



## MEMORANDUM

TO: Marijuana Control Board                      DATE: January 23, 2020

FROM: Glen Klinkhart, Interim Director      RE: Regulations Project – Handler Permit  
Revocation

The board initiated this project in February of 2019, to expand on how and why a handler permit may be revoked. After a public comment period, the board adopted this regulations project in September of 2019.

During review by the Department of Law, it was noticed that language in 3 AAC 306.812 indicating the board could refuse to renew a handler permit was confusing, as in 3 AAC 306.700(c), the director issues new and renewed handler permits. I worked with the Department of Law to propose the attached changes, provided both in tracked changes version and a “clean” version. Ms. Wilson has determined that if the board accepts the changes, they are not substantive so the project could be adopted again and would not need to be put out for further comment.

As a reminder, the changes:

1. Expand the reasons for revoking a handler permit to violations of statute, regulation, or municipal ordinance, not just “violations of this chapter” which is the current regulation.
2. Allow a licensee to request that the board suspend a handler permit.
3. Clarify that notice shall be provided to the permit holder at their email address.
4. Require a list of suspended, revoked, and expired permits to be maintained and published.
5. Provide an appeal provision for an individual whose permit was revoked.
6. Allow the director to suspend a permit if the applicant’s check bounces, until such time as payment is satisfactorily received.

3 AAC 306.812 is repealed and readopted to read:

**3 AAC 306.812. Suspension or revocation of marijuana handler permit.** (a) The board may suspend or revoke a permit issued under 3 AAC 306.700, ~~refuse to renew a permit,~~ or impose a civil fine if the board finds that a marijuana handler permit holder acted in violation of a statute, regulation, or municipal ordinance.

(b) The director ~~or a licensee~~ may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the ~~permit to be revoked~~ ~~or suspended~~requested action to the ~~director and the~~ permit holder. A licensee may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the requested action to the director and the permit holder. The director shall bring the request to the board at the next available meeting.

(c) Before a proceeding to revoke a permit issued under 3 AAC 306.700, the board shall provide electronic notice to the holder of the permit at the electronic mail address provided by the permit holder in ~~their~~his or her permit application.

(d) The director shall maintain a list of ~~people~~persons with a suspended, revoked, or expired permit, which shall be made available to licensees and the public.

(e) A person may appeal the board's decision to suspend or revoke their permit in accordance with AS 44.62.390 – 44.62.560.

(f) Notwithstanding the requirements of (a) – (e) of this section, the director may suspend a permit issued under 3 AAC 306.700 if the permit holder's check is returned for insufficient funds, until such time as the permit fee and any associated bank fee is paid. (Eff. 5/23/2018, Register 226; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

<b>Authority:</b>	AS 17.38.010	AS 17.38.121	AS 17.38.200
	AS 17.38.070	AS 17.38.150	AS 17.38.900

3 AAC 306.812 is repealed and readopted to read:

**3 AAC 306.812. Suspension or revocation of marijuana handler permit.** (a) The board may suspend or revoke a permit issued under 3 AAC 306.700, or impose a civil fine if the board finds that a marijuana handler permit holder acted in violation of a statute, regulation, or municipal ordinance.

(b) The director may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the requested action to the permit holder. A licensee may request the board to suspend or revoke a permit issued under 3 AAC 306.700 by submitting a written statement of reasons for the requested action to the director and the permit holder. The director shall bring the request to the board at the next available meeting.

(c) Before a proceeding to revoke a permit issued under 3 AAC 306.700, the board shall provide electronic notice to the holder of the permit at the electronic mail address provided by the permit holder in his or her permit application.

(d) The director shall maintain a list of persons with a suspended, revoked, or expired permit, which shall be made available to licensees and the public.

(e) A person may appeal the board’s decision to suspend or revoke their permit in accordance with AS 44.62.390 – 44.62.560.

(f) Notwithstanding the requirements of (a) – (e) of this section, the director may suspend a permit issued under 3 AAC 306.700 if the permit holder’s check is returned for insufficient funds, until such time as the permit fee and any associated bank fee is paid. (Eff. 5/23/2018, Register 226; am \_\_/\_\_/\_\_\_\_, Register \_\_)

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