



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

Marijuana Control Board Overview presented to Senate Labor & Commerce

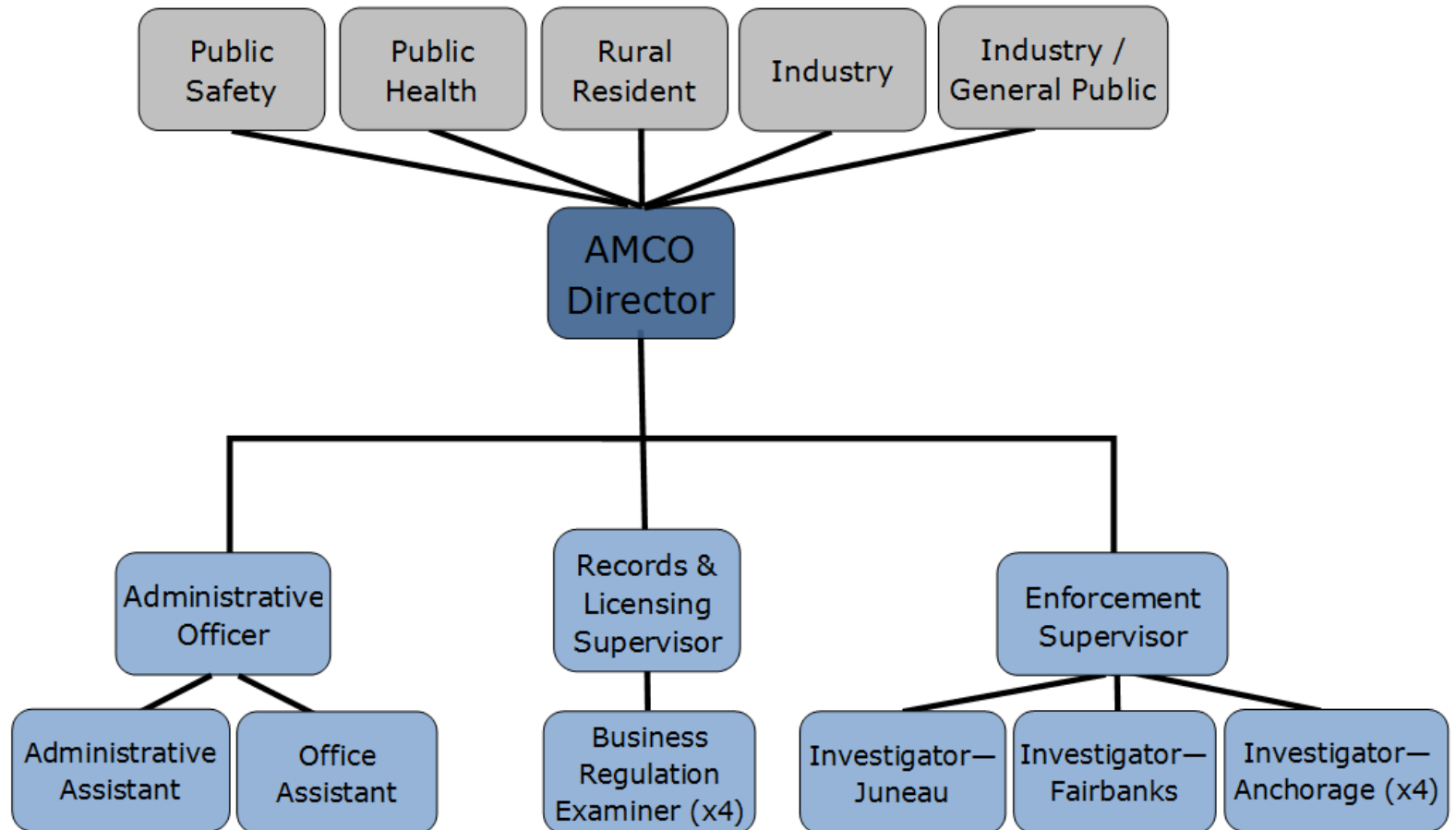
Cynthia Franklin, Director

January 21, 2016



Alcohol and Marijuana Control Office

Five Member Marijuana Control Board
served by AMCO director and staff





Staff Functions and Duties

All staff work on activities related to both substances.

