THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

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MEMORANDUM

TO: Marijuana Control Board

DATE: May 28, 2020

FROM: Jane P. Sawyer, Regulations Specialist

RE: Regulations Project – Overlapping Premises

The board initiated this project in January 2018 to clarify what type of space could be shared by multiple licenses. The project went out for public comment once or twice. The last action the board took on this was at the January 2020 meeting sending the draft back to staff to consider comments received at the last round.

As I intently considered the comments received, I (re)wrote two drafts for the board to choose from.

Briefly explaining what each version would do:

- Version 1 (limited version, it would only allow for non-restricted access areas, within the licensed premises, to be shared by licenses owned by the same individual or same group of individuals)
    - 3 AAC 306.020. Application for a new license. Adds language to require shared areas to be shown on diagrams.
    - 3 AAC 306.047. License conversion. Adds language to require shared areas to be shown on diagrams.
    - 3 AAC 306.305. Retail marijuana store privileges. Adds a subsection that a retail may apply for a cultivation and/or manufacturing facility with certain restrictions.
    - 3 AAC 306.405. Marijuana cultivation facility privileges and prohibited acts. Repeals (c)(4), renumbers (c)(5) and (c)(6), and adds a new paragraph with 3 AAC 306.450 current language.
    - 3 AAC 306.450. Production of marijuana concentrate prohibited. Repealed; moved to 3 AAC 306.405(c)
    - 3 AAC 306.505. Marijuana product manufacturing facility privileges. Adds a subsection that a manufacturing facility may apply for a cultivation and/or retail with certain restrictions.

- 3 AAC 306.610. Marijuana testing facilities privileges and prohibitions. Adds a paragraph that a testing facility may not have in common licensed areas including restricted access areas with any marijuana establishment licensee.
- 3 AAC 306.705. Licensed premises; alteration. Adds language to require licensed premises to be contiguous, except as approved by the board, and requires an endorsement to be conspicuously posted at the licensed premises.
- 3 AAC 306.720. Video Surveillance. Is repealed and readopted for logic and clarity purposes to add that a licensee may house surveillance recording equipment and video surveillance records in a shared area approved by the board. (yellow highlight is the added/reworded/reorganized language/numbering/lettering).
- 3 AAC 306.725. Inspection of licensed premises. Adds language for shared spaces to be able to be inspected by AMCO enforcement.
- 3 AAC 306.755. Business records. Adds language for shared spaces to be part of business records.
- 3 AAC 306.800. Inspection and investigation. Adds language for shared spaces to be available for inspection and investigation by AMCO.
- 3 AAC 306.990(b)(23) amends the definition of "licensed premises".

- Version 2 (relaxed version, it would allow for non-restricted access areas AND marijuana storage areas, within the licensed premises, to be shared by licenses owned by the same individual or the same group of individuals)
  The changes to this version are the same as version 1 plus:
  - 3 AAC 306.710. Restricted access areas. Adds a new subsection that would allow shared marijuana storage areas, under the same roof and licensed premises, BUT also makes clear that a licensee will be issued a notice of violation (not just an advisory) if the licensee fails to comply with the subsection.

Options for the board:

- Choose which version to work with
- Put out for public comment the chosen version
- Amend and put out for public comment the chosen version
- Send back to staff for revisions
- Close the project without action