

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: January 28, 2025

FROM: Kristina Serezhenkov, Regulations RE: Reduced License Renewal Fees

Specialist

The board approved the draft regulations for initial Law review at the September 2024 meeting. The draft was sent out for official public comment with the comment period closing December 16, 2024. Comments were received.

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 306.100(d) is amended to read:

- (d) The annual license or endorsement fee, to be paid with each application for a new marijuana establishment facility license or endorsement and each license or endorsement renewal application [,] is **as follows:**
- (1) for a new retail marijuana store license, \$5,000, and for a renewed retail marijuana store license, **\$5,000** [\$7,000];
- (2) for a new limited marijuana cultivation facility license, \$1,000, and for a renewed limited marijuana cultivation facility license, **\$1,000** [\$1,400];
- (3) for a new standard marijuana cultivation facility license, \$5,000, and for a renewed standard marijuana cultivation facility license, \$5,000 [\$7,000];
- (4) for a new marijuana concentrate manufacturing facility license, \$1,000, and for a renewed marijuana concentrate manufacturing facility license, **\$1,000** [\$2,000];
- (5) for a new standard marijuana product manufacturing facility license, \$5,000, and for a renewed standard marijuana product manufacturing facility license, **\$5,000** [\$7,000];
- (6) for a new marijuana testing facility license, \$1,000, and for a renewed marijuana testing facility license **\$1,000** [\$5,000];
- (7) for an onsite consumption endorsement to a retail marijuana store license,\$2,000.

(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 | | 2025 | COMMER | CE, COMMUN | IITY, AND |) EC. DEV |
|---------------|--------------------|-----------------|----------------|------------------|------------|-------------|
| Register 230, | , am 3/25/2020, Re | egister 233; am | 7/30/2022, I | Register 243; an | n 1/22/202 | 3, Register |
| 245; am 4/16 | /2023, Register 24 | 6; am 1/19/202 | 24, Register 2 | 249; am/_ | / | _, Register |
| | | | | | | |
| Authority: | AS 17.38.010 | AS 17.38 | 8.150 | AS 17.38.200 | | |
| | AS 17.38.070 | AS 17.38 | 8.190 | AS 17.38.900 | | |
| | AS 17.38.121 | | | | | |

From: <u>Trevor Haynes</u>

To: <u>CED AMCO REGS (CED sponsored)</u>

Subject: AMIA Public Comment on Proposed Regulation Changes

Date: Monday, December 16, 2024 4:18:42 PM
Attachments: AMIA Dec 2024 MCB Public Comment letter.pdf

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear AMCO Office,

Please find attached the AMIA's public comments on the proposed regulation changes with comment periods closing today.

Thank you for all the work you do for our industry. Sincerely,

Trevor Haynes President, Alaska Marijuana Industry Association 907-888-3367 Date: 12/16/2024

To: Alaska Marijuana Control Board (MCB)

amco.regs@alaska.gov

From: Alaska Marijuana Industry Association (AMIA)



Re: Draft Regulations Projects Open for Public Comment

The Alaska Marijuana Industry Association (AMIA) is writing in support of the following regulation changes that are currently out for public comment:

1) PROPOSED CHANGES TO MARIJUANA HANDLER PERMIT EDUCATION COURSE REQUIREMENTS IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD

The AMIA is supportive of the removal of the need to cover medical marijuana in the Marijuana Handler Permit (MHP) courses. Removal of this requirement will help courses be more relevant to the recreational marijuana market, which is the primary market these courses serve.

The AMIA would like to point out that there is a consensus from industry that the available MHP courses are highly variable in scope and quality. We generally believe that regulation changes that increase quality and standardize the scope of the courses offered will increase the value of MHP courses to individuals, and the industry as a whole.

2) PROPOSED CHANGES TO LICENSE RENEWAL FEES IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD

The AMIA is supportive of this regulation change. This proposed change would reduce renewal fees by 50%. Renewal fees are one of the major financial burdens faced by marijuana businesses operating in the legal recreational market. Reduction of the financial burden from license renewal fees will provide licensees substantial and much needed financial relief.

3) PROPOSED CHANGES TO FLOWERING PLANT TRACKING REQUIREMENTS IN THE REGULATIONS OF THE MARIJUANA CONTROL BOARD

The AMIA is supportive of this regulation change. This proposed change closes a potential loophole that would arise if a cultivator attempted to flower a marijuana plant under 18 inches to avoid having to track flowering plants in the Metrc system.

| Respectfully | / |
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|--------------|---|

AMIA Board of Directors



Jana D. Weltzin
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JDW, LLC
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December 13, 2024

Dear Honorable Members of the Marijuana Control Board:

We are writing to express our strong support for a 50% reduction in marijuana license renewal fees. This change represents a thoughtful step toward equitable regulation and will benefit both the industry and the State of Alaska.

