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: January 13, 2022

FROM: Jane P. Sawyer, Regulations Specialist

RE: Alaska Wild Coyote, Inc. licenses 12125 & 12471

At the January 19-21, 2022, meeting, the board approved with delegation the transfer applications and renewal applications for licenses 12125 Alaska Marijuana Gardens (AMG) and 12471 AMG Concentrates.

The applications are back in front of the board because Alaska Marijuana Gardens (AMG), cultivation license 12125, has a past-due balance of state marijuana taxes of $62,415 as of March 23, 2022. It has been past-due continuously since December 2021. The past-due taxes issue was not addressed at the January 19-21, 2022, meeting.

Questions for the board: is the board okay with staff issuing renewed 2021-2022 licenses and effectuating the transfers with past-due taxes owed? Or would the board like to reconsider the applications?

The transfer applications are to remove Carmen Silvia Villlamides from Alaska Wild Coyote, Inc. These transfers were in the queue in July 2021, AMCO staff did not review them until December 2021.

Because Alaska Wild Coyote, Inc. owns both licenses, the (actions taken on) transfers affect both licenses equally. For example, because the transfer for each license is within the same company owning the licenses, one transfer application, and not the other, could not be reconsidered, if the board chose to do that.

The renewals could be reconsidered individually. The past-due taxes are owed by the cultivation, license 12125, doing business as Alaska Marijuana Gardens (AMG).

Applicable regulation:

3 AAC 306.080. Denial of license or endorsement application. (a) After review of the application, including the applicant's proposed operating plan and all relevant information, the

board will deny an application for a new license or new onsite consumption endorsement if the board finds that

(1) the application is not complete as required under the applicable provisions of 3 AAC 306.020 - 3 AAC 306.055, or contains any false statement of material fact;

(2) the license or endorsement would violate any restriction in 3 AAC 306.010 or 3 AAC 306.015; (3) the license or endorsement would violate any restriction applicable to the particular license or endorsement type authorized under this chapter;

(4) the license or endorsement is prohibited under this chapter as a result of an ordinance or election conducted under AS 17.38.210, 3 AAC 306.200, or 3 AAC 306.230;

(5) the applicant's actions or the operating plan does not adequately demonstrate that the applicant will comply with applicable provisions of this chapter;

(6) the license or endorsement would not be in the best interests of the public; or

(7) a protest by the local governing body is not arbitrary, capricious, and unreasonable.

(b) After review of the application and all relevant information, the board will deny an application for renewal of a marijuana establishment license or onsite consumption endorsement if the board finds

(1) any cause listed in (a) of this section;

(2) repealed 8/21/2019;

(3) that the license or endorsement has been operated in violation of a condition or restriction the board previously imposed;

(4) that the applicant is delinquent in the payment of taxes due in whole or in part from operation of the licensed business;

(5) that a protest by the local governing body is not arbitrary, capricious, and unreasonable; or

(6) that the applicant has lost right to possession of the applicant's licensed premises.

(c) After review of the application and all relevant information, the board will deny an application for transfer of license to another person if the board finds

(1) any cause listed in (a) of this section;

(2) that the transferor has not paid all debts or taxes arising from the operation of the business licensed under this chapter unless the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority;

(3) that transfer of the license to another person would result in violation of the provisions of this chapter relating to identity of licensees and financing of licensees;

(4) that the prospective transferee does not have the qualifications of an original applicant required under this chapter; or

(5) that a protest by the local governing body is not arbitrary, capricious, and unreasonable.

(d) If the board denies an application for a new license, renewal of a license, license conversion, or transfer of a license to another person, the board will, not later than 15 days after the board meeting at which the application was denied, furnish a written statement of issues to the applicant, explaining the reason for the denial in clear and concise language, and identifying any statute or regulation on which the denial is based. In the notice of denial the board will inform the applicant of the right to an informal conference under 3 AAC 306.085 and to a formal hearing under 3 AAC 306.090.