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3 AAC is amended by adding a new chapter to read:

**Chapter 306. Regulation of Marijuana Industry.**

**Article**  **beginning page**

1. Licensing, Fees (3 AAC 306.005 - 3AAC 306.100) 1

2. Local Options (3 AAC 306.200 - 3AAC 306.260)

3. Retail Marijuana Stores (3 AAC 306.300 - 3AAC 306.360)

4. Marijuana Cultivation Facilities (3 AAC 306.400 - 3AAC 306.480)

5. Marijuana Product Manufacturing Facilities (3 AAC 306.500 - 3AAC 306.570)

6. Marijuana Testing Facilities (3 AAC 306.600 - 3AAC 306.675)

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7. Operating Requirements for All Marijuana Establishments (3 AAC 306.700 - 3AAC 306.755)

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8. Enforcement, Civil Penalties (3 AAC 306.800 - 3AAC 306.850)

9. General Provisions (3 AAC 306.900 - 3AAC 306.990)

**Article 1. Licensing, Fees.**

**Section**

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**3 AAC 306.005. License required**. A marijuana establishment may not operate in the

state unless it has obtained the applicable marijuana establishment license from the board. The

board will issue the following marijuana establishment licenses under this chapter:

(1) a retail marijuana store license, granting authority for activities allowed under

AS 17.38.070(a), and subject to the provisions of 3 AAC 306.300 - 3 AAC 306.360 and 3 AAC

306.700 - 3AAC 306.755;

(2) a marijuana cultivation facility license, as described in 3 AAC 306.405 -

3 AAC 306.415, granting authority for activities allowed under AS 17.38.070(b), and subject to

the provisions of 3 AAC 306.400 - 3 AAC 306.480 and 3 AAC 306.700 - 3AAC 306.755;

(3) a marijuana product manufacturing facility license, as described in 3 AAC

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306.505 and 3 AAC 306.515, granting authority for activities allowed under AS 17.38.070(c),

and subject to the provisions of 3 AAC 306.500 - 3 AAC 306.570 and 3 AAC 306.700 - 3 AAC

306.755; and

(4) a marijuana testing facility license, granting authority for activities allowed

under AS 17.38.070(d), and subject to the provisions of 3 AAC 306.600 - 3 AAC 306.675 and 3

AAC 306.700 - 3AAC 306.755. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.010. License restrictions.** (a) The board will not issue a marijuana

establishment license if the licensed premises will be located within 500 feet of a school, a

recreation or youth center, a building in which religious services are regularly conducted, or a

correctional facility. The distance specified in this subsection must be measured by the shortest

pedestrian route from the public entrance of the building in which the licensed premises would

be located to the outer boundaries of the school, recreation or youth center, or the main public

entrance of the building in which religious services are regularly conducted, or the correctional

facility. This section does not prohibit the renewal of an existing marijuana establishment

license or the transfer of an existing marijuana establishment license to another person if the

licensed premises were in use before the school, recreation or youth center, the building in which

religious services are regularly conducted, or the correctional facility began use of a site within

500 feet. If an existing marijuana establishment license for premises located within 500 feet of a

school, a recreation or youth center, a building in which religious services are regularly

conducted, or a correctional facility is revoked, or expires, the board will not issue another

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marijuana establishment license for the same premises unless the school, the recreation or youth

center, the building in which religious services are regularly conducted, or the correctional

facility no longer occupies the site within 500 feet.

(b) The board will not issue a marijuana establishment license when a local government

protests an application under 3 AAC 306.060 on the grounds that that the applicant's proposed

licensed premises are located in a place within the local government where a local zoning

ordinance prohibits the marijuana establishment, unless the local government has approved a

variance from the local ordinance.

(c) The board will not issue a marijuana establishment license to a person that

(1) is prohibited under AS 17.38.100(i) from receiving a marijuana establishment

license because of a conviction of a felony; if the applicant is a partnership, limited liability

company, or corporation, the board will not issue a license if any person named in 3 AAC

306.020(b)(2) is prohibited under AS 17.38.100(i) from obtaining a license; in this paragraph,

"conviction of a felony" includes a suspended imposition of sentence;

(2) has been found guilty of

(A) selling alcohol without a license in violation of AS 04.11.010; or

(B) selling alcohol to a minor in violation of AS 04.16.051 or

AS 04.16.052; or

(3) operated a marijuana delivery service, a marijuana club, or a marijuana

establishment illegally without a license issued under this chapter, or otherwise violated

AS 17.38, during the two years before the date the person files the application, unless the board

finds that person has diligently worked with the board to comply with all current laws and

regulations relating to marijuana. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.015. License conditions.** (a) The board will issue each marijuana

establishment license to a specific individual, to a partnership, including a limited partnership, to

a limited liability company, to a corporation, or to a local government. A person other than a

licensee may not have a direct or indirect financial interest in the business for which a marijuana

establishment license is issued.

(b) The board will not issue a marijuana establishment license to

(1) an individual or a sole proprietorship unless the individual or proprietor is a

resident of the state;

(2) a partnership unless each partner is a resident of the state;

(3) a limited liability company unless the limited liability company is qualified to

do business in the state, and each member of the limited liability company is a resident of the

state; or

(4) a corporation unless the corporation is incorporated or qualified to do

business in the state, and each shareholder who owns the corporation's shares is a resident of the

state.

(c) The board will issue each license for a specific location identified on the license as

the licensed premises. A marijuana establishment must have a right to possession of its licensed

premises at all times, and may not lease its licensed premises to another person for any reason. If

a marijuana establishment wishes to reduce or expand the area of the licensed premises used for

a marijuana establishment, the marijuana establishment must submit a new line drawing showing

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the proposed changes to the premises, and must obtain the board's written approval. A

marijuana establishment may not relocate its licensed premises to a different place. A marijuana

establishment that proposes to operate in any new premises must apply for a new marijuana

establishment license.

(d) The board will impose other conditions or restrictions on a license issued under this

chapter when it finds that it is in the interests of the public to do so.

(e) In this section,

(1) "direct or indirect financial interest" means

(A) a legal or equitable interest in the operation of a business licensed

under this chapter;

(B) does not include a person's right to receive

(i) rental charges on a graduated or percentage lease-rent

agreement for real estate leased to a licensee; or

(ii) a consulting fee from a licensee for services that are allowed

under this chapter;

(2) "resident of the state" means a person who meets the residency requirement

under AS 43.23 for a permanent fund dividend in the calendar year in which that person applies

for a marijuana establishment license under this chapter. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.020. Application for new license.** (a) An applicant for a new marijuana

establishment license must file an application as provided in 3 AAC 306.025, on a form the

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board prescribes, with the information and documents described in this section, along with the

application fee and the annual license fee set out in 3 AAC 306.100, and the fingerprint cards

and fees required by 3 AAC 306.055(a). The application must be initiated electronically; the

completed application and fees may be filed electronically, or mailed or delivered to the director

at the office of the board.