Currently, vertically integrated and multiple license holders pay up to and in excess of \$45,000.00 in just renewal fees every year. Standard Cultivation licensees currently have to pay \$7,600.00 for their renewal on top of the State tax of \$800.00 on every pound of flower that is sold from their cultivation facility. This places a lopsided financial burden on compliant licensees already subject to heavy taxation. By reducing renewal fees by 50%, licensees can reinvest in growing their businesses and creating jobs, which benefits the entire industry and stimulates the local economy. Lower fees improve business retention by streamlining operations for both the marijuana industry and the Marijuana Control Board (MCB).

Thriving businesses contribute to Alaska's economy by creating jobs, improving services, and generating additional tax revenue for local governments through increased sales and economic activity.

A 50% fee reduction would be an equitable and pragmatic measure that supports the marijuana industry's record of success and safety. We urge the Marijuana Control Board to adopt these changes for a 50% reduction in renewal fees to ensure that they are sustainable and will continue to contribute to industry growth.

Truly and Sincerely Yours,

Jana D. Weltzin, Esq.

From: <u>Jana Weltzin</u>

To: CED AMCO REGS (CED sponsored)
Cc: Brenda Mills; Randi Baker

Subject: Fwd: Public Comment in Support of Reduced Renewal Fees - Signed

Date: Friday, December 13, 2024 10:18:55 AM

Attachments: Public Comment in Support of Renewal Fee Reduction - Signed.pdf

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Hello! please see attached regulation comment - thanks!

Jana D. Weltzin, Esq.

JDW, LLC

Principal Owner

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*Licensed in Alaska and Arizona

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----- Forwarded message -----

From: Randi Baker < randi@idwcounsel.com>

Date: Fri, Dec 13, 2024 at 10:16 AM

Subject: Public Comment in Support of Reduced Renewal Fees - Signed

To: Jana Weltzin < jana@jdwcounsel.com >, Brenda Butler < brenda@jdwcounsel.com >

Randi Baker

JDW Counsel Paralegal, Notary Public 901 Photo Avenue, Second Floor Anchorage, Alaska 99503 Office Phone: (907) 231-3750

Fax (360) 483 - 3089 randi@jdwcounsel.com

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From: Andy Workman

To: <u>CED AMCO REGS (CED sponsored)</u>

Cc: <u>Jerry Workman</u>

 Subject:
 Public Comment regarding Renewal Fees

 Date:
 Wednesday, December 11, 2024 3:04:20 PM

 Attachments:
 Public Comment on Renewal Fees.pdf

You don't often get email from andy.workman@oleanderinc.com. Learn why this is important

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Thank you!











December 15, 2024

Members of the Marijuana Control Board,

I am writing on behalf of my businesses, The Roots Collective & Canamo Concepts, to advocate for a 50% reduction in marijuana license renewal application fees. Currently, the combined \$7,600 annual fee per license (\$7,000 license fee + \$600 renewal fee) places a significant financial strain on businesses like mine. Reducing these fees to \$3,500 per license would fee up necessary capital businesses to reinvest in operations, hire additional employees, and allow me and my staff to maintain being a part of this industry.

Currently, the financial burden of license renewal fees is disproportionately heavy, particularly for standard cultivation license holders, who pay the full \$7,600.00 in renewal and licensing fees annually in addition to the \$800.00-per-pound state tax on marijuana flower. For my business, which currently holds six licenses, annual renewal costs are \$45,600.00 with an additional cultivation excise tax of near a million dollars. These high fees significantly strain the businesses and others like it, severely limiting the ability to reinvest in operations, hire employees, and grow the industry in a stable manner.

If the Marijuana Control Board (MCB) would allow licensees to redirect renewal fee funds to something useful by reducing them by 50%, this would improve the financial viability of licensed businesses, promote compliance, and discourage cost-cutting measures that compromise safety. A 50% reduction in licensing fees would also help level the playing field, making the licensed market more attractive to those currently operating in the black market. This much-needed decrease in fees would encourage broader participation in the regulated industry and increase consumer safety. Thriving businesses contribute to the local economy by generating additional tax revenue, stimulating economic activity, and providing quality jobs for Alaskans and a renewal fee reduction would demonstrate the State's commitment to supporting small businesses and ensuring the sustainability of this hurting industry.

I urge the Marijuana Control Board to adopt this fair and pragmatic change. Reducing renewal fees is an investment in the success of the marijuana industry, a boost to the industry's economic sustainability, and positive push for community well-being.

Thank you for your consideration.

Sincerely,

Jerry Workman

Founder, The Roots Collective

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