THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, Alaska 99501
Main: 907.269.0350

To: Marijuana Control Board
Date: June 24, 2026
From: Kevin Richard, Director
RE: AMCO Director's Report

Marijuana Renewal Application Reminder

Any marijuana renewal application that is submitted after June 30, 2026, is delinquent and will be assessed an additional non-refundable $1,000 late renewal application fee under 3 AAC 306.100(b).

Any marijuana establishment that fails to submit a complete license renewal on or before August 31, 2026, for any reason, including failure to pay any required fees or submit accurate and complete copies of any required supplemental documents, will have its corresponding license expire at 12:00 midnight on August 31, 2026. The only exception is if the license qualifies for license reinstatement under 3 AAC 306.035(i).

- **Introduction**
  - This report summarizes the activities of the Alcohol and Marijuana Control Office (AMCO) from the last board meetings held in April 2026.

- **Discussion Topics**
  - **Licensing**
    - Regina Cruz will update you on the progress that has been made since the April 2026 board meetings. There is currently one vacant Licensing Examiner 2 position. A recruitment waiver has been submitted.
    - As we go into the heavy renewal season, AMCO will be short-staffed in marijuana licensing, with one examiner and one supervisor. We ask that licensees be patient while we process applications.
  - **Enforcement**
    - Joe Bankowski will update you on the activities of the AMCO Enforcement Unit since the April board meetings. There are currently three vacant Special Investigator positions in Anchorage, Fairbanks, and Juneau.
  - **Administration**
    - AMCO has hired an Administrative Officer with an effective date of June 1, 2026. Reece Parks was internally promoted from Licensing Examiner 2.
  - **AO 360**

- AMCO has been working on the AO 360 Reform Plan since the project was opened on May 11. Staff have gone through the reform plan and identified regulations that are ready for draft language. The MCB had a special meeting on June 3rd. Staff are using the input from that meeting to draft regulatory language and look forward to presenting draft language at a future meeting date.

- **Legislative Review**
  - **SB 208** Agricultural Land; Hemp; State Vegetable
    - **Sponsor:** Senators Bjorkman, Kiehl, Giessel, Yundt, Claman, Kaufman, Cronk, Rauscher, Tilton. Representative Elam.
    - **Status:** Awaiting Transmittal to Governor
    - SB 208 is awaiting transmittal to the Governor. In May, HB 325 was amended to the language of SB 208. I have attached the language, and in the MCB Mailbox you'll see letters from AMIA and Representative McCabe.
- **WCAG Web Content**
  - The deadline for the WCAB Web Content was extended from April 24, 2026, to April 24, 2027. AMCO's priority is to get forms and documents required for licensure ADA compliant so there will not be an interruption in access. Second priority is to have meeting documents made ADA compliant to allow for continued posting.
- **Legislative Audit**
  - AMCO is currently participating in a routine legislative audit of both the Alcoholic Beverage Control Board and the Marijuana Control Board. The report will be released later this year.
- **Marijuana Tax Definitions and Categories**
  - The MCB proposed drafting a letter to DOR with AMCO's assistance requesting clarity or revision of tiers and types of marijuana taxes. See attached memo "Dept. of Revenue Definitions of Taxable Marijuana."



Kevin Richard
Director, AMCO

LAWS OF ALASKA

2026

Source
HCS CSSB 208(RES) am H

Chapter No.
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AN ACT

Relating to industrial hemp; relating to the sale and lease of state land for agricultural uses; designating the O-S Cross cabbage, commonly known as "giant green cabbage," as the official state vegetable; and providing for an effective date.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

Relating to industrial hemp; relating to the sale and lease of state land for agricultural uses; designating the O-S Cross cabbage, commonly known as "giant green cabbage," as the official state vegetable; and providing for an effective date.

*** Section 1.** AS 03.05.010(a) is amended to read:

(a) The commissioner of natural resources shall

(1) direct, administer, and supervise promotional and experimental work, extension services, and agricultural projects for the purpose of promoting and developing commercial and noncommercial agricultural industry in the state, including horticulture, dairying, cattle raising, fur farming, grain production, vegetable production, and agricultural products;

(2) procure and preserve all information pertaining to developing the agricultural industry in the state and disseminate that information to the public;

(3) assist prospective settlers and others to engage in the agricultural

industry in the state by providing information about activities and programs essential to developing the agricultural industry and areas in the state that are suitable for agriculture;

(4) review the marketing, financing, transportation, and development of agricultural products in the state, with special emphasis on local production, and negotiate for the marketing of agricultural products of the state with federal and state agencies operating in the state;

(5) regulate and control the entry in the state and the transportation, sale, or use in the state of plants, seeds, vegetables, shell eggs, fruits and berries, nursery stock, animal feeds, remedies and mineral supplements, fertilizers, and agricultural chemicals to prevent the spread of pests, diseases, or toxic substances injurious to the public interest and protect the agricultural industry against fraud, deception, and misrepresentation; for purposes of this paragraph, the commissioner may require registration, inspection, and testing and may establish procedures and fees;

(6) regulate the farming of elk in a manner similar to the manner in which the commissioner regulates domestic animals and livestock, to the extent that is appropriate;

(7) adopt regulations relating to industrial hemp, including regulations that

(A) specify approved sources or varieties of hemp seed **or propagation material** to be grown, sold, or offered for sale by an individual registered to produce industrial hemp**, including material certified under a federally approved hemp program, federally certified seed scheme, or recognized third-party certifier, without requiring grow-out trials conducted by the department**;

(B) require testing, paid for by the registrant, for delta-9-tetrahydrocannabinol concentration following harvest of the industrial hemp**, allowing for independently accredited laboratories and samplers**;

(C) provide for general production practices to avoid the unintended distribution of industrial hemp seeds by registrants into nonagricultural land;