(b) An application for a new marijuana establishment license must include

(1) the name of the applicant and any business name the applicant will use for the

proposed marijuana establishment, along with the applicant's state business license number

issued under AS 43.70 and the federal employer identification number (EIN) for the proposed

marijuana establishment;

(2) the name, mailing address, telephone number, and social security number of

each proposed licensee and each affiliate of each proposed licensee; unless the context indicates

otherwise, "licensee" means each individual named in an application that complies with this

section; an individual to be identified as a "licensee" under this section includes

(A) if the applicant is an individual or a sole proprietor, the individual or

sole proprietor;

(B) if the applicant is a partnership, including a limited partnership, each

partner holding any interest in the partnership;

(C) if the applicant is a limited liability company, the limited liability

company's registered agent, and each member holding any ownership interest; and

(D) if the applicant is a corporation, each owner of any of the

corporation's stock

(E) if the applicant is a local government, an authorized official of the

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local government.

(3) for each applicant that is not an individual, the applicable document and

information as follows:

(A) for a partnership, including a limited partnership, the partnership

agreement, the name of each general or managing partner, and a list of all partners with

percentage of ownership of each partner;

(B) for a limited liability company, the limited liability company

agreement, and a list of all members with the percentage of ownership of each member;

(C) for a corporation, the certificate of incorporation, the name of each

corporate officer, and a list of all shareholders with percentage of ownership of each

shareholder;

(D) for a local government, a resolution of the governing body approving

the application and designating an official responsible for the proposed marijuana establishment.

(4) for each person listed in compliance with paragraph (2) of this subsection, a

statement of financial interest on a form the board prescribes;

(5) for each applicant that is not an individual, the name of the individual licensee

or designated government official listed in the application under paragraph (2) of this subsection

who is responsible for

(A) management of the marijuana establishment; and

(B) compliance with all applicable laws;

(6) an electronic mail address at which the applicant agrees to receive any

correspondence from the board before and after it receives a license; an applicant and a licensee

must ensure that any electronic mail address provided to the board is current so that the board

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can contact the applicant or licensee at any time;

(7) the type of license the applicant is requesting;

(8) the address of the premises where the applicant intends to operate a marijuana

establishment; and a detailed diagram of the proposed licensed premises; the diagram must show

all entrances and boundaries of the premises, restricted access areas, and storage areas;

(9) the title, lease, or other documentation showing the applicant's right to

possession of the proposed licensed premises;

(10) an affidavit showing where and when the applicant posted notice of the

application; and proof of advertising as required in 3 AAC 306.025(b); and

(11) additional information required by the board as follows:

(A) for a retail marijuana store, the information required under 3 AAC

306.315;

(B) for a marijuana cultivation facility, the information required under

3 AAC 306.420;

(C) for a marijuana product manufacturing facility, the information

required under 3 AAC 306.520; and

(D) for a marijuana testing facility, the information required under 3 AAC

306.615.

(c) A marijuana establishment license application must include the applicant's operating

plan, in a format the board prescribes, describing, to the board's satisfaction, the proposed

marijuana establishment's plans for

(1) security;

(2) inventory tracking of all marijuana and marijuana product on the premises;

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(3) employee qualification and training;

(4) waste disposal;

(5) transportation and delivery of marijuana and marijuana products; and

(6) signage and advertising.

(d) An application for a marijuana establishment license must be signed by

(1) the applicant, if the applicant is an individual;

(2) an authorized general partner if the applicant is a partnership, including a

limited partnership;

(3) the registered agent or a member who owns at least 10 percent of the limited

liability company if the applicant is a limited liability company;

(4) the authorized officers of the corporation if the applicant is a corporation; or

(5) a designated official if the applicant is a local government.

(e) Each person signing an application for a marijuana establishment license must

declare under penalty of unsworn falsification that

(1) the application is true, correct, and complete;

(2) the applicant has read and is familiar with AS 17.38 and this chapter; and

(3) the applicant will provide all information the board requires in support of the

application. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**Editor's note:** Forms and instructions for filing an application for a marijuana

establishment license can be obtained online at the Marijuana Control Board's website or at the

board's office. The board's Internet address is www commerce.alaska.gov/web/abc/

and its office is at 550 West 7th Ave. Suite 1600, Anchorage, AK 99501. The board's telephone

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number is (907)269-0350.

**3 AAC 306.025. Application procedure.** (a) An applicant shall initiate a new

marijuana establishment license application on a form the board prescribes, using the board's

electronic system.

(b) As soon as practical after initiating a new marijuana license application, the applicant

shall give notice of the application to the public by

(1) posting a copy of the application, on the form the board prescribes, for 10

days at

(A) the location of the proposed licensed premises; and

(B) one other conspicuous location in the area of the proposed premises;

and

(2) publishing an announcement once a week for three consecutive weeks in a

newspaper of general circulation in the area; in an area where no newspaper circulates, by

announcements on a radio station serving the local area where the proposed licensee seeks to

operate twice a week for three successive weeks during triple A advertising time; the newspaper

or radio notice must state

(A) the name of the applicant;

(B) the name and location of the proposed premises;

(C) the type of license applied for along with a citation to a provision of

this chapter authorizing that type of license; and

(D) a statement that any comment or objection may be submitted to the

board; and

(3) submitting a copy of the application on the form the board prescribes to

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(A) the local government; and

(B) any community council in the area of the proposed licensed premises.

(c) After the applicant completes the notice requirements in (b) of this section and

submits each remaining application requirement listed in 3 AAC 306.020, the applicant shall pay

the application and licensing fees set out in 3 AAC 306.100. The applicant must then use the

board's electronic system to inform the board that the applicant has submitted a complete

application.

(d) When the director receives an application for a marijuana establishment license, the

director shall determine if the application is complete. Any application for a marijuana

establishment license that the director receives without the application fee is incomplete. If the

director determines the application is complete, the director shall immediately give written notice

to

(1) the applicant;

(2) the local government in the area in which the applicant's proposed licensed

premises are located;

(3) the community council if the proposed licensed premises are located within

the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in

writing.

(e) If an application for a marijuana establishment license is incomplete, the director

shall notify the applicant, and will either

(1) return an incomplete application in its entirety; or

(2) request the applicant to provide additional, identified items needed to

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complete the application.

(f) When the director informs an applicant that its application is incomplete as provided

in (e) of this section, the applicant must complete the application not later than 90 days after the

date of the director's notice. If an applicant fails to complete its application during the 90 day

period after the director's notice, the applicant shall file a new application and pay a new

application fee to obtain a marijuana establishment license. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.030. Petition for license in area with no local government. (a)** The board

will not approve a new license in an area outside, but within 50 miles of, the boundary of a local

government unless the board receives a petition to issue the license signed by a majority of the

permanent residents residing within one mile of the proposed premises.

(b) The board will not approve a new license in an area that is 50 miles or more from the

boundary of a local government unless the board receives a petition to issue the license

containing the signatures of two-thirds of the permanent residents residing within a radius of five

miles of the United States post office station nearest to the proposed licensed premises. If there

is no United States post office station within a radius of five miles of the proposed licensed

premises, the petition must be signed by two-thirds of the permanent residents residing within a

five mile radius of the proposed licensed premises.