- **Administration**

- Interact with public
- Process budget, travel, procurement
- Complete regulations-related projects

- **Licensing**

- Review applications and permits: new, transfers, renewals
- Assist licensees and local governments in corrections, completion, and compliance
- Maintain license files
- Support the boards (e.g. meeting minutes)

- **Enforcement**

- Conduct walk-throughs, inspections, compliance checks
- Proactively interact with licensees
- Track social media, advertising, sign event permits
- Issue advisory notices and notices of violation, criminal citations

- **Education**

- Tremendous need for education opportunities for local governments and public



Marijuana Regulation Development Timeline

February 24 – November 24, 2015

- Regulations released in three sets for public comments
(set 1 released for public comment twice)
- Board met and reviewed comments on each set
- All nine articles (133 pages) released again as a single package for written public comment in October
- Board heard two days of verbal public comment in October
- Over 3,400 comments received from several hundred commenters



2015 Marijuana Control Board Meetings

July 2	Fairbanks	Released draft regulations (art. 1,3, 7) for comment
July 29	Anchorage	Board orientation and training
August 3	Anchorage	Workshopped draft regulations (art. 4,5,6,8, 9)
August 10	Anchorage	Reviewed comments (art. 2), approved drafts; released draft regulations (art, 4,5,6,8, 9) for comment
August 11	Anchorage	Reviewed comments (art. 1, 3, 7); amended
August 31	Anchorage	Reviewed comments (art. 1, 3, 7); amended
September 1	Anchorage	Reviewed comments (art. 1, 3, 7); amended
September 14	Kotzebue	Reviewed comments (art. 4); amended
September 16	Anchorage	Reviewed comments (art. 5); amended
September 23	Anchorage	Reviewed comments (art. 6); amended
September 24	Anchorage	Reviewed comments (art. 8, 9); amended; released draft regulations (all articles) as amended for comment
October 15	Anchorage LIO	Heard verbal public comment on all articles
October 16	Anchorage LIO	Heard verbal public comment on all articles
November 20	Anchorage LIO	Reviewed written comments; amended; adopted
December 1	Anchorage	Amended one amendment made on Nov. 20



Marijuana Regulations (3 AAC 306)

Article 1
Licensing & Fees

Article 2
Local Option Rules

Article 3
Retail MJ Stores

Article 4
MJ Cultivation
Facilities

Article 5
MJ Product Mfg
Facilities

Article 6
MJ Testing
Facilities

Article 7
General Operating
Requirement

Article 8
Enforcement

Article 9
General Provisions



Licensing and General Provisions (art. 1, 7, 9)

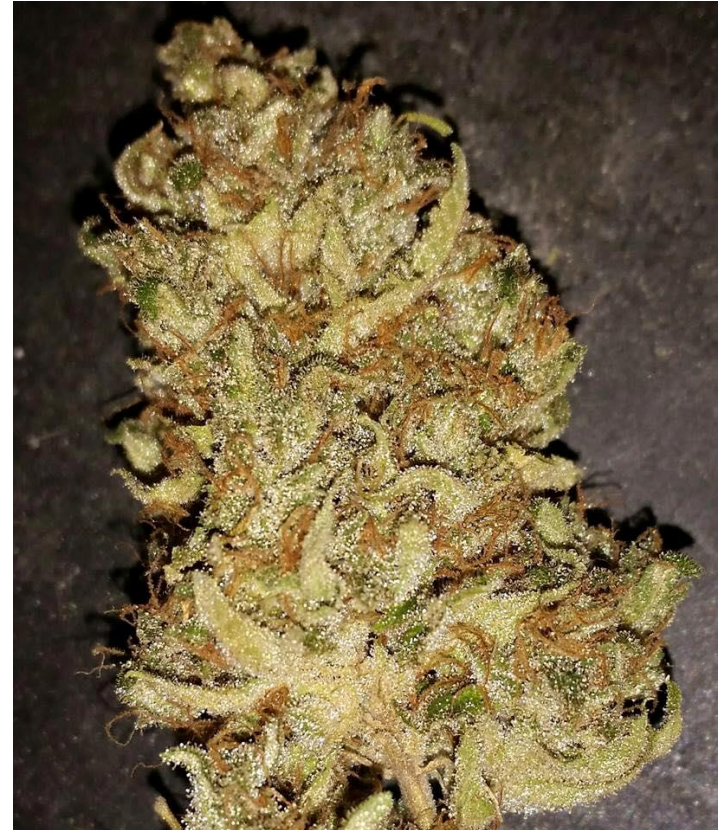
- **Licensing very similar to liquor**
 - Board passes application to local government and back
 - Fees range from \$1000 to \$5000 annually, depending on license type
- **Marijuana inventory tracking system**
 - Ascertains that marijuana/marijuana products sold in retail stores were grown/produced in licensed establishments
- **Health and safety requirements**
 - Detailed requirements for food safety, testing, security, and transportation
- **Residency and criminal history requirements**
 - Alaskan-owned licenses
 - Need enabling legislation to check out-of state criminal histories