(D) establish **an** isolation **distance** [DISTANCES] for the production of industrial hemp **grown for certified or seed-purity production of at least 1,000 meters and recommend isolation distances for the production of other industrial hemp**; in this subparagraph, "isolation distance" means the minimum separation required between two or more varieties of the plant (genus) Cannabis for the purpose of keeping the seed pure;

(E) permit manufacturing and retail sale of industrial hemp and products made from industrial hemp;

(F) establish a registration and renewal procedure for a participant in the industrial hemp program developed under AS 03.05.076;

(G) establish a tiered testing frequency based on risk categories developed in regulation that considers crop history and past compliance;

(H) allow a harvest window of not more than 30 days after sample collection, with permissible extensions for weather or other good cause;

(I) establish tiered grower categories, including a micro-grower category, with scaled reporting, inspection, testing, and fee requirements;

(J) eliminate permits for in-state transportation of industrial hemp between registered parties when a shipment is accompanied by a certificate of analysis or other approved shipping documentation;

(K) establish corrective-action-plan procedures to enforce an industrial hemp violation that prioritize compliance, include a written notice of the registrant's noncompliance, provide an opportunity for the registrant to cure the noncompliance, and establish objective criteria for escalation, including civil penalties, suspension, or revocation;

(8) submit a list of individuals registered to produce industrial hemp under AS 03.05.076 and the expiration dates of the registrations to the Marijuana Control Board and the Department of Public Safety;

(9) regulate the labeling of seed that does not comply with the

requirements of AS 03.20.130.

*** Sec. 2.** AS 03.05.010(c) is amended to read:

(c) The commissioner of natural resources shall notify the Marijuana Control Board and the Department of Public Safety **of a person's repeated or knowing violations of state statutes or regulations relating to industrial hemp. Industrial hemp shall be tested using a federally compliant testing method that accounts for measurement uncertainty. Noncompliant industrial hemp is industrial hemp that tests above 0.3 percent delta-9-tetrahydrocannabinol on a dry-weight basis** [WHEN THE COMMISSIONER ISSUES A STOP ORDER]. The commissioner of natural resources **shall**

(1) [SHALL] issue a stop order to a person

[(A) NOT REGISTERED UNDER AS 03.05.076 WHO IS FOUND TO BE PRODUCING A PLANT WITH DELTA-9-TETRAHYDROCANNABINOL; OR

(B)] registered under AS 03.05.076 who is found to be producing a plant with delta-9-tetrahydrocannabinol over one percent; and

(2) **allow** [MAY ISSUE A STOP ORDER TO] a person registered under AS 03.05.076 who is found to be producing a plant with delta-9-tetrahydrocannabinol between 0.3 percent and one percent **to retain and recondition, remediate, or convert the plant to a nonintoxicating industrial use before issuing a stop order requiring destruction of the plant**.

*** Sec. 3.** AS 03.05.010 is amended by adding a new subsection to read:

(e) The commissioner of natural resources may issue enforcement actions for an industrial hemp violation using the corrective action plan developed under (a)(7)(K) of this section.

*** Sec. 4.** AS 03.05.076(a) is amended to read:

(a) Industrial hemp is an agricultural crop in the state. An individual who produces industrial hemp shall apply to the department for registration under this section. Registration is valid for one year but may be renewed. An application for registration or renewal must be on a form prescribed by the department that includes

(1) the name and address of the applicant;

(2) the address and global positioning system coordinates of the area to be used for the production of industrial hemp; and

(3) **the applicant's acreage or estimated plant count sufficient to determine the applicant's tiered grower category under AS 03.05.010(a)(7)(I)** [A SIGNED STATEMENT BY THE APPLICANT, MADE UNDER THE PENALTY OF PERJURY, AFFIRMING THAT THE APPLICANT

(A) HAS NOT BEEN CONVICTED OF A FELONY RELATED TO A CONTROLLED SUBSTANCE IN THIS OR ANOTHER JURISDICTION WITHIN THE 10 YEARS IMMEDIATELY PRECEDING THE DATE OF APPLICATION; OR

(B) WAS LAWFULLY GROWING HEMP BEFORE DECEMBER 20, 2018, AND WAS NOT CONVICTED OF A FELONY RELATED TO A CONTROLLED SUBSTANCE IN THIS OR ANOTHER JURISDICTION AFTER THAT DATE].

*** Sec. 5.** AS 03.05.076(b) is amended to read:

(b) An individual registered under this section may

(1) produce industrial hemp, including growing, harvesting, possessing, transporting, processing, selling, or buying industrial hemp;

(2) use any propagation method, including planting seeds or starts or using clones or cuttings to produce industrial hemp;

(3) retain industrial hemp seeds for the purpose of propagating industrial hemp in future **growing seasons** [YEARS];

(4) retain and recondition**, remediate, or convert** any industrial hemp that tests between 0.3 percent and one percent delta-9-tetrahydrocannabinol on a dry-weight basis.

*** Sec. 6.** AS 03.05.076(c) is amended to read:

(c) An individual registered under this section shall

(1) comply with testing standards and procedures established by the commissioner **of natural resources** by regulation;

(2) maintain, for at least three years following the sale or transfer of industrial hemp, records showing

(A) the name and address of the person that received the industrial hemp;

(B) the amount of industrial hemp transferred;

(3) make the records required under (2) of this subsection available for inspection by the department during normal business hours if the department provides at least **10** [THREE] days' notice before inspecting the records.

*** Sec. 7.** AS 03.05.076(d) is amended to read:

(d) The department shall

(1) establish fee levels for application, registration, and renewal of registration so that the total amount of fees collected under this section approximately equals the regulatory costs for regulating the industrial hemp industry**, with reduced or waived fees for micro-growers**;

(2) annually review each fee level to determine whether the regulatory cost of industrial hemp is approximately equal to the fees collected;

(3) notify the Marijuana Control Board and the Department of Public Safety when the department issues **a notice for a repeated or knowing** [A STOP-SALE ORDER AND ISSUES A] violation [NOTICE] under this section;

(4) require an individual registered under this section whose industrial hemp tests over one percent delta-9-tetrahydrocannabinol to destroy the product so that it cannot be used for the purpose of reconditioning other hemp crops or gifted or transferred to another individual other than for the purpose of having the industrial hemp destroyed in full form**;**

(5) issue a notice to an individual for a repeated or knowing violation of state statutes or regulations relating to industrial hemp.