(c) A petition authorized by this section must be on a form the board prescribes. The

applicant must obtain the required signatures within the 90 day period immediately before

submitting the petition to the board. A signature may not be added to or removed from the

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petition after the board has approved the application.

(d) In this section, "permanent resident" means a person 21 years of age or older who has

established a permanent place of abode. A person may be a permanent resident of only one

place. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.035. Application for renewal of license.** (a) On or before May 1 of each

year, the director shall send notice that a marijuana establishment must file a renewal application

not later than June 30 of the current year. The director shall send the notice to the marijuana

establishment's electronic mailing address on file with the board. The notice will include a

hyperlink for the marijuana establishment to access the electronic renewal application by means

of the internet, along with instructions on using and submitting the form. The marijuana

establishment must submit the completed renewal application electronically, along with the

license renewal fee, to the director no later than June 30 of each year; if June 30 falls on a

Saturday or Sunday, the deadline is extended to 4:30 p.m. on the first business day following

June 30. A marijuana establishment must maintain a current electronic mailing address on file

with the director. A marijuana establishment is not excused from filing a renewal application as

required in this section even if the marijuana establishment fails to receive a renewal notice from

the director.

(b) A marijuana establishment's renewal application must

(1) identify the license sought to be renewed by license number, license type,

establishment name, and premises address;

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(2) provide the information required for a new license application under 3 AAC

306.020(b)(1)-(9);

(3) report any change from the marijuana establishment's new license application

or last renewal application, and pay the fee as provided in 3 AAC 306.100 for board review of

any change in

(A) the name of the marijuana establishment business;

(B) the licensed premises from the last diagram submitted; and

(C) the marijuana establishment's operating plan;

(D) any new product a licensed marijuana product manufacturing facility

wishes to produce;

(4) report, for each licensee listed in 3 AAC 306.020(b)(2),

(A) any criminal charge on which that licensee has been convicted in the

previous two calendar years; and

(B) any civil violation of AS 04, AS 17.38, or this chapter in the previous

two calendar years; and

(5) declare under penalty of unsworn falsification that

(A the application is true, correct and complete;

(B) the applicant has read and is familiar with AS 17.38 and this chapter;

and

(C) the applicant will provide all information the board requires in

support of the renewal application.

(c) If the director determines that the renewal application is complete, the director shall

immediately give written notice of a renewal application to

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(1) the applicant;

(2) the local government in the area in which the applicant's proposed licensed

premises are located;

(3) the community council if the proposed licensed premises are located within

the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in

writing.

(d) The director may require an applicant for renewal of a license under this chapter to

submit fingerprints and pay fees as required by 3 AAC 306.055(a).

(e) A licensee that does not deliver a renewal application to the director on or before

June 30 of each year is delinquent, and must pay a non-refundable $1,000 late renewal

application fee with the renewal application.

(f) On or before August 15 of each year, the director shall deliver a notice of expiration

to each marijuana establishment that has not filed a complete application for renewal of a license,

along with any applicable affidavit and the required fee, unless the marijuana establishment has

notified the director that it does not intend to seek a renewal of its license. The director shall

deliver the notice of expiration to the electronic mail address the marijuana establishment has

provided to the director. A marijuana establishment is not excused from filing a license renewal

application not later than August 31 of each year even it the marijuana establishment does not

receive the notice of expiration described in this section.

(g) If a marijuana establishment fails to deliver a complete license renewal application,

or fails to pay the required renewal fee and the late renewal application fee on or before August

31 of each year, that marijuana establishment license expires at 12:00 midnight on August 31 of

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that year. A holder of an expired license shall immediately return the license to the board. Any

holder of an expired license that seeks authority to operate must file a complete new application

under 3 AAC 306.020, and 3 AAC 306.025, along with the required fees. The board will not

issue a new license for the same premises to the holder of an expired license unless the expired

license holder's new application contains proof satisfactory to the board of good cause for the

failure to file a license renewal application. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.040. Ownership change to be reported. (a)** A licensed marijuana

establishment shall, not later than 10 days after an ownership change as described in this section,

report the change on a form prescribed by the board. In this section, an ownership change means

(1) if the licensee is a partnership, including a limited partnership,

any change in the identity of the partners, or in the ownership percentages held by any partners;

(2) if the licensee is a limited liability company, any change in the identity of the

members, or in the ownership percentage held by any member; or

(3) if the licensee is a corporation, any sale of corporate stock to a person not

currently an owner, or any change of the percentage ownership of an existing shareholder.

(b) If any change required to be reported under this section will result in a change in

controlling interest of the marijuana establishment license, the marijuana establishment must file

an application for transfer of license to another person under 3 AAC 306.045. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.045. Application for transfer of a license to another person.** (a) A

person may not receive or transfer a marijuana establishment license or a controlling interest in a

marijuana establishment license issued to a partnership, including a limited partnership, a limited

liability company, a corporation or a local government, without applying for and receiving the

written consent of the board. Transfer of a license includes a sale of all or part of the interest of

an individual owner.

(b) An application for transfer of a marijuana establishment license, or of a controlling

interest in a marijuana establishment license issued to a partnership, a limited liability company,

a corporation or a local government, must be filed in writing on a form the board prescribes, in

compliance with the application procedure set out in 3 AAC 306.025. The application must

name the current holder of the marijuana establishment license and the proposed transferee,

including all persons listed in 3 AAC 306.020 if the transferee is a partnership, limited liability

company, a corporation, or a local government. The application must contain the following

information:

(1) the same information about each transferee as is required of an applicant for a

new license under 3 AAC 306.020;

(2) a statement, under oath, executed by the current holder of the marijuana

establishment license, listing all debts of the business, all taxes the business owes, current

contact information for each creditor, and an affirmation that the current holder of the marijuana

establishment license has submitted a copy of the transfer application to all creditors; and

(3) any other information required by the board for the type of marijuana

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establishment license sought to be transferred.

(c) When the board receives a complete application for transfer of a license to another

person, the director shall immediately send written notice of the proposed transfer to

(1) each listed creditor of the current holder of the marijuana establishment

license, along with the amount shown as owed to that creditor;

(2) the local government in the area in which the licensed premises are located;

(3) the community council if the licensed premises are located within the

boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in

writing.

(d) A current holder of a marijuana establishment license must submit a license renewal

application before or at the same time as an application for a transfer of a marijuana

establishment license that is submitted after April 30 and before July 1. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.050. Relocation of licensed premises not allowed.** A marijuana

establishment license may not be relocated to any other premises. A holder of a marijuana

establishment license that wishes to operate a marijuana establishment at a different location

must submit a new application for any new premises, and must surrender an existing license for

any premises where the marijuana establishment does not intend to continue its operation. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.055. Criminal justice information and records.** (a) When filing an

application for a new marijuana establishment license or transfer of a license, the applicant,

including each individual listed in 3 AAC 306.020(b)(2), must submit the person's fingerprints

and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice

information and a national criminal history record check.

