



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

ALCOHOLIC BEVERAGE CONTROL BOARD

Marijuana Implementation Overview for Senate State Affairs

ABC Director Cynthia A. Franklin

January 27, 2015



Definitions

Define all important terms at outset

Important terms in AS 17.38 that are not defined

- “Edibles”
- “Public”
- “Possession”

Definition that needs clarification

- “Marijuana” (specifically portion stating that an oil is not marijuana)



Edibles

Several elements are important to assure safe recreational use of edibles

- Serving size: 5 or 10 mg THC content
- Limit on total THC per package
- Childproof packaging (many good solutions have been identified)
- Prohibition of adulterated products
- Limitation of products appealing to kids
- Warning labels (suggestion: symbol for those who are non English reading, such as the no-puffin we commonly know)





Edibles

- Edibles are 40% of the market in Colorado
- Due to smoking prohibitions, edibles are likely to be the most commonly purchased product for tourist consumption





Hash Oil and Solvent Extraction

- Manufacturing processes need to be regulated as closed loop systems by licensees only
- All other solvent extractions should be prohibited
- Local governments, land-use rules and zoning restrictions are some ways to handle this



Labs

- Labs are essential to certify THC content for edible serving sizes
- CO advised to have labs up and running before edible licenses are issued
- Open question of where labs will come from, though we have heard there will be private interest from the industry as long as they are able to obtain state certification



Advertising and Education

- Reasonable advertising limits should be part of the rules
- Public education about rules and edibles is essential
- Colorado has offered to share its multi-million dollar “Good to Know” Campaign

Check it out at: www.GoodToKnowColorado.com

Be educated. Be responsible.

.....

- › It's illegal to purchase, possess or use marijuana if you're under 21.
- › It's illegal to use marijuana in public.
- › It's illegal to take marijuana out of state.
- › It's illegal to give or share marijuana with anyone under 21.
- › Protect youth from underage marijuana use. Keep it locked up, out of sight and out of reach.





Local Government Control

- AS 17.38.110 provides for local control of marijuana.
- Local options for alcohol exist in Title 4 and give us a starting place for MJ local options in Title 17.
- Local governments in CO issue their own licenses in addition to state licenses. This is something to consider for AK.



Banking

- CO MJ industry is under-banked, not unbanked
- Oregon's M-Bank just began accepting deposits from CO businesses
- Cash acceptance issues will need to be addressed



License Selection Process

- Merit-based selection is proving to be best method- Nevada has a good model
- Strict limitation on number of licenses encourages black market and lawsuits
- Market correction is already occurring in CO with grower businesses failing due to depressed market for harvest
- If only best applicants are licensed, limits on numbers may not be necessary



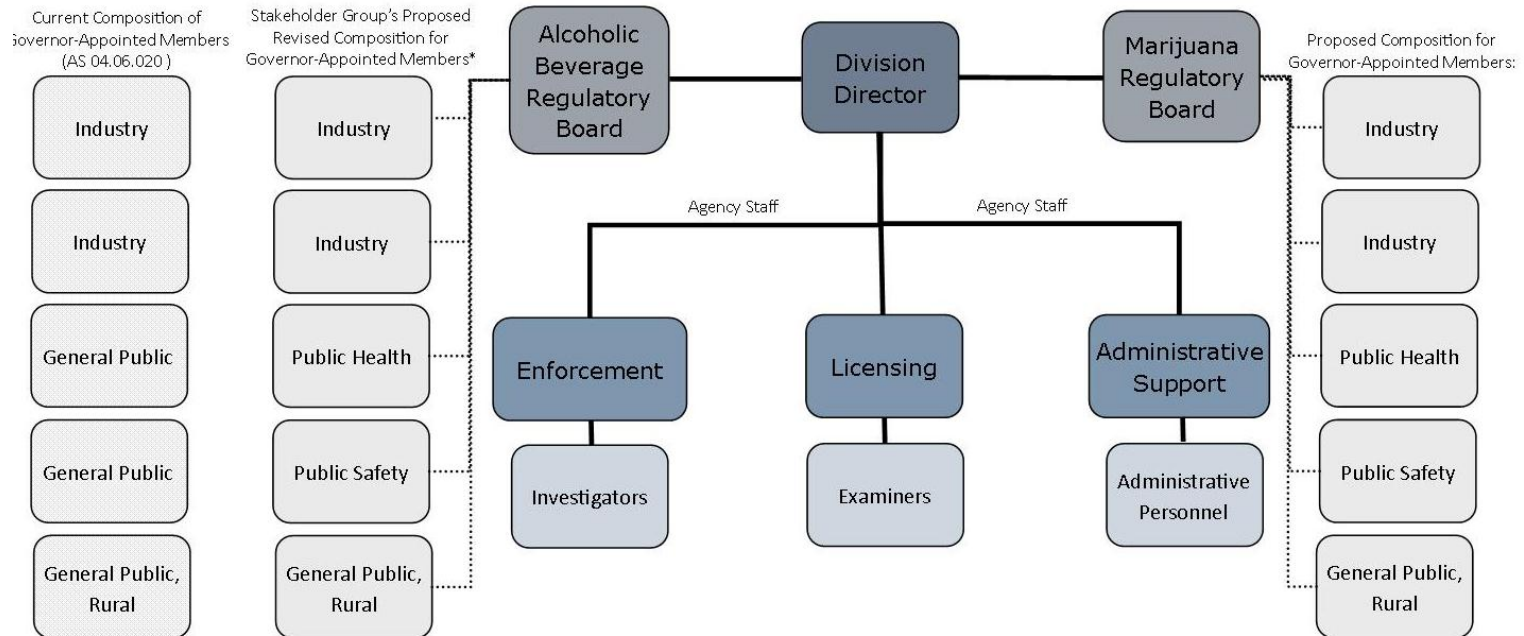
Board Structure

- The ABC Board is a five member volunteer board that meets 5 times per year to act on liquor license issues
- A similar Marijuana Control Board that shares current ABC agency director and staff could utilize the experience, minimize additional staffing, and enforce licensing rules on both substances
- Existing ABC agency staff (licensing, enforcement and administrative personnel) are experienced in licensing and enforcing rules around liquor licenses



Board Structure

Proposed Organizational Structure: Alcoholic Beverage Control Board with new marijuana responsibilities



** If the ABC Board director, considered a non-voting member of the board, has the same background as any of the sectors listed above (with the exception of general public, rural), the corresponding seat would become a general public member*



Questions?