*** Sec. 8.** AS 03.05.076(e) is amended to read:

(e) The department **may**

(1) [SHALL] issue a stop-sale order and issue a violation notice to a person who is producing industrial hemp without a current registration;

(2) [MAY] adopt regulations regarding approved shipping documentation for the transportation of industrial hemp **and eliminate permits for in-state transportation between registered parties**;

(3) [MAY] conduct random tests and inspections of industrial hemp for delta-9-tetrahydrocannabinol concentration produced by an individual registered under this section**; random tests and inspections under this paragraph may use risk-based tiers with reduced frequency for low-risk growers, products, or production or testing methods approved by the department in regulation**.

*** Sec. 9.** AS 03.05.079 is amended to read:

Sec. 03.05.079. Production in violation of delta-9-tetrahydrocannabinol limit. (a) Notwithstanding AS 11.71.040 - 11.71.060, an individual registered under AS 03.05.076 to produce industrial hemp whose product has a delta-9-tetrahydrocannabinol content between 0.3 percent and one percent may retain and recondition**, remediate, or convert** the product as provided in AS 03.05.076(b)(4).

(b) An individual who retains but fails to recondition**, remediate, or convert** an industrial hemp product described in (a) of this section is guilty of a violation.

*** Sec. 10.** AS 03.05.100 is amended by adding a new paragraph to read:

(6) "micro-grower" means an individual registered under AS 03.05.076 to produce industrial hemp whose product is cultivated on less than one-quarter of an acre or who has fewer than 200 plants, including indoor or greenhouse production.

*** Sec. 11.** AS 38.04.020(i) is amended to read:

(i) Nothing in this section prevents the disposal of other land by the commissioner in accordance with AS 38.05.055, 38.05.057, **38.05.059,** 38.05.070, the issuance of remote recreational cabin site leases or sales under AS 38.05.600, AS 38.08, AS 38.09, or other law.

*** Sec. 12.** AS 38.05.059 is amended to read:

Sec. 38.05.059. Sale of agricultural land. The commissioner, after consulting with the Board of Agriculture and Conservation (AS 03.09.010), may provide for the sale of land classified under **AS 38.05.020** [AS 38.05.020(b)(6)] for agricultural uses in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state subdivision requirements and municipal ordinances. **The commissioner shall publish a schedule that provides per-acre prices of land, based on the region within which the land is located. The commissioner shall ensure that the schedule serves the best interest of the state. The commissioner may set land sale prices below the market**

rate. Money from a sale of agricultural land shall be **deposited in the state land disposal income fund (AS 38.04.022). The commissioner may offer land classified for agricultural uses for sale at public auction under AS 38.05.057(c), by sealed bid under AS 38.05.055, or as provided in (b) of this section. A parcel or tract sold under this section is subject to AS 38.05.321 and must be used for agricultural uses** [SEPARATELY ACCOUNTED FOR AND MAY BE APPROPRIATED TO THE AGRICULTURAL REVOLVING LOAN FUND (AS 03.10.040)].

*** Sec. 13.** AS 38.05.059 is amended by adding new subsections to read:

(b) The department may solicit applications for the purchase of state agricultural land under this section after the director issues a written finding under AS 38.05.035(e) that the sale is in the best interests of the state and the department provides notice of the sale under AS 38.05.945. A person may apply to purchase a parcel or tract of land offered for sale under this section by submitting an application to the department. An application to purchase agricultural land must include

(1) the specific land the applicant wants to purchase;

(2) a detailed summary of the proposed agricultural uses the land will be used for;

(3) a plan for soil and water conservation;

(4) information supporting the financial viability of the applicant's proposed agricultural uses for the land, including any marketing plans;

(5) the applicant's relevant qualifications, training, and experience; and

(6) additional information and requirements established by the department by regulation, including any application fees.

(c) The director shall, in consultation with the director of agriculture, evaluate an application submitted under this section using scoring criteria established in regulation by the department. Criteria developed under this subsection must be flexible in application and account for the range of land offered under this section and the variety of agricultural uses that the land may accommodate. The department may provide the applicable criteria, and how an application submitted under this section will be scored under those criteria, in a solicitation of interest for a particular parcel or tract. The criteria must include

(1) the department's assessment of the feasibility and value of the proposed agricultural use;

(2) applicable conservation and stewardship considerations;

(3) applicant qualifications and experience; and

(4) financial viability of the proposed agricultural use.

(d) If the director, in consultation with the director of agriculture, finds, using the scoring criteria established under (c) of this section, that a sale of agricultural land to an applicant under (b) of this section is in the best interests of the state, the commissioner may sell the parcel or tract to the applicant. If the director has received two or more applications for the same parcel or tract, the commissioner may sell the parcel or tract to the applicant whose proposal the director finds, using the scoring criteria established under (c) of this section, and after consulting with the director of agriculture, best serves the interests of the state. An application for the purchase of state land under this section, including supporting documentation submitted to the department for review, is a public record subject to AS 40.25.110 - 40.25.220. The commissioner shall publish all applications received for the purchase of the land, including supporting documentation submitted to the department, and the department's evaluation and scoring of the applications under (c) of this section. An aggrieved applicant may appeal to the commissioner for a review of the director's finding within 20 days after receiving notice of the finding.

*** Sec. 14.** AS 38.05.069(d) is amended to read:

(d) When not in conflict with this section, the provisions of

(1) AS 38.05.045 - 38.05.105 apply to disposals under this section**; and**

(2) AS 38.05.084 apply to leases issued under this section.