(b) The director shall submit the fingerprints to the Department of Public Safety to

obtain a report of criminal justice information under AS 12.62 and a national criminal history

record check under AS 12.62.400. The board will use the information obtained under this

section to determine if an applicant is qualified for a marijuana establishment license.

(c) In this section, "criminal justice information" has the meaning given in AS 12.62.900.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.060. Protest by local government.** (a) Not later than 60 days after the

director sends notice of an application for a new marijuana establishment license, renewal of a

marijuana establishment license, or transfer of a marijuana establishment license to another

person, a local government may protest the application by sending the director and the applicant

a written protest and the reasons for the protest. The director may not accept a protest received

after the 60-day period. If a local government protests an application for a new or renewal

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license or for a transfer of a license to another person, the board will deny the application unless

the board finds that the protest is arbitrary, capricious, and unreasonable.

(b) A local government may recommend that the board approve an application for a new

license, renewal of a license, or transfer of a license to another person subject to a condition.

The board will impose a condition a local government recommends unless the board finds the

recommended condition is arbitrary, capricious, and unreasonable. If the board imposes a

condition a local government recommends, the local government shall assume responsibility for

monitoring compliance with the condition unless the board provides otherwise.

(c) If a local government determines that a marijuana establishment has violated a

provision of AS 17.38, this chapter, or a condition the board has imposed on the licensee, the

local government may notify the board. Unless the director finds that the local government's

notice is arbitrary, capricious, and unreasonable, the director will prepare the determination as an

accusation against the licensee under AS 44.62.360 and conduct proceedings to resolve the

matter as provided under 3 AAC 306.820. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.065. Public participation.** A person may object to an application for a new

license, renewal of a license, or transfer of a license to another person by submitting a written

statement of reasons for the objection to the board and the applicant not later than 30 days after

notice of the application, but no later than the deadline for objections stated in a posted or

published notice of the application. The objection must be sent to the applicant at the mailing

address or electronic mail address provided in the notice of application. If the board determines

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to conduct a public hearing under this section, an interested person may give oral testimony at

the public hearing. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.070. Hearing on public protest.** The board may, on its own initiative or in

response to an objection or protest, hold a hearing to ascertain the reaction of the public or a

local government to an application. The director will send notice of a hearing not later than 20

days before the hearing date to each person that has filed an objection, to each local government

that has filed a protest, to each community council in the area of the proposed premises, and to

any nonprofit community organization that has requested notice. Any interested person may be

heard at a hearing under this subsection. Unless the applicant and the board waive this

requirement, the board will hold the hearing in the area where the proposed licensed premises are

located, or will arrange for telephonic appearances. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.075. Procedure for action on license application. (**a) The board will

decide whether to grant or deny an application not later than 90 days after receiving the complete

application. However, the board will not grant or deny the application before

(1) the time allowed for a protest under 3 AAC 306.060, unless the local

government waives its right to protest; or

(2) the time allowed for an objection under 3 AAC 306.065 has elapsed.

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(b) Not later than 7 days before the date set for board action on an application for a new

license, renewal of a license, or transfer of a license to another person, the director will post a

meeting agenda listing the matters scheduled for action at that meeting. The board may review

an application for a new license, renewal of a license, or transfer of a license to another person,

without additional notice to the applicant.

(c) The board will consider any written objection, protest, suggested condition, or

petition, and any testimony received at a hearing on public protest held under 3 AAC 306.070

when it considers the application. The director will retain the written objection, protest, or

suggested condition or petition, and the hearing record as part of the permanent record of the

board's review of an application. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.080. Denial of license application.** (a) After review of the application,

including the applicant's proposed operating plan and all relevant information, the board will

deny an application for a new license if the board finds that

(1) the application is not complete as required under the applicable provisions of

3 AAC 306.020 - 3 AAC 306.055, or contains any false statement of material fact; or

(2) the license would violate any restriction in 3 AAC 306.010; or

(3) the license would violate any restriction applicable to the particular license

type authorized under this chapter;

(4) the license is prohibited under this chapter as a result of an ordinance or

election conducted under AS 17.38.110, 3 AAC 306.200, or 3 AAC 306.230;

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(5) the board finds that the operating plan does not adequately demonstrate that

the applicant will comply with applicable provisions of this chapter; or

(6) the license would not be in the interest of the public.

(b) After review of the application and all relevant information, the board will deny an

application for renewal of a marijuana establishment license if the board finds

(1) any cause listed in (a) of this section;

(2) that the license has been revoked for any cause;

(3) that the license has been operated in violation of a condition or restriction the

board previously imposed; or

(4) that the applicant is delinquent in the payment of taxes due in whole or in part

from operation of the licensed business.

(c) After review of the application and all relevant information, the board will deny an

application for transfer of license to another person if the board finds

(1) any cause listed in (a) of this section;

(2) that the transferor has not paid all debts or taxes arising from the operation of

the business licensed under this chapter unless the transferor gives security for the payment of

the debts or taxes satisfactory to the creditor or taxing authority;

(3) that transfer of the license to another person would result in violation of the

provisions of this chapter relating to identity of licensees and financing of licensees; or

(4) that the prospective transferee does not have the qualifications of an original

applicant required under this chapter.

(d) If the board denies an application for a new license, renewal of a license, or transfer

of a license to another person, the board will, not later than 15 days after the board meeting at

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which the application was denied, furnish a written statement of issues to the applicant,

explaining the reason for the denial in clear and concise language, and identifying any statute or

regulation on which the denial is based. The notice of denial will inform the applicant of the

right to an informal conference under 3 AAC 306.085, and to a formal hearing under 3 AAC

306.090. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.085. Informal conference.** (a) An applicant for a new license, renewal of a

license, or transfer of a license to another person that is aggrieved by an action of the board

denying the application may, no later than 15 days after the date of the written notice of denial,

request an informal conference with the director or the board. An informal conference requested

under this section must be held at a time and place convenient to the applicant and the board, but

not later than the next scheduled meeting of the board. An informal conference may be

conducted telephonically.

(b) If the informal conference does not resolve the matter to the applicant's satisfaction,

the applicant may, within 15 days after the last day of the informal conference, request a formal

hearing under 3 AAC 306.090 by filing a notice of defense in compliance with AS 44.62.380(b).

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.090. Formal hearing.** An applicant for a new license, renewal of a license,

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or transfer of a license that is aggrieved by an action of the board denying the application may

request a formal hearing by filing a notice of defense in compliance with AS 44.62.380 within 15

days after the date of the written notice of the denial, or as provided in 3 AAC 306.085(b) if the

applicant requested and participated in an informal conference. Failure to file a notice of defense

as provided in this section constitutes a waiver of the right to a formal hearing.

