

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: November 2, 2024

FROM: Kristina Serezhenkov, Regulations Specialist RE: Operating Plans

This project was tabled at the September 2024 board meeting.

Background: The board approved the draft regulations for initial Law review at the January 31, 2024 meeting. Upon the Department of Law's approval, the draft was sent out for official public comment with the comment period closing 9.6.2024. Comments were received and are attached.

Options for the board:

- Move to adopt and send to Law for final review
- Move to amend and adopt and then send to Law for final review. (If amended, may require additional public comment period-agency attorney to advise.)
- Move to send back to staff for more work
- Table the regulations project
- Close the regulations project

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.020(c) is amended to read:

(c) A marijuana establishment license application must include a certification that at the

time of licensure the establishment will comply with all applicable regulatory requirements

[THE APPLICANT'S OPERATING PLAN, IN A FORMAT THE BOARD PRESCRIBES,

DESCRIBING TO THE BOARD'S SATISFACTION THE PROPOSED MARIJUANA

ESTABLISHMENT'S PLANS] for

(1) security;

(2) inventory tracking of all marijuana and marijuana products on the premises;

(3) employee qualification and training;

(4) waste disposal;

(5) transportation and delivery of marijuana and marijuana products; and

(6) signage and advertising.

(Eff. 2/21/2016, Register 217; am 8/11/2018, Register 227; am 12/10/2020, Register 236; am

/____/, Register _____)

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

 AS 17.38.070
 AS 17.38.190
 AS 17.38.900

 AS 17.38.121
 AS 17.38.121
 AS 17.38.121

3 AAC 306.045(e) is amended to read:

(e) When a transferee intends to continue to operate a marijuana license with the <u>licensed</u> <u>premises</u> [OPERATING PLAN] approved by the board for the transferor, the transferee may submit a form approved by the board certifying that the transferee is making no changes to the [OPERATING PLAN OR] licensed premises [, INSTEAD OF SUBMITTING INFORMATION REQUIRED BY 3 AAC 306.020(b)(8), 3 AAC 306.020(c), 3 AAC 306.315(1)(B), 3 AAC 306.420, 3 AAC 306.520(2) and (3), and 3 AAC 306.615]. (Eff. 2/21/2016, Register 217; am 12/28/2017, Register 224; am 2/21/2019, Register 229; am 1/22/2023, Register 245; am

3 AAC 306.046(c)(3) is amended to read:

(3) <u>the</u> [AN OPERATING PLAN AND] proposed licensed premises as described under 3 AAC 306.020(b)(8), [3 AAC 306.020(c), 3 AAC 306.315(1)(B), 3 AAC 306.420, 3 AAC 306.520(2) and (3), 3 AAC 306.615,] 3 AAC 306.705(d), and 3 AAC 306.710(d), if applicable;

(Eff. 1/22/2023, Register 245; am / / , Register) **Authority:** AS 17.38.010 AS 17.38.150 AS 17.38.200 AS 17.38.070 AS 17.38.190 AS 17.38.900 AS 17.38.121

3 AAC 306.047(c)(2) is amended to read:

(2) <u>the information required under 3 AAC 306.020(c)</u> [ANY CHANGES PROPOSED TO THE APPROVED OPERATING PLAN]; (Eff. 2/21/2019, Register 229; am 12/10/2020, Register 236; am 1/22/2023, Register 245; am

4/16/2023, Register 246; am ____/___, Register ____) Authority: AS 17.38.010 AS 17.38.150 AS 17.38.200 AS 17.38.070 AS 17.38.190 AS 17.38.900 AS 17.38.121

The introductory language of 3 AAC 306.080(a) is amended to read:

(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

• • •

3 AAC 306.080(a)(5) is amended to read:

(5) the applicant's actions <u>do</u> [OR THE OPERATING PLAN DOES] not adequately demonstrate that the applicant will comply with applicable provisions of this chapter;