*** Sec. 15.** AS 38.05.070(c) is amended to read:

(c) A lease may be issued for a period up to 55 years, if the commissioner determines it to be in the best interests of the state. The commissioner shall consider the useful life of any improvements proposed and approved under AS 38.05.075 in determining the term of the lease. **The** [IF THE] commissioner **may declare a lease void if the commissioner** determines that

(1) the land or a part of it which is the subject of a grazing lease is not

being used for the purpose issued**; or**

(2) land leased under AS 38.05.084 is not being used for agricultural uses [, THE LEASE MAY BE DECLARED VOID].

*** Sec. 16.** AS 38.05.070(e) is amended to read:

(e) The director may renew a lease issued under this section, AS 38.05.075, 38.05.083, **38.05.084,** or 38.05.810 upon its expiration if the lease is in good standing and the lease renewal is determined to be in the best interests of the state. A renewal issued under this subsection is not subject to AS 38.05.035(e). **The director shall provide notice of the lease renewal decision.** A lease under

(1) this section, AS 38.05.075, or 38.05.810 may be renewed only once for a term not longer than the initial term of the lease**; and**

(2) AS 38.05.084 may not exceed 20 years under AS 38.05.084(e) [. THE DIRECTOR SHALL PROVIDE NOTICE OF THE LEASE RENEWAL DECISION].

*** Sec. 17.** AS 38.05.075(a) is amended to read:

(a) Except as provided in AS 38.05.035, 38.05.070, 38.05.073, 38.05.081, 38.05.082, 38.05.083, **38.05.084,** 38.05.087, 38.05.102, 38.05.565, 38.05.600, 38.05.810, and this section, when competitive interest has been demonstrated or the commissioner determines that it is in the state's best interests, leasing shall be made at public auction or by sealed bid, at the discretion of the director, to the highest qualified bidder as determined by the commissioner. A bidder may be represented by an attorney or agent at a public auction. In the public notice of a lease to be offered at public auction or by sealed bid, the commissioner shall specify a minimum acceptable bid and the lease compensation method. The lease compensation method shall be designed to maximize the return on the lease to the state and shall be a form of compensation set out in AS 38.05.073(m). An aggrieved bidder may appeal to the commissioner within five days for a review of the determination. The leasing shall be conducted by the commissioner, and the successful bidder shall deposit at the public auction or with the sealed bid the first year's rental or other lease compensation as specified by the commissioner, or that portion of it that the commissioner requires in accordance with the bid. The commissioner shall require, under AS 38.05.860, qualified bidders to

deposit a sum equal to any survey or appraisal costs reasonably incurred by another qualified bidder acting in accordance with the regulations of the commissioner or incurred by the department under AS 38.04.045 and AS 38.05.840. If a bidder making a deposit of survey or appraisal costs is determined by the commissioner to be the highest qualified bidder under this subsection, the deposit shall be paid to the unsuccessful bidder who incurred those costs or to the department if the department incurred the costs. All costs for survey and appraisal shall be approved in advance in writing by the commissioner. The commissioner shall immediately issue a receipt containing a description of the land or interest leased, the price bid, and the terms of the lease to the successful qualified bidder. If the receipt is not accepted in writing by the bidder under this subsection, the commissioner may offer the land for lease again under this subsection. A lease, on a form approved by the attorney general, shall be signed by the successful bidder and by the commissioner.

*** Sec. 18.** AS 38.05 is amended by adding a new section to read:

Sec. 38.05.084. Leases of state land for agricultural uses. (a) The commissioner may lease state land classified under AS 38.05.020 for agricultural uses. Money from the lease of agricultural land shall be deposited in the state land disposal income fund (AS 38.04.022). The commissioner may offer agricultural land for lease to the public at public auction, by sealed bid under AS 38.05.075, by negotiation under AS 38.05.070, or as provided in this section. State land that is not classified as agricultural land under AS 38.05.020 may also be leased for agricultural uses under this section. A lease issued under this section must include land use restrictions and authorizations consistent with the agricultural use of the lease. However, the commissioner shall permit a person leasing land under this section to construct housing for farmers and farm laborers if the construction accords with the person's agricultural development plan approved by the director under (c) of this section.

(b) A person may apply to lease state land for an agricultural use under this section by submitting an application to the department. An application to lease agricultural land must include

(1) the specific location, description, and amount of land the applicant wants to lease;

(2) a detailed summary of the proposed agricultural uses the land will be used for;

(3) an agricultural development plan that

(A) details proposed crop plans or livestock production;

(B) includes a timeline for agricultural production and infrastructure development on the land;

(C) provides how soil and water will be conserved;

(D) describes proposed infrastructure, including housing, support, or other auxiliary infrastructure;

(4) information supporting the financial viability of the proposal, including any marketing plans;

(5) the applicant's relevant qualifications, training, and experience; and

(6) additional information and requirements established by the department by regulation, including any application fees.

(c) The director shall, in consultation with the director of agriculture, evaluate an application submitted under this section using scoring criteria established in regulation by the department under AS 38.05.059(c). Upon the director's request, an applicant may amend and resubmit an application provided under this section before the director approves or denies the application.

(d) If the director finds that a lease is in the best interests of the state, the department shall, upon receiving an application to lease state land for agricultural uses under this section, solicit competitive interest by issuing a public notice in the manner prescribed in AS 38.05.945. The notice must contain an announcement seeking competitive interest. If, following notice, the director has received only one application and finds, using the scoring criteria established in regulation by the department under AS 38.05.059(c), that the lease is in the best interests of the state, the commissioner may award a lease to the applicant. If, following notice, the director has received two or more applications for the same land, the commissioner may award a lease to the applicant whose proposal the director finds, using the scoring criteria established in regulation by the department under AS 38.05.059(c), best serves the interests of the state, notwithstanding the proposed monetary consideration. An application for the lease of

state land under this section, including supporting documentation submitted to the department for review, is a public record subject to AS 40.25.110 - 40.25.220. The commissioner shall publish all applications received for the lease of the land, including supporting documentation submitted to the department, and the department's evaluation and scoring of the applications under (c) of this section. An aggrieved applicant may appeal to the commissioner for a review of the director's finding within 20 days after receiving notice of the finding.