(b) When an aggrieved person requests a hearing under the section, the Office of

Administrative Hearings will conduct the hearing in compliance with due process, the Alaska

Administrative Procedure Act, AS 44.62.330 - AS 44.62.630, and the applicable regulations

adopted by the Office of Administrative Hearings at 2 AAC 64.100 - 2 AAC 64.990. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.095. Appeals.** (a) An aggrieved applicant or marijuana establishment

license holder may appeal to the board regarding any action of the director, or an employee or

agent of the board regarding an application for a new license, a license renewal, or a transfer of

license to another person.

(b) An applicant or marijuana establishment license holder aggrieved by a final decision

of the board regarding an application for a new license, a license renewal, or a transfer of license

to another person may appeal to the superior court under AS 44.62.560. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

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AS 17.38.084

**3 AAC 306.100. Fees, refund.** (a) The non-refundable application fee for a new

marijuana establishment license or an application to transfer a license to another person is $1000.

(b) The non-refundable application fee for a license renewal application is $600; if a

renewal application is late as provided under 3 AAC 306.035(e), an additional late renewal

application fee is $1000.

(c) The nonrefundable fee to request board approval of a change in a licensed marijuana

establishment's business name, licensed premises diagram, operating plan, or proposed new

marijuana product is $250; a change fee does not apply to an application for transfer of a license

to another person.

(d) The annual license fee, to be paid with each application for a new marijuana

establishment facility license and each license renewal application is

(1) for a marijuana retailer license, $5000;

(2) for a limited marijuana cultivation facility license, $1000;

(3) for a marijuana cultivation facility license, $5000;

(4) for a marijuana cultivator's broker license, $5000;

(5) for a marijuana extract only manufacturing facility license, $1000;

(6) for a marijuana product manufacturing facility license, $5000;

(7) for a marijuana testing facility license, $1000.

(e) The fee for a marijuana handler permit card is $50.

(f) If the board denies an application for a license or for renewal of a license, the board

will refund the annual license fee. The board will not refund a license fee after the license has

been issued.

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(g) Processing fees for late renewal after failure to pay taxes are as follows:

(1) if a licensee pays its delinquent tax after a local government protests renewal

of the license, but before the board denies license renewal, $200;

(2) if a licensee pays its delinquent tax after appealing the board's denial of a

license renewal, but before a hearing officer is appointed to hear the applicant's appeal, $500;

(3) if a licensee pays its delinquent tax after appealing the board's denial of a

license renewal, but before the administrative hearing begins, $5000; and

(4) if a licensee pays its delinquent tax after an administrative hearing that results

in a hearing officer recommendation to deny the license renewal, $10,000. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**Article 2. Local Options.**

**Section**

200. Local options

210. Change of local option

220. Removal of local option

230. Procedure for local option election

240. Prohibition of importation or purchase after election

250. Effect on licenses of restriction on sale

260. Notice of the results of a local option election

**3 AAC 306.200. Local options.** (a) If a majority of the persons voting on the question

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vote to approve the option, or if a local government's assembly or city council passes an

ordinance to the same effect, the local government shall adopt a local option to prohibit

(1) the sale of marijuana and any marijuana product;

(2) the operation of any marijuana establishment, including one or more of the

following license types:

(A) a retail marijuana store;

(B) a marijuana cultivation facility;

(C) a marijuana product manufacturing facility; or

(D) a marijuana testing facility;

(3) the sale or importation for sale of marijuana and any marijuana product.

(b) A ballot question to adopt a local option under this section must at least contain

language substantially similar to: "Shall (name of local government) adopt a local option to

prohibit (local option under (a) of this section)? (yes or no)."

(c) The ballot for an election on the options set out in (a)(2) of this section must include

a brief explanation of the activity that each license type on the ballot may carry out.

(d) If a local government dissolves under AS 29.06.450, any marijuana establishment

license issued to that local government expires when the local government dissolves.

(e) A local government may not prohibit the personal use and possession of marijuana

and marijuana products as authorized under AS 17.38.020.

(f) Nothing in 3 AAC 306.200 - 3 AAC 306.260 precludes a local government from

applying for a marijuana establishment license under other provisions of this chapter. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

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AS 17.38.090 AS 17.38.110

**3 AAC 306.210. Change of local option.** If a majority of persons voting on the

question vote to approve a local option different from one previously adopted under this section

and currently in effect, or if the local government's assembly or city council passes an ordinance

to the same effect, the local government shall change the local option to the newly approved

option. A ballot question to change a local option under this section must at least contain

language substantially similar to: "Shall (name of local government) change the local option

currently in effect, that prohibits (current local option), and adopt in its place a local option to

prohibit (proposed local option)? (yes or no)." (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

**3 AAC 306.220. Removal of local option.** (a) If a majority of the persons voting on the

question vote to remove a local option previously adopted under this section and currently in

effect, or if a local government's assembly or city council passes an ordinance to the same effect,

that local option is repealed effective the first day of the month after the election is certified. A

ballot question to remove a local option under this section must at least contain language

substantially similar to: "Shall (name of local government) remove the local option currently in

effect, that prohibits (current local option), so that no local option continues in effect? (yes or

no)."

(b) When issuing a license within the boundaries of a local government that has removed

a local option, the board will give priority to any formerly licensed applicant whose license was

not renewed because of the results of the previous local option election. However, an applicant

described in this subsection does not have a legal right to a license and the board is not required

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to approve the application. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

**3 AAC 306.230. Procedure for local option election.** (a) When a local government

receives a petition to adopt, change, or remove a local option, and the petition is signed by a

number of registered voters equal to 25 percent or more of the number of votes cast at the last

regular municipal election, the local government shall place the issue that is the subject of the

petition on a separate ballot at the next regular election, or hold a special election. The local

government shall conduct the election in compliance with its election ordinance.

(b) In a general law local government, AS 29.26.110 - AS 29.26.160 apply to a petition

under (a) of this section except that

(1) an application filed under AS 29.26.110 must at least contain language

substantially similar to the questions set out under 3 AAC 306.200(b), 3 AAC 306.210, or

3 AAC 306.220(a) rather than language of an ordinance or resolution;

(2) a petition must at least contain language substantially similar to the questions

set out under 3AAC 306.200(b), 3 AAC 306.210, or 3 AAC 306.220(a) rather than material

required under AS 29.26.120(a)(1) and (2).

(c) Notwithstanding any other provisions of law, a local government may not conduct an

election to change to a less restrictive option under 3 AAC 306.210, or to remove a local option

under 3 AAC 306.220, or pass an ordinance to the same effect, during the first 24 months after

the local option was adopted or more than once in a 36-month period, except that if an original

prohibition was passed by ordinance, an election as set forth in this article to change the

ordinance may be conducted within the 36 month period following the passage of the ordinance.

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(d) Notwithstanding AS 29.26.140(a), after a petition has been certified as sufficient to

meet the requirements of (a) or (b) of this section, no other petition may be filed or certified until

after the question presented in the first petition has been voted on or the local government has

passed an ordinance to the same effect. Only one local option question may be presented in an

election. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

**3 AAC 306.240. Prohibition of importation or purchase after election.** (a) If a

majority of the voters vote to prohibit the importation for sale of marijuana and any marijuana

product under 3 AAC 306.200(a)(3), or if the local government's assembly or city council passes

an ordinance to the same effect, a person, beginning on the first day of the month after the results

of the election are certified, may not knowingly bring, send, or transport marijuana or marijuana

products for sale into the area within the boundary of the local government.

