



MARIJUANA IN ALASKA

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2016

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Marijuana Law Overview

Ballot Initiative –
AS 17.38
Approved by Alaskan voters on
November 2, 2014 (53% Yes, 47% No)

Personal
Use

Commerce

Ballot Initiative provisions cannot be modified by legislature for two years, or February 2017. The personal use – little room to regulate; commercial, lots of room to regulate by marijuana board and municipalities.



Marijuana Law Overview

Ballot Initiative –
AS 17.38

Personal
Use

Little space for
further regulation.

Commerce

Significant space for
state **and** local
regulation.

Ballot Initiative provisions cannot be modified by legislature for two years, or February 2017. The personal use – little room to regulate; commercial, lots of room to regulate by marijuana board and municipalities.



Personal Use: Use & Possession

LEGAL

- WHO: Must be 21
- HOW MUCH: 1 ounce or less
- WHAT: Edibles, oil, concentrates, transferring to another without “remuneration”
- WHERE: Not in public places, but can “display” marijuana in public.

ILLEGAL

- Cannot sell *any* marijuana
- Possession of more than 1 oz. is a crime

Determine effect of edibles on weight



Personal Use: Cultivation

LEGAL:

- Up to six plants, three flowering
- Possession of cultivated marijuana in excess of 1 oz. on the premises where it is grown

Do we want to mention the proposed regulations regarding assist and possession?



Personal Use: Local Regulation

- No “Local Option” on personal use
- Regulate conduct, not substance
 - Examples:
 - Nuisance laws for excessive marijuana smoke
 - Disorderly conduct
 - Consumption of marijuana while boating
 - Define “in public”



Marijuana Commerce

- I. Overview
- II. Personal Use
- III. Marijuana Commerce**
- IV. Board Regulations
- V. Federal Law
- VI. Municipal Regulation

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Marijuana Commerce

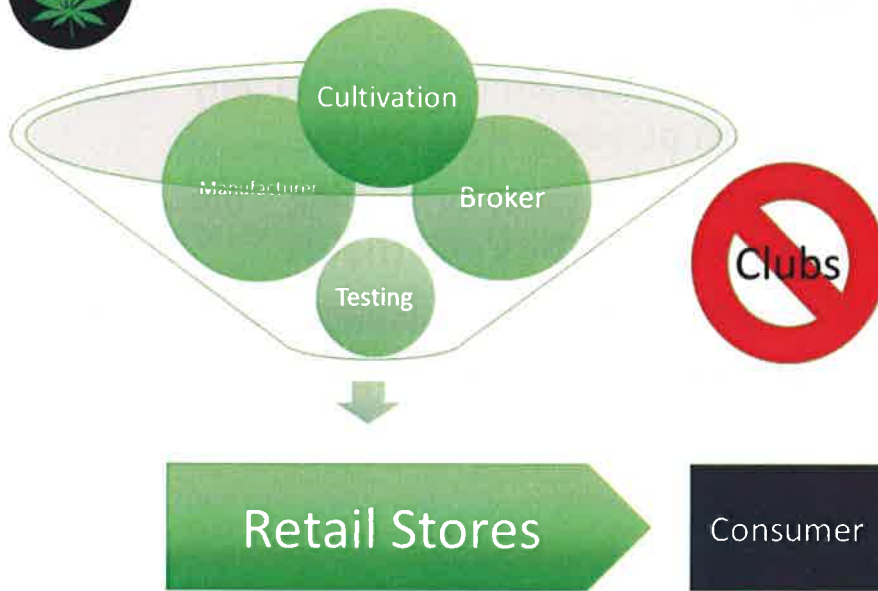
**“An Act to Tax and Regulate the Production,
Sale, and Use of Marijuana.”**

Like alcohol, marijuana commerce is regulated through licensing, allowing certain conduct based on the license type:

- Retail Store License
- Cultivation License
- Manufacturing License
- Testing License



Marijuana Commerce: Establishments





Marijuana Commerce: Local Option

- Marijuana establishment licenses only – does not affect personal use
- Unlike alcohol, not all or nothing – the municipality can pick and choose
- Allow some license types and prohibit others
- Limit number of a license type

NOTE REGS



Board Regulations

- I. Overview
- II. Personal Use
- III. Marijuana Commerce
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- V. Federal Law
- VI. Municipal Regulation