Cultivation Facilities (art. 4)

Two types of cultivation licenses

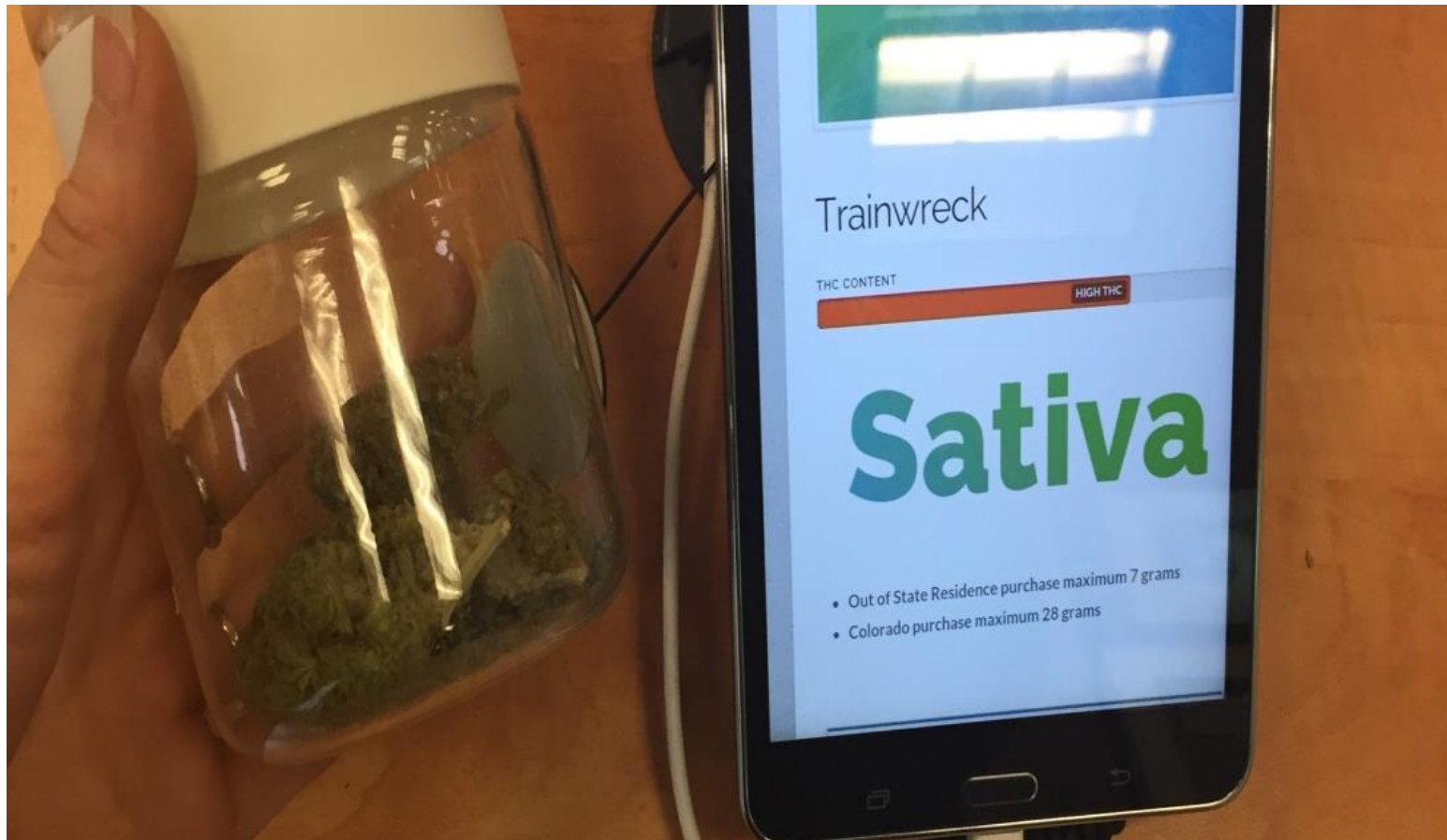
- Standard Cultivation Facility
 - No canopy limit
 - No sales to consumers
 - No consumption on premises
 - \$5000 annual license fee
- Limited Cultivation Facility
 - 500 feet canopy limit
 - \$1000 annual license fee
 - All rules of standard license
- Broker concept eliminated