(b) A person who resides within the boundary of a local government that has adopted a

local option under 3 AAC 306.200(a) may not purchase marijuana or a marijuana product from

another person that has brought, sent, or transported marijuana or a marijuana product into the

local government for sale in violation of the local option.

(c) Notwithstanding (a) or (b) of this section, a licensed marijuana establishment may

transport marijuana or any marijuana product through the boundaries of a local government that

has prohibited importation or purchase of marijuana if the marijuana or marijuana product is

shipped with an attached transport manifest created in compliance with 3 AAC 306.750 and

documenting that the shipment originates and terminates in a place that does not prohibit

importation and purchase of marijuana or a marijuana product.

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(d) In this section,

(1) "bring" means to carry or convey or to attempt or solicit to carry or convey;

(2) "send" means to cause to be taken or distributed or to attempt or solicit or

cause to be taken or distributed, and includes use of the United States Postal Service;

(3) "transport" means to ship by any method, and includes delivering or

transferring or attempting or soliciting to deliver or transfer marijuana or marijuana products to

be shipped to, delivered to, or left or held for pickup by any person. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

**3 AAC 306.250. Effect on licenses of restriction on sale.** If a majority of the voters

vote under 3 AAC 306.200(a) to prohibit sale of marijuana and marijuana products or the

operation of marijuana establishments, or if the assembly or city council passes an ordinance to

the same effect, the board may not issue, renew, or transfer to another person, a license for a

marijuana establishment with premises located within the boundary of the local government or in

the unincorporated area within ten miles of the boundaries of the local government. A license

for a marijuana establishment within the boundary of the local government or in the

unincorporated area within ten miles of the boundary of the local government is void 90 days

after the results of the election are certified. A license that expires during the 90 days after the

certification of a local option election may be extended until it is void under this section, by

payment of a prorated portion of the annual license fee. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

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**3 AAC 306.260. Notice of the results of a local option election.** (a) If a majority of

the voters vote to adopt, change, or remove a local option under 3 AAC 306.200 - 3 AAC

306.220 or if the assembly or city council passes an ordinance to the same effect:

(1) the clerk of the local government shall notify the board of the results of the

election or of the passage of the ordinance immediately after the results of the election are

certified or the ordinance is formally adopted;

(2) the local government shall post public notice of the prohibition in a central

location within the boundary of the local government before the date the prohibition becomes

effective; and

(3) the board shall immediately notify the Department of Law and the

Department of Public Safety of the results of the election. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090 AS 17.38.110

**Article 3. Retail Marijuana Stores.**

**Section**

300. Retail marijuana store license required

305. Retail marijuana store privileges

310. Acts prohibited at retail marijuana store

315. Application for retail marijuana store license

320. Marijuana handler permit required

325. Access restricted at marijuana retail store

330. Marijuana inventory tracking system

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335. Health and safety requirements

340. Testing required for marijuana and marijuana products

345. Packaging and labeling

350. Identification requirement to prevent sale to person under 21

355. Limit on quantity sold

360. Restriction on advertising of marijuana and marijuana products

**3 AAC 306.300. Retail marijuana store license required.** (a) Except as permitted

under AS 17.38.020, a person may not sell, give, distribute, deliver, or offer to sell, give,

distribute, or deliver marijuana or any marijuana product to a consumer unless the person has

obtained a retail marijuana store license from the board in compliance with this chapter, or is an

employee or agent acting for a licensed retail marijuana store operating in compliance with this

chapter. A person seeking a retail marijuana store license must

(1) submit an application for a retail marijuana store license on a form the board

prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.315; and

(2) demonstrate, to the board's satisfaction, that the applicant will operate in

compliance with

(A) each applicable provision of 3 AAC 306.300 - 3 AAC 306.360 and 3

AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance

of the state and the local government in which the applicant's proposed licensed premises

are located.

(b) A licensee of any retail marijuana store, or an employee or agent of a retail marijuana

store, may not have an ownership interest in, or a direct or indirect financial interest in any

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licensed marijuana testing facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.305. Retail marijuana store privileges.** (a) A licensed retail marijuana

store is authorized to

(1) sell marijuana purchased from a licensed marijuana cultivation facility,

packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.475 in

an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed

premises for consumption off the licensed premises;

(2) sell a marijuana product purchased from a licensed marijuana product

manufacturing facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.565,

and 3 AAC 306.570, in an amount not exceeding the limit set out in 3 AAC 306.355, to an

individual on the licensed premises for consumption off the licensed premises;

(3) store marijuana and marijuana products on the licensed premises in a manner

consistent with 3 AAC 306.710 - 3 AAC 306.720.

(b) This section does not prohibit a licensed retail store from refusing to sell marijuana or

marijuana product to any consumer. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.310. Acts prohibited at retail marijuana store.** (a) A licensed retail

marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver,

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marijuana or any marijuana product

(1) to any person under the age of 21;

(2) that is not labeled and packaged as required in 3 AAC 306.345, and in 3 AAC

306.470 and 3 AAC 306.475 or 3 AAC 306.565 and 3 AAC 306.570;

(3) in a quantity exceeding the limit set out in 3 AAC 306.355;

(4) over the internet; a licensed retail marijuana store may only sell marijuana or

marijuana product to a consumer who is physically present on the licensed premises;

(5) after the expiration date shown on the label of the marijuana or marijuana

product.

(b) A licensed retail marijuana store may not

(1) conduct any business on, or allow any consumer to access, the retail

marijuana store's licensed premises between the hours of 5:00 a.m. and 8:00 a.m. each day;

(2) allow any person to consume marijuana or any marijuana product on the retail

marijuana store's licensed premises;

(3) offer or deliver to a consumer, as a marketing promotion or for any other

reason:

(A) free marijuana or marijuana product, including a sample; or

(B) a consumable product other than marijuana, including cigarettes,

tobacco products, alcoholic or non alcoholic beverages, or food, free or for compensation.

(c) A retail marijuana store may not purchase any marijuana or marijuana product for

resale without a certificate showing the tax due under AS 43.61.010 has been paid to the state.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.315. Application for retail marijuana store license.** A person seeking a

new retail marijuana store license must submit an application on a form the board prescribes

including the information required under 3 AAC 306.020, and the following

(1) a copy of the food safety permit required under 18 AAC 31.020(a);

(2) in the operating plan required under 3 AAC 306.020(c), a description of the

way marijuana and marijuana products at the retail store will be displayed and sold. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.320. Marijuana handler permit required.** A retail marijuana store shall

ensure that

(1) each licensee, employee, or agent obtains a marijuana handler permit as

provided in 3 AAC 306.700 before being licensed or employed at a retail marijuana store; and

(2) each licensee, employee, or agent has that person's marijuana handler permit

card in that person's immediate possession when on the licensed premises of the retail marijuana

store. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.325. Access restricted at retail marijuana store.** (a) A person under the

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age of 21 may not enter a retail marijuana store.