3 AAC 306.080(g)(6) is amended to read:

(6) the applicant's actions <u>do</u> [OR THE OPERATING PLAN DOES] not adequately demonstrate that the applicant will comply with applicable provision of AS 17.38 and this chapter;

(Eff. 2/21/2016, Register 217; am 2/21/2019, Register 229; am 8/21/2019, Register 231; am 8/7/2021, Register 239; am 7/30/2022, Register 243; am 1/22/2023, Register 245; am 3/22/2024, Register 249; am __/__/___, Register ___)

Register	,	_2024	COMMER	CE, COMMUNITY, AND EC. DEV.
Authority:	AS 17.38.010	AS 17.38	3.150	AS 17.38.200
	AS 17.38.070	AS 17.38	8.190	AS 17.38.900
	AS 17.38.121			

3 AAC 306.100(c) is amended to read:

(c) The non-refundable fee to request board approval of a change <u>to</u> [IN] a licensed marijuana establishment's business name, licensed premises diagram, <u>existing approved</u> <u>marijuana product</u>, [OPERATING PLAN] or <u>to request board approval to add a</u> [PROPOSED] new marijuana product is \$250. <u>This</u> [A CHANGE] fee does not apply to an application for transfer of a marijuana establishment license, transfer of controlling interest to another person, or transfer of a marijuana establishment license to another location. (Eff. 2/21/2016, Register 217; am 7/19/2017, Register 223; am 8/11/2018, Register 227; am 2/21/2019, Register 229; am 4/11/2019, Register 230; am 5/1/2019, Register 230; am 5/9/2019, Register 230, am 3/25/2020, Register 233; am 7/30/2022, Register 243; am 1/22/2023, Register 245; am 4/16/2023, Register 246; am 1/19/2024, Register 249; am __/____, Register

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

 AS 17.38.070
 AS 17.38.190
 AS 17.38.900

 AS 17.38.121
 AS 17.38.121

3 AAC 306.315(1)(B) is repealed:

____)

(B) repealed ____/ ___ [A DESCRIPTION OF THE WAY MARIJUANA AND MARIJUANA PRODUCTS AT THE RETAIL MARIJUANA

STORE WILL BE DISPLAYED AND SOLD IN THE APPLICANT'S OPERATING

PLAN REQUIRED UNDER 3 AAC 306.020(C); AND];

(Eff. 2/21/2016, Register 217; am 7/27/2017, Register 223; am 1/22/2023, Register 245; am

8/13/2023, Register 247; am ___/___, Register ____)

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

AS 17.38.070 AS 17.38.190 AS 17.38.900

AS 17.38.121

3 AAC 306.370(f)(1) is amended to read:

(1) the <u>information required under 3 AAC 306.020(c) and information on</u> <u>operations that describes</u> [APPLICANT'S OPERATING PLAN, IN A FORMAT THE BOARD PRESCRIBES, DESCRIBING] the retail marijuana store's plan for

3 AAC 306.370(g)(1) is amended to read:

(1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with [THE OPERATING PLAN AND] 3 AAC 306.740;

(Eff. 4/11/2019, Register 230; am 8/7/2021, Register 239; am ___/___, Register

____)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.900
	AS 17.38.070	AS 17.38.190	AS 18.35.301
	AS 17.38.121	AS 17.38.200	

3 AAC 306.380(b) is amended to read:

Register _____, _____

(b) Before accepting orders for sales of marijuana or marijuana products through a walkup or drive-through exterior window, a licensed retail marijuana store shall submit <u>information</u> <u>about the proposed operations</u> [AN OPERATING PLAN OR MODIFICATION OF AN OPERATING PLAN] of the licensed premises to the board for approval. The <u>information</u> [OPERATING PLAN OR MODIFIED OPERATING PLAN] must <u>include a depiction of</u> [DEPICT] the walk-up or drive-through exterior window area and the video surveillance of the walk-up or drive-through exterior window area.