Marijuana Retail Stores (art. 3)







Retail Store Highlights

- Marijuana Handler's Permit required
- Inventory in restricted area
- Marijuana packaged and labeled to reflect testing and security requirements
- Childproof exit packaging
- Consumption on premises
 - New regulations requested by board on November 20
 - Draft language expected to be released for public comment in February



Product Manufacturing - Edible Rules (art. 5)

- **Serving Size: 5 mg**
 - Maximum 10 servings per package (i.e. 50 mg)
- **Board pre-approval of products**
 - No adulterated products
 - No products that look like non-marijuana products
 - No products especially appealing to kids





Edible Marijuana Products

Regulations restrict serving size

- 5 mg per serving
 - lower than CO, WA, OR
 - “start low, go slow”
- 10 servings maximum per product
 - 50 mg maximum THC per product
 - 10-30 mg may be intoxicating dose for novice
 - Compare to 100 mg per product in other states

Edibles Education

Start Low. Go Slow.



Start with One Serving

Start with a low-dose or single serving product until you know how edibles will affect you.



Wait

Edibles can take up to 2 hours or longer to take effect.



Don't Mix

Edibles should not be mixed with alcohol or controlled substances.



Out of Reach

Keep away from children, pets or ANYONE under 21, and store in original packaging.



cannabisalliance.org



Prohibited Marijuana Products

Board approval required for all edible products prior to production

Prohibited products include:

- Adulterated products
- Items that look like non-marijuana products
- Products that are especially appealing to children





Creative Marijuana Products

Extract can be added to anything

- Marijuana soda
- Marijuana ice cream
- Marijuana smoked salmon





Concentrates

Wax and shatter

- Very high concentration (72-95%) of THC
- Smoked, so not subject to edible serving size rules
- “Dabbing”
- Also known as BHO (Butane Hash Oil)
- Sold in small quantities





Testing Facilities (art. 6)

- **Two required tests for all marijuana and marijuana products**
 - THC potency testing
 - Microbial testing for contaminants
- **Additional test for products produced by solvent extraction**
 - Residual solvent testing





Local Control and Local Option (art. 1, 2)

- **Article 1 contains local control provisions**
 - Protest tool
 - Deferral of board to local governments on zoning
 - Ability of local government to limit time, place, manner and number of marijuana establishments
- **Article 2 provides the local option to opt out**
 - Contains menu of choices similar to Title 4 (alcoholic beverages)
- **No limit on number of licenses at state level**
 - Avoids speculation in licenses and secondary market value of licenses
 - Defers to local government on the decision of numerical limit



Medical Marijuana (AS 17.37)

Not intended to affect medical marijuana cardholders

- Gives affirmative defense and right to proxy grow
- Nothing in AS 17.38 anticipates separate regulatory scheme for medical cardholders
- Other states are combining markets

CBD versus THC

- High CBD products that do not have psychoactive effect
- Some strains of flower and bud can be high-CBD, low-THC
- Lotions, tinctures and salves may or may not have intoxicating effect





Timeline for 2016

January – February

- Adopted regulations to be approved by Lt. Governor, effective 30 days from signature
- February 11: MCB meeting to approve application forms; draft regulations for consumption endorsement may be released
- February 24: statutory deadline to begin accepting applications

March

- First completed applications expected to be sent to local governments

April

- AMCO continues to review applications for completion and send completed applications to local governments
- MCB meeting in Anchorage

May

- May 23: seed-to-sale software implementation finalized

June

- MCB meeting, first licenses expected to be approved

July – December

- AMCO continues to process license applications
- MCB meetings in July, October, December



AMCO Pressing Need

AMCO had been flooded with questions and requests for presentations—handling the volume of questions is our greatest challenge

The educator position would

- Work on activities related to both marijuana and alcohol
- Develop video training

The cost of the position could be covered by licensing fees



Questions?