(b) Each entry to a retail marijuana store must be posted with a sign that says "No one

under 21 years of age allowed." The sign must be not less than 12 inches long and 12 inches

wide, with letters at least one half inch in height in high contrast to the background of the sign.

(c ) An area of a retail marijuana store's licensed premises where marijuana or any

marijuana product is stocked for sale, or dispensed for sale, is a restricted access area. The retail

marijuana store must post signs, require identification, and escort visitors in compliance with

3 AAC 306.710. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.330. Marijuana inventory tracking system.** (a) A retail marijuana store

shall use an inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana and

marijuana product in the store's possession is identified and tracked from the time the retail

marijuana store receives any batch of marijuana or lot of marijuana product through the sale,

transfer to another licensed marijuana establishment, or disposal of the batch of marijuana or lot

of marijuana product.

(b) When any marijuana from a marijuana cultivation facility or marijuana product from

a marijuana product manufacturing facility is delivered or transported to the licensed premises of

a retail marijuana store, the retail marijuana store shall immediately enter identification

information for that batch of marijuana or lot of marijuana product into the retail marijuana

store's inventory tracking system. A retail marijuana store may not accept any marijuana or

marijuana product that does not have a valid transport manifest generated from the inventory

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tracking system of the marijuana establishment that originated the delivery.

(c) A retail marijuana store shall reconcile each transaction from the store's point of sale

system and current inventory to its inventory tracking system at the close of business each day.

(d) A retail marijuana store shall account for any variance in the quantity of marijuana or

marijuana product the store received and the quantity the store sold, transferred, or disposed of.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.335. Health and safety requirements.** A retail marijuana store must

comply with each applicable health and safety requirement set out in 3 AAC 306.735. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.340. Testing required for marijuana and marijuana products.** (a) A

retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or

deliver, marijuana or any marijuana product until all laboratory testing required under 3 AAC

306.645 has been completed, and the label required under 3 AAC 306.475 or 3 AAC 306.570 is

affixed. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

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**3 AAC 306.345. Packaging and labeling**. (a) A retail marijuana store shall assure that

(1) any marijuana sold on its licensed premises is packaged and labeled in

compliance with 3 AAC 306.470 and 3 AAC 306.475, except that 3 AAC 306.470(b)(2) does not

apply to the packaging of wholesale flower and bud sold by weight to a consumer; and

(2) any marijuana product sold on its licensed premises is packaged and labeled

in compliance with 3 AAC 306.565 and 3 AAC 306.570, except that 3 AAC 306.565(b)(2) does

not apply to the packaging of wholesale marijuana products that are not edible marijuana

products.

(b) In addition to labeling requirements provided in (a) of this section, a retail marijuana

store shall affix a label to each package of marijuana or marijuana product that

(1) identifies the marijuana retail store selling the marijuana product by name or

distinctive logo and marijuana establishment license number; and

(2) contains the following statements:

(A) "Marijuana has intoxicating effects and may be habit forming;"

(B) "Marijuana can impair concentration, coordination, and judgment. Do

not operate a vehicle or machinery under its influence;"

(C) "There may be health risks associated with consumption of

marijuana;" and

(D) "For use only by adults twenty-one and older. Keep out of the reach of

children"

(E) "Marijuana should not be used by women who are pregnant or breast

feeding." (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.350. Identification requirement to prevent sale to person under 21.** (a)

A licensed retail marijuana store shall refuse to sell marijuana or a marijuana product to any

person who does not produce a form of valid identification showing that person is 21 years of

age or older.

(b) A valid form of identification includes:

(1) an unexpired, unaltered passport;

(2) an unexpired, unaltered driver's license; instruction permit, or identification

card of any state or territory of the United States, the District of Columbia, or a province of

Canada;

(3) an identification card issued by a federal or state agency authorized to issue a

driver's license or identification card. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.355. Limit on quantity sold.** (a) A licensed retail marijuana store shall not

sell more than the following quantity of marijuana or marijuana product in a single transaction:

(1) one ounce of usable marijuana;

(2) sixteen ounces of marijuana-infused product in solid form;

(3) seven grams of marijuana-infused extract for inhalation, or

(4) seventy-two ounces of marijuana-infused product in liquid form. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.360. Restriction on advertising of marijuana and marijuana products.**

(a) A retail marijuana store may have no more than three signs, visible to the general public

from the public right of way, that identify the store by its business name. A sign may be placed

in the store's window or attached to the outside of the licensed premises. The size of each sign

may not exceed 4800 square inches.

(b) An advertisement for marijuana or marijuana product may not contain any statement

or illustration that

(1) is false or misleading;

(2) promotes excessive consumption;

(3) represents that the use of marijuana has curative or therapeutic effects;

(4) depicts a person under the age of 21 consuming marijuana; or

(5) includes an object or character, including a toy, a cartoon character, or any

other depiction designed to appeal to a child or other person under the age of 21, that promotes

consumption of marijuana.

(c) A retail marijuana store may not place an advertisement for marijuana or a marijuana

product, except as provided in (a) of this section,

(1) within one thousand feet of the perimeter of any child-centered facility,

including a school, daycare or other facility providing services to children, a playground or

recreation center, a public park, a library, or a game arcade that is open to persons under the age

of 21;

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(2) on or in a public transit vehicle or public transit shelter; or

(3) on or in a publicly owned or operated property;

` (4) within 1000 feet of a substance or treatment facility; or

(5) on a college campus.

(d) A retail marijuana store may not use giveaway coupons, or distribute branded

merchandise as promotional materials, or conduct promotional activities such as games or

competitions to encourage sale of marijuana or marijuana products.

(e) All advertising for marijuana or any marijuana product must contain the following

warnings:

(1) "Marijuana has intoxicating effects and may be habit forming;"

(2) "Marijuana can impair concentration, coordination, and judgment. Do not

operate a vehicle or machinery under its influence;"

(3) "There may be health risks associated with consumption of marijuana;" and

(4) "For use only by adults twenty-one and older. Keep out of the reach of

children"

(5) "Marijuana should not be used by women who are pregnant or breast feeding."