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Regulation Timeline

Board
Regulations
November
2015

Board Accepts
Applications
February 2016

Licenses
within 90 days
May 2016



Board Regulations

- Set 1: Introduced in May; Focuses on Local Options
- Set 2: Introduced in June; Focuses on licensing procedure and retail establishment operations
 - Set 3: Introduced in August; focuses on cultivation, testing, manufacturing operations
 - Final Regulations- approved by Lt. Gov. in January



Regulations: Set 1

Set 1 addresses:

- Local Option Procedure Provisions
- Importation for Sale Local Option
- Miscellaneous definitions



Regulations Set 2

Set 2 addresses:

- License Application Process & Procedure
- General Regulations for All Marijuana Establishments
- Detailed Regulations for Retail Stores



Regulations Set 3

- **Set 3 Addresses**
 - Prohibits marijuana clubs
 - Detailed regulations for
 - Commercial cultivation
 - Commercial manufacturing
 - Marijuana brokers
 - Testing



Set 2: Licensing

- Address for facility
- Comply with all zoning
- Not within 500' of school, daycare, or church
- Not have been convicted of a felony
- Not have previously operated an unlicensed marijuana business
- Alaska residents only (inc. businesses)
- Details of applicant and business associates

Submit plans for:

- security
- Inventory and sales tracking
- transportation
- Disposal of waste
- Signs and ads
- Employee qualifications

MUST RENEW LICENSE ANNUALLY



Set 2: License Fees

- \$1,000 for each new application
- \$600 for a renewal
- Annual fee of \$5,000; \$1,000 for testing and limited cultivation
- Proposed regulations do not specify sharing fees with municipalities, as required by AS 17.38



Set 2: General Requirements

All marijuana establishments must:

- Allow inspection by board and fire officials
- Restrict access to areas with marijuana
- Maintain security and lock requirements
- Comply with health and safety standards, including inspections
- Seal and track all marijuana



Set 2: Retail Stores

Retail stores cannot:

- Deliver off premises
- Sell to or allow minors on premises
- Sell unlabeled products
- Sell marijuana that has not been quality tested
- Sell over the internet
- Operate between midnight and 8 am
- Can Allow on-site consumption
- Free samples
- Sell non-marijuana consumables (food, candy, cigarettes, etc.)
- Sell more than 1 ounce or equivalent in a single transaction



Set 2: Municipally Controlled Retail

3 AAC 306.260: Final version of regulations no longer allows city monopoly on retail marijuana.

- **Marijuana is illegal under federal law.**



Regulations: Set 3

Published on August 10;

- Cultivation Facility Regulations
- Manufacturing Facility Regulations
- Cultivation Facility Regulations
- Broker Regulations
- Enforcement and Penalties
- Product Labeling and Packaging Regulations
- Definitions



Set 3: Clubs and Lounges

- Marijuana clubs prohibited.
- Stores can allow on-premises consumption.
- But city may prohibit on site consumption.











Set 3: Noteworthy Provisions

Detailed product labeling & packaging:

- Potency
- Childproof
- Tamper-resistant; heat sealed opaque plastic
- Tracking and batch information
- Testing information
- Product weight



Set 3: Noteworthy Provisions

- **Enforcement:** Municipality may provide notice of violation to Board; Board will proceed on notice if it is not arbitrary.
- **Definitions:**
 - Assist
 - Deliver
 - Possess



Practical Issues

- Transportation to and from Dillingham
- No Local Testing Facility
- Banking
- Price of Electricity
- Size of Market



Municipal Regulation



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Municipal: Action & Inaction

Do we want any local
option?

- Retail ban?
- Prohibit all or some commercial establishments/products?
- Import for sale?



Municipal Regulation

- Can regulate the same as any other business
- Provide input on board licensing and veto license for cause
- Tax
- In some areas, provide *stricter* regulations than those imposed by the state

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Municipal: Tax & Fees

- **Special Excise v. Regular Sales Tax**
 - A commodity for alcohol sales tax benchmark
 - Flat, per unit fee
- **Operating Fees**
 - Can assess an annual operating fee.



Municipal: Other Examples

- **Operating Hours**
- **Further sign and advertising restrictions**



Municipal: Action & Inaction

What if we do nothing?

- Board will issue licenses in Dillingham
- Police cite violations of state law only
- Treated like any other business

