency, moisture, mold, mildew, bacteria or other contaminant, and solvent or pesticide residues. Independent testing facilities can offer these services to any marijuana establishment or any member of the general public, for payment or not. This does not apply to anyone who is doing their own in-house testing at their own marijuana establishment.

slide 3: License Required

No one may provide any testing service or test results for anyone without a license or be an employee or agent of a licensee. In order to secure a testing license, one must follow the standard procedures that we already set out in Article 1. While it is fine to have stacked licenses of all the other license types, the testing license is the only one that cannot be held or have a financial interest in another business concurrently with any other license type.

slide 4: Testing Facility Privileges

A testing facility may have any amount of cannabis flower and product on premises provided the inventory tracking system documents their presence for testing.

slide 5: Testing Prohibitions

Prohibitions for a testing facility include that no licensee, employee, or agent of the testing facility may have a financial interest in any other marijuana business. No one from the testing facility may sell or transfer marijuana flower or products to a customer w/or w/out compensation, and no one may consume cannabis on the licensed premises.

slide 6: Application for Testing License

In addition to the standard application laid out in Article 1 that all marijuana establishments must submit to the board, testing facilities must also include each type of test conducted, the standard operating procedure for that test, and the acceptable range of results for each test they plan to offer.

slide 7: Approval of Testing Facility

The license is dependent upon demonstrating competence to perform each test the license will offer as an independent 3rd party testing facility. These tests can include: THC, THC-A, CBD, CBD-A + CBN potency, harmful microbials (E. coli, salmonella), residual solvents, poisons/ toxins, harmful chemicals, dangerous molds, mildew, filth, and pesticides.

slide 8: Competency Determination

The board will determine competence by having the board's contractor conduct an on-site inspection, have the facility demonstrate testing proficiency, the qualifications of the personnel, the standard operating procedures for each testing methodology, the proficient testing results, quality control and assurance, security protocols, chain of custody, specimen retention, space requirements, record keeping, and the reporting of results.

slide 9: Proficiency Testing Program

The proficiency testing program must require an applicant for a marijuana testing facility license or a participating licensed marijuana testing facility to analyze test samples using the same procedures with the same number of replicate analyses, standards, testing analysts, and equipment that will be used for product testing. Successful participation means the positive identification of 80 percent of the target analytes that the testing facility reports, and must include quantitative results when applicable. Any false positive results reported will be considered an unsatisfactory score for the proficiency test. This same proficiency testing program will be used for license renewal applications.

slide 10: Scientific Director must have a

The scientific director must have both a degree plus laboratory experience. This can be a doctorate degree in biology or chemistry, plus at least 2 years of post degree laboratory experience, or a master's degree with at least 4 years of lab experience, or a bachelor's degree with at least 6 years of post degree lab experience in order to run the lab.

slide 11: Scientific Director will

The director is in charge of overseeing and directing the scientific methodologies used in conducting the testing, ensuring that the lab achieves and maintains quality standards of practice, and supervising all laboratory staff.

slide 12: Testing Methodology Guidelines

There are 2 references that are recommended for testing methodology guidelines in the laboratory. The first is the American Herbal Pharmacopoeia's Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014 and the second is The United Nations Office on Drugs and Crime's Recommended Methods for the Identification and Analysis of Cannabis and Cannabis Products: Manual for Use by National Drug Analysis Laboratories, dated 2009

slide 13: Standard Operating Procedure Manual

All laboratories must have a standard operating procedure manual that describes how each test is performed, plus the minimum acceptable standards for each test. This includes the Sample preparation for each matrix tested, Reagent, solution, and reference standard preparation, Instrument setup,

Standardization of volumetric reagent solutions, Data acquisition , Calculation of results, Identification criteria. Quality control frequency, Quality control acceptance criteria, Corrective action protocol

slide 14: Potency Test

One required test is for the concentration of the potency of the THC, THC-A, CBD, CBD-A, and CBN of the cannabis flower, concentrate, or product. Additionally, any product made from cannabis must also have the mg tested, and there must be a homogenous consistency within 20% of the manufacturer's target. It will fail the test if it is not homogenous or if there is more than 50 mg total in the edible product.

