



## Memorandum

Date: May 22, 2020

To: Marijuana Control Board members

Reference: License #10310 Danish Gardens, LLC Anchorage, Alaska

### Background:

In April of 2020 the Marijuana Control Board requested to have enforcement and AMCO staff confirm the status of the license and operations of licensee, Danish Gardens, LLC in Anchorage, Alaska. Danish Gardens, LLC had failed to appear at the January 2020 meeting and had several Notices of Violations as well as unpaid taxes to the SOA Department of Revenue.

### Action Taken:

AMCO staff from the regulations and enforcement units confirmed that the licensee, Danish Gardens (license # 10310) had closed their business. It appears the licensee failed to notify AMCO of their situation. After their review AMCO Enforcement closed out their file(s), their license was expired. Additionally, we contacted the SOA Department of Revenue so they can begin administrative procedures to attempt to recover a large amount of unpaid funds owed to the state by Danish Gardens.

### Additional Information for the Board:

In discussions with the Department of Revenue (DOR), they are not able to quickly revoke/suspend a license when a marijuana licensee fails to pay a tax, which normally provides an incentive to the taxpayers to pay their taxes. For example, DOR licenses alcohol taxpayers. As soon as one doesn't pay a tax or it goes into collection (less than 1% of all alcohol taxpayers), DOR contacts them and lets them know DOR will need to suspend or revoke, and they usually take care of it. DOR also has a bond requirement for alcohol (fish, cigarette, and motor fuel also have DOR licenses and bond requirements) so if the rare instance where an alcohol taxpayer or other goes out of business leaving a debt, the State of Alaska can collect on the bond. The same goes for all DOR licensed programs, except for marijuana.

I am recommending designing a new process within the AMCO offices to bring to the attention of the board any licensees who have not paid their state taxes within the past 60-90 days, and who are NOT on a payment plan with DOR. The board can, at that time, review the issue(s) and consider possible license suspension. Other ideas may be to consider delegation of such license

issues with the DOR or the AMCO director working in conjunction with the DOR in order to attempt to gain compliance.

Sincerely,

Glen Klinkhart  
Interim Director  
Alcohol Marijuana Control Board