(Eff. 8/13/202	23, Register 247; am _	//	, Register)
Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.200
	AS 17.38.070	AS 17.38.190	AS 17.38.900
	AS 17.38.121		

2024

3 AAC 306.420(2) is amended to read:

(2) <u>information about</u> the proposed marijuana cultivation facility's <u>operations</u> [OPERATING PLAN], <u>which includes a description of</u> [INCLUDING, IN ADDITION TO THE INFORMATION REQUIRED UNDER 3 AAC 306.020(c),]

(Eff. 2/21/2016, Register 217; am ____/___, Register ____) Authority: AS 17.38.010 AS 17.38.150 AS 17.38.200

AS 17.38.070 AS 17.38.190 AS 17.38.900

AS 17.38.121

3 AAC 306.520(1)(C) is amended to read:

(C) information about the proposed marijuana product

manufacturing facility's operations [THE APPLICANT'S OPERATING PLAN

REQUIRED UNDER 3 AAC 306.020(c)], which includes a description of

(Eff. 2/21/2016, Register 217; am 7/27/2017, Register 223; am 1/22/2023, Register 245; am

4/16/2023, Register 246; am ___/ ___, Register ____)

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

 AS 17.38.070
 AS 17.38.190
 AS 17.38.900

 AS 17.38.121
 AS 17.38.121

The introductory language of 3 AAC 306.525(b) is amended to read:

(b) An applicant for a <u>new</u> marijuana product manufacturing facility license may request the board's approval of <u>the facility's</u> [ITS] intended products [WITH A NEW LICENSE APPLICATION] by including in its <u>application</u> [OPERATING PLAN] (Eff. 2/21/2016, Register 217; am 4/16/2023, Register 246; am __/___, Register ____)

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

 AS 17.38.070
 AS 17.38.190
 AS 17.38.900

 AS 17.38.121
 AS 17.38.121

3 AAC 306.615(1)(B) is amended to read:

(B) <u>information about</u> the proposed marijuana testing facility's **operations** [OPERATING PLAN], which includes a description of [INCLUDING, IN

Register	,	 2024
Register	,	 2024

ADDITION TO THE INFORMATION REQUIRED UNDER 3 AAC 306.020(c),]

(Eff. 2/21/2016, Register 217; am 1/22/2023, Register 245; am ___/___, Register

____)

 Authority:
 AS 17.38.010
 AS 17.38.150
 AS 17.38.200

 AS 17.38.070
 AS 17.38.190
 AS 17.38.900

 AS 17.38.121
 AS 17.38.121
 AS 17.38.121

3 AAC 306.703 is repealed:

3 AAC 306.703. Operations. Repealed [A LICENSED MARIJUANA ESTABLISHMENT SHALL OPERATE IN ACCORDANCE WITH THE OPERATING PLAN APPROVED BY THE BOARD. THE LICENSEE MAY REQUEST AN OPERATING PLAN CHANGE IN ACCORDANCE WITH 3 AAC 306.100(c)]. (Eff. 5/9/2019, Register 230; repealed ______, Register ____)

From:	Jana Weltzin
То:	CED AMCO REGS (CED sponsored)
Cc:	Marijuana Licensing (CED sponsored); Randi Baker; Brenda Mills; Jana Weltzin
Subject:	Public Comment regarding Operating Plans Regulation
Date:	Friday, September 6, 2024 10:59:42 AM
Attachments:	Operating plans - JDW 9.6.2024.pdf

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Hello! please see attached public comment. Thanks!

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September 6, 2024

Dear Honorable Members of the Marijuana Control Board:

I am writing to express my opposition at this time to the proposed changes to Operating Plan requirements under 3 AAC 306.