(e) Notwithstanding AS 38.05.070(c) and (e), a lease for state land under this section may not exceed 20 years, with an option for renewal terms that may not exceed 20 years each, if the lessee continues to meet the conditions of the lease. The director shall establish by regulation criteria for lease termination, lease renewal, and requirements for returning land to the state. The commissioner may terminate a lease under this section if the lessee fails to use the leased land for agricultural uses or otherwise fails to adhere to the terms and conditions of the agricultural development plan approved by the director under this section. However, the commissioner may modify a lessee's agricultural development plan if the commissioner makes a written finding that the plan should be modified because of economic hardship or other extenuating circumstances.

(f) Land leased under this section may be subleased or assigned as provided in AS 38.05.095 if the sublessee or assignee agrees in writing to adhere to the terms and conditions of the agricultural development plan for the land approved by the director under this section and provides a copy of the agreement to the director.

(g) If the commissioner determines that it is in the best interests of the state to sell land leased under this section, the commissioner shall grant a lessee who has used the land for agricultural uses for at least seven years and who is in compliance with the terms and conditions of the lease a first option to purchase the land under AS 38.05.059. Notwithstanding whether the land is classified as agricultural land under AS 38.04.020, land sold under this section is subject to AS 38.05.321. If a lessee does not use the land leased under this section for agricultural uses for at least seven years, the lessee is not eligible for a preference under this subsection.

(h) The director shall establish by regulation an agricultural fee schedule for

compensation for a lease under this section. Rent may be set below fair market rate.

(i) State land leased for agricultural uses under this section is subject to

(1) appraisal under AS 38.05.840 only if the commissioner determines in writing that the site is subject to appraisal under AS 38.05.840;

(2) survey under AS 38.04.045(b) only if the commissioner determines in writing that the site is subject to survey under AS 38.04.045(b); and

(3) inspection by the department under (j) of this section to ascertain and enforce compliance with the terms and conditions of a lease under this section.

(j) The department shall inspect land leased under this section at least once biennially. An inspection under this section, at the discretion of the department, may be conducted virtually or employ an unmanned aircraft system. In this subsection, "unmanned aircraft system" has the meaning given in AS 18.65.909.

(k) A lessee who violates a provision of this section may be assessed a civil penalty by the director. The director shall establish by regulation a schedule of

(1) applicable fines that a person may be required to pay under this section; and

(2) administrative and enforcement actions applicable to a violation of the terms and conditions of a lease issued under this section.

(*l*) The commissioner shall adopt regulations establishing a lease-purchase program under which, if a lessee purchases leased land under AS 38.05.059, the sale price of the land may be reduced by an amount equal to a portion of the lessee's lease payments made to the state. The regulations must require that the lessee have used the land for agricultural uses during the lessee's tenancy to qualify for the program.

(m) In this section, "agricultural use" means

(1) the commercial production of useful plants and animals;

(2) the construction of improvements for animals or improvements that are reasonably required for or related to agricultural use;

(3) the use of gravel reasonably required for or related to agricultural production on the leased land; and

(4) the removal and disposal of timber on the leased land to bring the land into agricultural use.

*** Sec. 19.** AS 38.05.102 is amended to read:

Sec. 38.05.102. Lessee preference. Except for a lease under AS 38.05.081**,** [OR] 38.05.083, **or 38.05.084,** if land within a leasehold created under AS 38.05.070 - 38.05.105 is offered for sale or long-term lease at the termination of the existing leasehold, the director may, upon a finding that it is in the best interest of the state, allow a holder in good standing of the existing leasehold to purchase or lease the land for its appraised fair market value at the time of the sale or long-term lease. **If land within a leasehold created under AS 38.05.084 is offered for sale, the director may, upon a finding that it is in the best interests of the state, allow a holder of the lease to purchase the land under AS 38.05.059.**

*** Sec. 20.** AS 38.05.321(g) is amended to read:

(g) A perpetual covenant described in (a) of this section may be enforced **by the department under (k) of this section or** [ONLY] by a civil action brought by the state, a municipality, or a resident. If a municipality or a resident brings an action under this subsection, the municipality or resident shall also serve a copy of the summons and complaint on the state in the manner prescribed by the Alaska Rules of Civil Procedure for service on the state. An action may be maintained under this subsection only if

(1) commenced within six years after the cause of action has accrued; and

(2) the plaintiff has first notified in writing the appropriate soil and water conservation district under AS 41.10 of the violation of the covenant at least 90 days before the civil action is filed.

*** Sec. 21.** AS 38.05.321 is amended by adding a new subsection to read:

(k) If a landowner does not cooperate with a soil and water conservation district as required by (d)(1) of this section, fails to prepare and implement a schedule of agricultural development required by the commissioner under (d)(2) of this section, or violates the covenant described in (a) of this section, the department may assess civil penalties. In accordance with a schedule adopted in regulation, the department may assess and collect these and other civil penalties for violations of this section and regulations adopted under this section.

*** Sec. 22.** AS 43.61.010 is amended by adding a new subsection to read:

(g) The tax imposed by (a) of this section does not apply to industrial hemp produced in compliance with AS 03.05.076 or to a product made from industrial hemp if the product contains not more than 0.3 percent delta-9-tetrahydrocannabinol content on a dry-weight basis as determined by testing that complies with the requirements of AS 03.05.010(c).

*** Sec. 23.** AS 44.09 is amended by adding a new section to read:

Sec. 44.09.055. State vegetable. The O-S Cross cabbage (Brassica oleracea var. capitata), commonly known as "giant green cabbage," is the official vegetable of the state.

*** Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGISTRANTS. (a) An individual who held a valid registration under AS 03.05.076 during the period between January 1, 2021, and December 31, 2025, and whose registration lapsed solely as a result of regulatory action by the Department of Natural Resources during the period between January 1, 2024, and December 31, 2025, is eligible for reinstatement following application without paying a renewal of registration fee.

