THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Marijuana Control Board

DATE: March 30, 2022

FROM: Glen Klinkhart, Director
Jane P. Sawyer, Regulations Specialist

RE: Regulations Project – Enforcement Action Process

The board held an oral hearing on this project on February 16, 2022, at which two persons provided testimony. The board could not take action at that time because the project was also out for written public comment. All comments of factual or other substantive information must be considered by the board before taking action. The written public comment period closed on February 23, 2022. Four comments were received, and they are attached (a couple of these comments are follow-ups in writing from the oral hearing).

Several sections of Article 8 of 3 AAC 306 are proposed to be amended.

Potential board actions: TBD at meeting. This is the second time the draft was out for public comment. The first time, the board held the oral hearing in February based on public comment received.

NOTICE OF PROPOSED CHANGES ON ENFORCEMENT ACTION PROCESS IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD

Brief description: The Marijuana Control Board proposes to change regulations in Title 3, Chapter 306 of the Alaska Administrative Code dealing with the enforcement action process for commercial marijuana laws. The proposed changes robustly update Article 8 by repealing outdated sections and replacing them with sections regarding powers and duties, verbal warnings, inspection reports advisory notices, and notice of violations, issuing a violation and due process, probation, suspension or revocation of a license, informal conferences. The changes also amend sections regarding seizure or administrative holds, civil fines, suspension or revocation of marijuana handler permits, appeals.

The Marijuana Control Board proposes to adopt regulation changes in 3 AAC 306 of the Alaska Administrative Code, dealing with enforcement action process, including the following:

3 AAC 306.800 is repealed.
3 AAC 306.801 is a new section regarding powers and duties of AMCO enforcement.
3 AAC 306.805 is repealed.
3 AAC 306.806 is a new section regarding verbal warnings, inspections reports, advisory notices, and notices of violation.
3 AAC 306.809 is a new section regarding issuing a notice of violation by AMCO enforcement to a licensee, and the licensee's due process.
3 AAC 306.810(b), regarding suspension or revocation of license, is amended by adding 'probation' as an action the board may take against the license, including imposing a civil fine, and it adds a provision for which the board may take action against the license.
3 AAC 306.811 is a new section regarding suspension or revocation of license based on act of employee.
3 AAC 306.812, regarding suspension or revocation of a marijuana handler permit, is repealed and readopted.
3 AAC 306.815 is repealed (this language moved to 3 AAC 306.811).
3 AAC 306.816 is a new section regarding accusations issued on a marijuana establishment.
3 AAC 306.820 is repealed (this language moved to 3 AAC 306.816).
3 AAC 306.830, regarding seizure of or administrative hold on marijuana or marijuana product, is repealed and readopted.
3 AAC 306.835 is repealed.
3 AAC 306.836 is a new section regarding probation.
3 AAC 306.840, regarding civil fines, is amended.
3 AAC 306.844 is a new section regarding informal conference rights for an aggrieved licensee or permittee who is subject to certain enforcement actions.
3 AAC 306.845, regarding appeals, is amended.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Alcohol and Marijuana Control Office at 550 West 7th Avenue, Suite 1600, Anchorage AK 99501. Additionally, the Marijuana Control Board will accept comments by email at amco.regs@alaska.gov. Comments may also be submitted through the Alaska Online Public

Notice System by accessing this notice on the system and using the comment link. **The comments must be received not later than 4:30pm on February 23, 2022.**

You may submit written questions relevant to the proposed action to the Alcohol and Marijuana Control Office at 550 West 7th Avenue, Suite 1600, Anchorage, AK 99501 or to amco.regs@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. The Alcohol and Marijuana Control Office will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and AMCO website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Alcohol and Marijuana Control Office at amco.regs@alaska.gov or (907) 269-0490 not later than February 9, 2022, to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting the Alcohol and Marijuana Control Office at amco.regs@alaska.gov or (907) 269-0490.

After the public comment period ends, the Marijuana Control Board will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected. Written comments received are public records and are subject to public inspection.

Statutory authority: AS 17.38.010; AS 17.38.070; AS 17.38.121; AS 17.38.131; AS 17.38.150; AS 17.38.190; AS 17.38.200; AS 17.38.900

Statutes being implemented, interpreted, or made specific: AS 17.38.010; AS 17.38.070; AS 17.38.121; AS 17.38.150; AS 17.38.200.

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

The Alcohol and Marijuana Control Office keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Marijuana Control Board notices of proposed regulation changes. To be added to or removed from the list, send a request to the AMCO office at amco.regs@alaska.gov , giving your name, and either your e-mail address or mailing address, as you prefer for receiving notices.

Date: January 24, 2022

Jane P. Sawyer, Regulations Specialist – AMCO