Video 2

slide 1: Title Slide

slide 2: Other Required Testing

Additional required tests include those for microbials, residual solvents, and metals.

slide 3: Chain of Custody and Sample Requirement Instructions

A testing facility must establish an adequate chain of custody and sample requirement instructions. These must indicate the minimum sample size required to conduct all tests and how these samples will be stored. They must document the condition of the external package and integrity seals utilized to prevent contamination of or tampering with the sample. They must also document the condition and amount of the sample provided at the time the sample is received. They must document each person who handles the samples, and if the samples are transferred to another facility.

slide 4: Chain of Custody and Sample Requirement Instructions

Additionally, they must restrict access to authorized personnel, who are maintained on a list, secure the facility during non-working hours, and secure the short and long term storage areas when not in use. There must be a secured area to log in and divide samples for testing, ensure proper storage of those samples, and document any disposal of samples either during the testing process or afterwards.

slide 5: Marijuana Inventory Tracking System

Just like all the other cannabis establishments, all products must be logged into the system from arrival to how the samples are used, and how they are disposed, whether during testing or any surplus products.

slide 6: Failed Products

If a sample fails the required standards, then all plants from that batch must be destroyed. However, the company may make a request to the Control Board to turn it into an extract instead, but that too will still have to pass a final test before sales may commence. The company may also request a retest, but it would be at their own expense.

slide 7: Supplemental Marijuana Quality Testing

The Marijuana Control Board or the director may require supplemental testing of a batch if it is deemed to be in the best interest of the public. The results will be reported to the control board as well as the

facility from which it came, and the facility is responsible for the cost.

slide 8: Reports

All test results will be reported to the establishment in a timely manner, and into the tracking system within 24 hours of the test. In the case of a failed test, a report must be made to the director within 72 hours. If there are any equipment malfunctions, a report must be sent to the director in writing no more than 24 hours after the incident.

slide 9: Final Reports Include

A final report will include the name and location of the testing facility, the unique sample identifier assigned by the testing facility, the establishment or individual name of the submitter of the sample, the sample identifier provided by that establishment or individual, and the date the sample was received.

slide 10: Final Reports Include

The report must also include the chain of custody identifier as previously discussed, the date of the report, the type of flower or product tested, the test results including the units in which they are measured, and any additional information or qualifiers needed for interpretation of the test results, including any discrepancies.

slide 11: Record Retention

All records must be kept in the testing facility's business records and will include all test results conducted, the quality control and quality assurance records, the standard operating procedures, the chain of custody records, proficiency testing records, the analytical data to include printouts generated by the instrumentation, and the accession numbers.

slide 12: Record Retention

Finally, the record that must be kept will also include the specimen types, the raw data of calibration standards and curves, control, and subject results, the final and amended reports, the acceptable reference range parameters, the identity of the analyst, and the date of the analysis.

Lesson Resources:

Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014, published by the American Herbal Pharmacopoeia, adopted by reference in 3 AAC 306.635, may be obtained from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or at the Internet address <http://www.herbal-ahp.org/>

The United Nations Office on Drugs and Crime's Recommended Methods for the Identification and Analysis of Cannabis and Cannabis Products: Manual for Use by National Drug Analysis Laboratories adopted by reference in 3 AAC 306.635, is available at the Internet address <https://www.unodc.org/documents/scientific/ST-NAR-40-Ebook.pdf>

Lesson 10: Article 8: Enforcement, Civil Penalties

slide 1: Article 8: Enforcement & Civil Penalties (Title Slide)

slide 2: Inspection & Investigation

The director, enforcement agent, employee of the board, or peace officer, while acting in an official capacity, may inspect any licensed premises at any reasonable time and in a reasonable manner, including any product, equipment, inventory tracking system, business records, and computers, and then they may issue a report or notice. This action will be discussed in further detail in a few slides.

slide 3: Inspection & Investigation

It is the responsibility of any licensee, employee, or agent of any licensed marijuana establishment to cooperate with the person doing the inspection by allowing them entry to the premises and by providing access to any requested business records during reasonable times.