(b) The Department of Natural Resources may not require the destruction of industrial hemp or a product made from industrial hemp that is lawfully held by a registrant under (a) of this section if the industrial hemp or product made from industrial hemp satisfies the testing standards in AS 03.05.076(c), as amended by sec. 6 of this Act.

*** Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Natural Resources may adopt regulations necessary to implement secs. 1 - 10, 22, and 24 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

*** Sec. 26.** Sections 23 and 25 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 27.** Sections 1 - 10, 22, and 24 of this Act take effect July 1, 2026.

*** Sec. 28.** Except as provided in secs. 26 and 27 of this Act, this Act takes effect January 1, 2027.

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, Alaska 99501
Main: 907.269.0350

June 15, 2026

To: Marijuana Control Board
From: Kevin Richard, Director
RE: Dept. of Revenue Definitions of Taxable Marijuana

At the April 2026 Marijuana Control Board meeting, the Board motioned to draft a letter to the Department of Revenue (DOR), with assistance from AMCO, engaging them on the marijuana tax tiers, definitions, clarity, and the potential creation of a wet weight tier.

I have provided the applicable tax types (15 AAC 61.100), DOR definitions (15 AAC 61.990), and MCB definitions (3 AAC 306.990). I have also provided a table comparing the definitions between the DOR and MCB.

AMCO requests further guidance from the MCB as to how these tiers or definitions should be refined. Is it the intent of the MCB to revise 3 AAC 306.990 to incorporate the definitions of DOR or vice versa? What does the board envision for a "wet weight tier" of taxable marijuana?

Sincerely,

Kevin Richard
Director, AMCO

	Department of Revenue 15 AAC 61.990 Definitions	Marijuana Control Board 3 AAC 306.990 Definitions
Mature Bud	(15) "mature bud" means a mature flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes, that are generally: (A) Swelled with Resin; (B) Dense to sight and touch; and (C) Visibly covered in trichromes	Not defined. (a)(6) "mature" means a marijuana plant over 18 inches in height; (b)(4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
Immature Bud	(14) "immature bud" means an immature flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes that generally; (A) appear loose, wispy, or leafy; and (B) are not dense to sight or touch;	Not defined. (a)(4) "immature" means a marijuana plant 18 inches or less in height, with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers; (b)(4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
Abnormal Bud	(11) "abnormal bud" means a flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes, that also (A) failed a microbial testing required by 3 AAC 306.645(b); or (B) contains observable seeds; (12) "clones" has the meaning given in 3 AAC 306.990(b);	Not defined. (b)(4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
Remainder of the Plant	(16) "remainder of the plant" means any part of a flowering marijuana plant not included in (11), (14), or (15) of this section.	Not defined.
Clones	Not defined.	(b)(9) "clones" or "cuttings" means small starter plants (A) shorter than eight inches tall; and (B) used to propagate marijuana plants;

15 AAC 61.100. Marijuana tax.

(a) All non-exempt marijuana sold or transferred from a marijuana cultivation facility will be taxed as follows:

(1) mature bud will be taxed at $50 an ounce;

(2) immature bud will be taxed at $25 an ounce;

(3) abnormal bud will be taxed at $25 an ounce;

(4) the remainder of the plant will be taxed at $15 an ounce; and

(5) clones will be taxed at $1 per plant.

(b) A marijuana cultivation facility that is also licensed as a marijuana product manufacturing facility shall pay tax on all marijuana transferred from the marijuana cultivation facility to the marijuana product manufacturing facility for the month in which the marijuana was transferred.

(c) A marijuana cultivation facility that is also licensed as a retail marijuana store shall pay tax on all marijuana transferred from the marijuana cultivation facility to the retail marijuana store for the month in which the marijuana was transferred.

(d) Marijuana offered for sale in a manner that contains a combination of plant parts will be taxed at the tax rate applicable to the plant part subject to the highest tax rate under this section.

15 AAC 61.990. Definitions.

In AS 43.61 and this chapter,

(1) repealed 1/1/2019;

(2) "department" means the Department of Revenue;

(3) "marijuana" has the meaning given in AS 17.38.900;

(4) "marijuana cultivation facility"

(A) has the meaning given in AS 17.38.900;

(B) includes

(i) a standard marijuana cultivation facility as licensed under 3 AAC 306.400; and

(ii) a limited marijuana cultivation facility as licensed under 3 AAC 306.400;

(5) "marijuana establishment" has the meaning given in AS 17.38.900;

(6) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900; (7) "marijuana products" has the meaning given in AS 17.38.900;

(8) "marijuana testing facility" has the meaning given in AS 17.38.900;

(9) "retail marijuana store" has the meaning given in AS 17.38.900;

(10) "transfer" means the exchange of marijuana, with or without consideration, or by barter, between marijuana establishments, or within marijuana establishments possessing multiple permits, for commercial purposes.

(11) "abnormal bud" means a flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes, that also

(A) failed a microbial testing required by 3 AAC 306.645(b); or

(B) contains observable seeds; (12) "clones" has the meaning given in 3 AAC 306.990(b);

(13) "flowering" has the meaning given in 3 AAC 306.990(a);

(14) "immature bud" means an immature flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes that generally;

(A) appear loose, wispy, or leafy; and

(B) are not dense to sight or touch;

(15) "mature bud" means a mature flower formed on a flowering marijuana plant, and consists of calyx, pistils, resin, and trichomes that are generally

(A) swelled with resin;

(B) dense to sight and touch; and

(C) visibly covered in trichomes;

(16) "remainder of the plant" means any part of a flowering marijuana plant not included in (11), (14), or (15) of this section.