The proposed changes eliminate Operating Plan requirements and replace them with a "Certification" that the regulatory requirements will be met for all license types, transfers, and change documents. As the applications are now, every licensee must submit an MJ-01 for each application unless it is a transfer and there are no changes to the Operating Plan. The MJ-01 covers some of the most important aspects of owning a marijuana license, such as a control plan for persons under the age of 21, security, inventory tracking of all marijuana and marijuana product on the premises, employee qualification and training, health and safety standards, transportation and deliver of marijuana and marijuana products, and signage/advertising. Operating plans are pivotal in ensuring that current and potential licensees have thoroughly considered and prepared for compliance with Alaska's stringent marijuana regulations. These plans also provide the local government and community councils valuable insight as to how the license will be operated.

I do not believe that removing the requirement to submit Operating Plans, creating new processes for the limited available AMCO staff (who will be sans a director) to learn and follow, requiring updated education to local governments and communities (Gabe is no longer with AMCO so it is unclear who will tackle that education), does not expedite the licensing process; instead, it shifts the burden to local governing bodies, and to AMCO staff to learn new processes.

Instead of tackling any new projects right now, it may be wiser for AMCO to focus on becoming more efficient with the work it has in front of them and becoming efficient at its current workload and process. I would recommend shelving this project for a later date and reevaluating when AMCO is on more steady footing.

Truly and Sincerely Yours, Jana D. Weltzin, Esq.

Date: 9/5/2024

- To: Alaska Marijuana Control Board (MCB) amco.regs@alaska.gov
- From: Alaska Marijuana Industry Association (AMIA) president@alaskamia.org



Re: Comment on MCB proposed changes to regulations in Title 3, Chapter 306 of the Alaska Administrative Code dealing with the operating plan requirements for marijuana applicants.

The Alaska Marijuana Industry Association (AMIA) respectfully requests that the Marijuana Control Board table the regulations project related to the amended requirements for operational plans under Title 3, Chapter 306 of the Alaska Administrative Code. While it is the responsibility of applicants to fully understand regulatory requirements, there is concern within the industry about lowering the barriers to entry in a field where knowledge of statutes and regulations is critical for successful operation. These changes primarily impact new licensees, which raises additional concerns.

Feedback from our members indicates that many licensees regularly consult their operational plans to verify approved procedures for handling various situations. We believe that enforcement should play a key role in this discussion, and we would welcome input from the enforcement division on how these regulatory changes might affect their best practices. It is crucial that enforcement has the necessary information to hold licensees accountable and facilitate investigations effectively.

We also recognize the opportunity to strike a balance between certification processes and the use of detailed operational descriptions, especially with newer regulatory requirements like walk-up or drive-through exterior window pick-up for retail marijuana stores. Requiring detailed descriptions during the application process could help protect public health and safety. However, this broader issue may be better addressed during the anticipated rewrite of Title 3, as has been previously discussed by the Marijuana Control Board.

Given the current staffing changes within the office, we respectfully request that these regulatory changes be postponed until the office is fully staffed. Implementing such significant changes now could divert attention from other priorities, such as project management and license renewals, and could have unintended consequences due to the meticulous nature of these proposed changes.

The AMIA appreciates the Marijuana Control Board's trust in licensees and employees by reducing regulatory burdens in a way that supports commerce. We believe that the AMIA, the Marijuana Control Board, and the Alcohol and Marijuana Control Office share a common goal: to evolve regulations that best support commerce in the State of Alaska. We value the opportunity to provide feedback and offer guidance from an industry perspective.

Respectfully,

AMIA Board of Directors

From:	Ryan Tunseth
То:	CED AMCO REGS (CED sponsored)
Cc:	<u>Aaron Stiassny; Nick Miller; Brandon Emmett; chelsea foster; Jana Weltzin; Lacy Wilcox; mike; Trevor Haynes;</u> <u>Kim Kole (via Google Docs); Bailey Stuart</u>
Subject:	AMIA Regulations Comment
Date:	Friday, September 6, 2024 9:56:32 AM
Attachments:	AMIA - Onsite Edibles Requirements Public Comment .pdf
	AMIA - Operational Requirements Public Comment[1].pdf

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Attached are comments from the AMIA regarding the regulation changes proposed for onsite consumption and operating plans.

-AMIA