slide 4: Inspection Report

An inspection report documents an investigator's inspection of a licensed premises, and it must be prepared on a form the board prescribes and include information prescribed by statute, regulation, or the board

slide 5: Advisory Notice

An advisory notice is filed when an incident occurs or a defect is noted that could result in a violation of a statute, regulation, or municipal ordinance. It may result from an inspection report, but it's not a basis for administrative action unless the incident or defect continues or is not corrected.

slide 6: Notice of Violation

So first we discussed inspections that may then lead to an advisory notice that something is in violation of the regulations. An official notice of violation must be delivered directly to the licensed establishment premises, and it must describe the violation and cite the statute or regulation in question. The business may respond orally or in writing, and has 10 days to request to appear before the board. This notice can lead to a suspension or revocation of an establishment's license. In addition to an extension of the advisory notice, a notice of violation can also be initiated when a local government informs the board of a licensee violation, provided there is also supporting evidence of the accusation.

slide 7: Suspension/ Revocation of License

Whether it is a new felony conviction, or the discovery of an older, undisclosed felony conviction, both are grounds for a suspension or revocation of a marijuana establishment license. The board can also revoke a permit or impose a fine if a Marijuana Handler Permit holder has violated parts of this chapter of regulations.

slide 8: Suspend. Revoke License, Civil Fine

The board may suspend, revoke, refuse to renew a license, or impose a civil fine if it finds that a licensee misrepresented a material fact on an application, affidavit, or signed statement. A licensee may also incur these penalties if the licensee has misrepresented material facts on their application, affidavit, or any of the signed statements conducted during business. It is also possible after conducting a concentrate extraction via a method not approved by the board or for selling concentrates or products not approved by the board.

slide 9: Suspend, Revoke License, Civil Fine

This may also happen if a business has failed to correct an issue resultant of a notice of violation within a reasonable time, or if a licensee knowingly allowed an employee or agent to violate any condition or restriction set forth by the board. This would include acts when the licensee was physically present

when the violation occurred and took no action to stop it, if the employee wasn't adequately supervised or trained, or if the licensee was reckless in the hiring of the employee.

Video 2

slide 1: Suspend, Revoke License, Civil Fine

slide 2: License Suspension/ Revocation Action Procedure

After the notice of violation has been delivered to the licensed premises or to the licensee's listed address, the director may have an immediate suspension if there is a threat to public health, safety or welfare. They will also be notified of an expedited hearing before the board, which must occur within 5 days of the notice, unless the licensee requests a delay.

slide 3: Seizure of Marijuana & Products

The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity may seize cannabis flower or products from a licensed establishment if there is product that hasn't been properly logged into the tracking system, if there is adulterated infused food or drinks or products that have not been packaged or labeled properly that has been found on the premises, or for failure to renew a license. If this occurs, it is the director's responsibility to update the tracking system to reflect the action, and to ensure that the products have been stored in a reasonable manner. He or she must also notify the reasons to the establishment and the time and place of a hearing before the board, which must be within 10 days unless the business requests a delay. If it is a cultivation facility, the business may continue care of the plants until the hearing.

slide 4: Hearing

A licensee may request a hearing by filing a notice of defense within 15 days of receiving a written accusation. If a notice is not filed, the right to a hearing is waived. The hearing itself will be conducted by the Office of Administrative Hearings as per the AK Administrative Procedure Act.

slide 5: Civil Fines no Greater Than

In addition to other penalties, the board may impose civil fines on an establishment. These must not exceed the greater of the amount equal to 3 times the monetary gain by the marijuana establishment, licensee, or person as a result of the violation or \$10,000 for the 1st violation, \$30,000 for the 2nd, and \$50,000 for the 3rd or subsequent violations.

slide 6: Appeal

An establishment may first make an appeal to the board, and then to the superior court if they are dissatisfied with the any action made by the director, or an employee or agent of the board regarding a suspension or revocation of a license, seizing of cannabis flower or products, or imposed civil fines.

slide 7: Surrender/ Destruction of License

If the director or board orders it, a license must be surrendered to the director, an enforcement agent, or an employee of the board on demand. If an establishment loses or vacates the licensed premises, the license must be surrendered within 10 days. If the license is destroyed, the board must be notified immediately.

Lesson 11: Article 9: General Provisions