3 AAC 306.990. Definitions.

(a) In AS 17.38 and this chapter,

(1) "assisting" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of the amount allowed in AS 17.38.020;

(B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in AS 17.38.020;

(C) growing marijuana plants for another person in a place other than

(i) that other person's primary residence; or

(ii) a garage, shed, or similar place under the other person's control;

(2) "delivering"

(A) means handing to a person who purchases the product on licensed premises only;

(B) does not include transferring or transporting to a consumer off licensed premises;

(3) "flowering" means a marijuana plant that has visible crystals, buds, or flowers, or for which the exposure to light is scheduled with the intent to produce crystals, buds, or flowers;

(4) "immature" means a marijuana plant 18 inches or less in height, with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers;

(5) "in public"

(A) means in a place to which the public or a substantial group of people has access;

(B) except as provided in (C) of this paragraph, includes highways, transportation facilities, schools, places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence;

(C) does not include an area on the premises of a licensed retail marijuana store designated for onsite consumption under 3 AAC 306.305;

(6) "mature" means a marijuana plant over 18 inches in height;

(7) "personal cultivation" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of the amount allowed in AS 17.38.020;

(B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in AS 17.38.020;

(C) growing marijuana plants for another person in a place other than

(i) that other person's primary residence; or

(ii) a garage, shed, or similar place under the other person's control;

(8) "possess" means having physical possession or control over property;

(9) "registration" means licensure or license.

(10) Repealed 10/11/2017.

(b) In this chapter, unless the context requires otherwise,

(1) "adulterated food or drink product"

(A) means a product that is intended to be consumed orally and that existed without marijuana in a form ready for consumption before marijuana was added by any process;

(B) does not include raw ingredients that are combined with marijuana in a manufacturing process;

(2) "agent"

(A) means a representative who is authorized to act for a licensee, the board, or the director;

(B) includes a contractor or subcontractor;

(3) "batch" or "harvest batch" means a specifically identified quantity of bud and flower, plant trim, leaf, and other usable product from marijuana plants, that are uniform in strain, cultivated in one place and under the same conditions, using the same medium and agricultural chemicals including pesticides and fungicides, and harvested at the same time;

(4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;

(5) "business day" means a day other than a Saturday, Sunday, or a state holiday;

(6) "CBD" means cannabidiol;

(7) "CBDA" means CBD Acid;

(8) "CBN" means cannabinol;

(9) "clones" or "cuttings" means small starter plants

(A) shorter than eight inches tall; and

(B) used to propagate marijuana plants;

(10) "compensation"

(A) means money, bartered objects or services, or anything else of value, whether given as payment or voluntarily as a donation, when accepted by a person who gives, distributes, or delivers marijuana to another;

(B) includes a cover charge, a delivery charge, and a packaging charge;

(11) "concentrate" or "marijuana concentrate" means resin, oil, wax, or any other substance produced by extracting or isolating cannabinoids, THC, or other components from a marijuana plant or from materials harvested from a marijuana plant;

(12) "consumer"

(A) means an individual who purchases and uses marijuana or a marijuana product; and

(B) does not include a marijuana establishment that resells marijuana or incorporates marijuana into a manufactured product;

(13) "contaminant" means one or more of the following:

(A) harmful microbials, including Escherichia coli (E. coli). or Salmonella species;

(B) residual solvents;

(C) poisons or toxins;

(D) harmful chemicals, including pesticides;

(E) dangerous molds, mildew, or filth;

(14) "controlling interest" means ownership or control of

(A) 50 percent or more of the ownership interest or voting shares of a corporation; or

(B) less than 50 percent if a person and family members jointly exert actual control as demonstrated by

(i) making decisions for the corporation without independent participation of other owners;

(ii) exercising day-to-day control over the corporation's affairs;

(iii) disregarding formal legal requirements;

(iv) using corporation funds for personal expenses or investments, or intermingling corporation finances with personal finances; or

(v) taking other actions that indicate the corporation is a mere instrumentality of the individual;

(15) "distribute" means spread out or pass out among several or many members of a group;

(16) "edible" and "edible marijuana product"

(A) means a marijuana product that is intended to be consumed orally, whether as food or drink;

(B) does not include an adulterated food or drink product;

(17) "extraction" or "marijuana extraction" means production of marijuana concentrate by any water-based, food-based, or solvent-based method;

(18) "homogenous" means a component or quality, such as THC, is spread evenly throughout the product, or can be found in equal amounts in each part of a multi-serving unit;

(19) "individual" means a natural person;

(20) "in-house testing"

(A) means laboratory testing as provided in 3 AAC 306.635 and that does not meet the requirements of 3 AAC 306.645;

(B) does not include consumption of any marijuana or marijuana product on the licensed premises;

(21) "licensed"

(A) means holding a current and valid license that the board has issued under this chapter;

(B) does not include holding a formerly valid license that has expired or that the board has suspended or revoked;

(22) "licensee" means each individual identified in 3 AAC 306.020 who must be listed in an application for a marijuana establishment license under this chapter;

(23) "licensed premises" means any or all designated portions of a building or structure, or rooms or enclosures in the building or structure, including overlapping premises approved by the board under 3 AAC 306.705(d) and 3 AAC 306.710(d) or designated outdoor areas, at the specific location for which a marijuana establishment license is issued, and used, controlled, or operated by the marijuana establishment to carry out the business for which it is licensed;

(24) "lot" or "production lot" means a group of marijuana products that were prepared at the same time from the same batch of marijuana, using the same recipe or process;

(25) "marijuana" has the meaning given in AS 17.38.900;

(26) "marijuana cultivation facility" has the meaning given in AS 17.38.900;

(27) "marijuana infused product"

(A) means a product that contains marijuana or marijuana concentrate and is intended for human use;

(B) does not include bud and flower marijuana;

(28) "marijuana plant" means a living organism of the genus Cannabis capable of absorbing water and inorganic substances through its roots, and synthesizing nutrients in its leaves by photosynthesis;

(29) "marijuana product" has the meaning given in AS 17.38.900;

(30) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

(31) "peace officer" has the meaning given in AS 01.10.060;

(32) "person" has the meaning given in AS 01.10.060;

(33) "process" or "processing" means harvesting, curing, drying, or trimming of a marijuana plant;

(34) "propagate" means to cause a marijuana plant to grow by planting clones or cuttings, and nurturing them into viable plants up to eight inches in height;

(35) "recreation or youth center" means a building, structure, athletic playing field, or playground

(A) run or created by a local government or the state to provide athletic, recreational, or leisure activities for persons under 21 years of age; or

(B) operated by a public or private organization licensed to provide shelter, training, or guidance for persons under 21 years of age;

(36) "retail marijuana store" has the meaning given in AS 17.38.900;

(37) "square feet under cultivation"

(A) means an area of the licensed premises of a standard or limited marijuana cultivation facility that is used for growing marijuana, measured from the perimeter of the floor or growing space for marijuana;

(B) does not include a processing or storage area, an equipment storage area, an office, a hallway, or another area, if that area is not used for growing marijuana;

(38) "THC" means tetrahydrocannabinol, the main psychoactive substance found in marijuana;

(39) "THCA" means THC Acid;

(40) "transaction" means one single occurrence in which marijuana or a marijuana product not exceeding the limits set out in 3 AAC 306.355 is passed from a licensed marijuana establishment to another person.

(41) "drunken person" has the meaning given in AS 04.21.080(b)(9);

(42) "freestanding"

(A) has the meaning given in AS 18.35.301(i)(1);

(B) does not include a building that contains a tenant other than one or more licensed marijuana establishments owned by the same business, individual, or group of individuals that seeks an onsite consumption endorsement;

(43) "intoxicated" has the meaning given in AS 11.81.900(b);

(44) "marijuana consumption area" means a designated area within the licensed premises of a retail marijuana store that holds a valid onsite consumption endorsement, where marijuana and marijuana products may be consumed, excluding marijuana concentrates other than those consumed by vaping under 3 AAC 306.370(b)(3);

(45) "retail marijuana store premises" means an area encompassing both the retail marijuana store and any marijuana consumption area.

(46) "sight-obscuring wall or fence" means a wall or fence, including any gates, constructed of solid material and a minimum of six feet in height.

(47) "total CBD" means the sum of CBD and (0.877) * (CBDA);

(48) "total THC" means the sum of THC and (0.877) * (THCA).

(49) "smoking" has the meaning given in AS 18.35.399;

(50) "vaping" means the action or practice of inhaling the aerosol produced by an electronic device that heats up and vaporizes a liquid or solid; and

(51) "office" means the Alcohol and Marijuana Control Office;

(52) "filth" has the meaning given "contaminated with filth" in AS 17.20.370 (Alaska Food, Drug, and Cosmetic Act; definitions);

(53) "plant batch" means a specifically identified quantity of immature plants that are propagated at the same time and from the seeds, clones, or cuttings of a marijuana plant or marijuana plants that are uniform in strain, cultivated in one place and under the same conditions, and using the same medium and agricultural chemicals including pesticides and fungicides.

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
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Main: 907.269.0350

To: Marijuana Control Board
Date: June 24, 2026
From: Kevin Richard, Director
RE: DOR Response to "METRC Reporting of Transfer Dates" & Collection Efforts of Delinquent Taxes

Marijuana Control Board Members,

At the April meeting, AMCO was asked to send the "METRC Reporting of Transfer Dates" memo to the Department of Revenue. AMCO was to ask if there are any statutes or regulations in AS 17.38 or 3 AAC 306 that could improve collections efforts by the Department of Revenue. The MCB wanted to know if there were regulations that could help DOR collect delinquent taxes.

AMCO provided the attached letter to DOR explaining concerns with METRC where transfers were not captured in the month they were created. DOR informed me that while they value METRC, they do not rely on METRC exclusively. They stated that at its core, METRC is an inventory tracking system and that taxpayers should verify the information from other sources when filing a tax return. During an audit, a taxpayer can provide supporting documentation from any source, and DOR considers all relevant information before making an audit conclusion. Further, if a taxpayer identifies a discrepancy in their tax return, they are encouraged to file an amended return to correct the error.

AMCO asked DOR what the Marijuana Control Board could do to aid DOR's collection of delinquent taxes. DOR responded that the most effective tool available to the State in collecting delinquent marijuana tax payments is to suspend a license when a taxpayer becomes delinquent. AS 43.10.045 was cited: "In addition to the other penalties in this title, if a person who is authorized to conduct a business by license issued under the laws of the state fails to pay a levied tax under this title, the license of the person is suspended until the tax imposed by this title, together with interest and penalties, is paid in full." Other methods, such as liens and levies, are less effective in cash-only businesses.

Kevin Richard
Director, AMCO

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development
ALCOHOL AND MARIJUANA CONTROL OFFICE

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April 14, 2026

To: Department of Revenue, Tax Division
From: Kevin Richard, Director
RE: METRC Reporting of Transfer Dates

AMCO has identified a concern in METRC where transfers were not being captured in the month they were created.

If a manifest was created on the last day of the month after 4:00PM, from March to October, it would fall on the following months report. If the manifest was created on the last day of the month after 3:00PM from November to January, it would fall on the following months report.

The root cause was that METRC recorded a transfer at system time, then displayed that time less 8 or 9 hours, depending on daylight savings time. When the transfer report ran, it was pulling from system time leading to end-of-month transfers not being reported in the appropriate report.

For example, a manifest created January 31st at 7:00PM would not be captured in the January 1-January 31 transfer report. It appeared on the February 1-February 28 transfer report.

In February 2026, METRC released an update to the transfers report to pull transfer report data from Alaska local time. AMCO has reviewed monthly transfer reports and confirmed the update is effective in accurately reporting transfer data.

It is unlikely that a licensee would have identified this error in their routine monthly reporting of transfers. I would encourage the Tax Division to consider this memo when investigating potential penalties for licensees affected by this reporting error.

Sincerely,

Kevin Richard
Director