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**Article 4. Marijuana Cultivation Facilities.**

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400. Marijuana cultivation facility license required

405. Standard marijuana cultivation facility: privileges and prohibited acts

410. Limited marijuana cultivation facility: privileges and prohibited acts

415. Marijuana cultivation broker facility: privileges and prohibited acts

420. Application for marijuana cultivation facility license

425. Marijuana handler permit required

430. Restricted access area

435. Marijuana inventory tracking system

440. Health and safety requirements

445. Standards for cultivation and preparation

450. Production of marijuana concentrate prohibited

455. Required laboratory testing

460. Samples

465. Random sampling

470. Packaging of marijuana

475. Labeling of marijuana

480. Marijuana tax to be paid

**3 AAC 306.400. Marijuana cultivation facility license required.** (a) Except as

provided under AS 17.38.020, a person may not plant, propagate, cultivate, harvest, trim, dry,

cure, or package, label, or sell marijuana grown at a place under that person's control, directly or

through a marijuana cultivation broker facility, to any marijuana establishment unless the person

has obtained a marijuana cultivation facility license from the board in compliance with this

chapter, or is an employee or agent acting for a licensed marijuana cultivation facility. The

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board will issue the following types of marijuana cultivation facility licenses, with the privileges

and subject to the prohibitions set out in sections 3 AAC 306.405 - 3 AAC 306.415:

(1) a standard marijuana cultivation facility license;

(2) a limited marijuana cultivation facility license to a person operating a

marijuana cultivation facility with fewer than 500 square feet under cultivation; and

(3) a marijuana cultivation broker facility license for a person providing essential

business functions of a limited marijuana cultivation facility, including storing marijuana,

purchasing or arranging the purchase of the limited marijuana cultivation facility's marijuana

crop, arranging testing and transportation of marijuana, and filing the reports and paying the

marijuana excise tax required under AS 43.61.010 and AS 43.61.020.

(b) A person seeking any type of marijuana cultivation facility license as provided in (a)

of this section must

(1) submit an application for the applicable marijuana cultivation facility license

on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC

306.420; and

(2) demonstrate to the board's satisfaction that it will operate in compliance with

(A) each applicable provision of 3 AAC 306.400 - 3 AAC 306.480 and 3

AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance

of the state and the local government in which the applicant's proposed licensed premises

are located.

(c) A licensee of any marijuana cultivation facility, or an employee or agent of a

marijuana cultivation facility, may not have an ownership interest in, or a direct or indirect

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financial interest in any licensed marijuana testing facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.030 AS 17.38.090 AS 17.38.900

AS 17.38.070

**3 AAC 306.405. Standard marijuana cultivation facility: privileges and prohibited**

**acts.** (a) A licensed standard marijuana cultivation facility is authorized to

(1) propagate, cultivate, harvest, prepare, cure, package, store and label

marijuana;

(2) sell marijuana only to a licensed retail marijuana store, to another licensed

marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;

(3) provide samples to a licensed marijuana testing lab for testing;

(4) store inventory on the licensed premises; any stored inventory must be

secured in a restricted access area and accounted for in the marijuana cultivation facility's

inventory tracking system as required under 3 AAC 306.730;

(5) transport marijuana in compliance with 3 AAC 306.750;

(6) conduct in-house testing for the marijuana cultivation facility's own use;

(7) provide marijuana samples to a licensed retail marijuana store or marijuana

product manufacturing facility for the purpose of negotiating a sale.

(b) A licensed standard marijuana cultivation facility may also apply for a marijuana

product manufacturing facility license and a retail marijuana store license. A standard marijuana

cultivation facility that obtains any other marijuana establishment license shall

(1) conduct any product manufacturing or retail marijuana store operation in a

room completely separated from the cultivation facility by a secure door when co-located; and

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(2) comply with each provision of this chapter that applies to any other type of

marijuana establishment license that the standard marijuana cultivation facility licensee obtains.

(c) A licensed standard marijuana cultivation facility may not

(1) sell, distribute, or transfer any marijuana or marijuana product to a consumer,

with or without compensation;

(2) allow any person, including a licensee, employee, or agent, to consume

marijuana or a marijuana product on the licensed premises or within 20 feet of the exterior of any

building or outdoor cultivation facility on the licensed premises;

(3) treat or otherwise adulterate marijuana with any organic or nonorganic

chemical or other compound to alter the color, appearance, weight, or odor of the marijuana;

(4) except as permitted under a marijuana product manufacturing facility license,

extract marijuana concentrate, using any process described in 3AAC 306.555, at the licensed

premises;

(5) sell marijuana that is not packaged and labeled in compliance with 3 AAC

306.470 and 3 AAC 306.475; or

(6) sell marijuana that has not been reported to the Department of Revenue with

excise tax paid as required under AS 43.61.010 and AS 43.61.020. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.410. Limited marijuana cultivation facility: privileges and prohibited**

**acts.** (a) A licensed limited cultivation facility is authorized to

(1) propagate, cultivate, harvest, and prepare marijuana for sale in a marijuana

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cultivation facility with fewer than 500 square feet under cultivation;

(2) provide marijuana samples to a licensed marijuana cultivation broker facility

for the purpose of negotiating a sale;

(3) sell marijuana only to a licensed marijuana cultivation broker facility with

which the limited cultivation facility has a written agreement that

(A) assigns responsibility for

(i) arranging transportation and testing by a licensed marijuana

testing facility; and for

(ii) other services as agreed between the parties; and

(B) requires the marijuana cultivation broker facility to file reports and

pay the excise tax as required under AS 43.61.010 and AS 43.61.020 for all marijuana the

marijuana cultivation broker facility purchases from the limited marijuana cultivation

facility;

(4) if a written agreement as provided in paragraph (a)(3) of this section does not

provide for the marijuana cultivation broker facility to provide these services:

(A) arrange for testing by a licensed marijuana testing facility; and

(B) transport marijuana to a licensed marijuana testing facility or the

marijuana cultivation broker facility with which the limited marijuana cultivation facility

has an agreement under (a)(3) of this section.

(b) A licensed limited marijuana cultivation facility may not

(1) do any act prohibited under 3 AAC 306.405(c);

(2) hold any other type of marijuana establishment license;

(3) sell directly to a consumer,

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(4) sell to any marijuana establishment except through a marijuana cultivation

broker facility; and

(5) sell marijuana to a marijuana cultivation broker facility without a written

agreement in which the marijuana cultivation broker facility agrees to file each report and pay

the excise tax required under AS 43.61.010 and AS 43.61.020. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.090 AS 43.61.010

AS 17.38.070 AS 17.38.100 AS 43.61.020

AS 17.38.084 AS 17.38.900

**3 AAC 306.415. Marijuana cultivation broker facility: privileges and prohibited**

**acts.** (a) A licensed marijuana cultivation broker facility is authorized to

(1) purchase marijuana from any number of licensed limited marijuana

cultivation facilities;

(2) sell marijuana only to a licensed retail marijuana store, to another licensed

marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;

(3) arrange laboratory testing of marijuana obtained from a limited cultivation

facility, and provide the necessary testing samples to a licensed marijuana testing facility;

(4) arrange transportation of marijuana to a marijuana testing facility, a marijuana

product manufacturing facility, or a retail marijuana store; and

(5) submit to the Department of Revenue the monthly statements and pay the

excise tax specified under AS 43.61.010 and AS 43.61.020 on all marijuana the marijuana

cultivation broker facility purchases from a limited marijuana cultivation facility.

(b) A licensed marijuana cultivation broker facility may apply for a marijuana product

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manufacturing facility license and a retail marijuana store license. A marijuana cultivation

broker facility that obtains any other marijuana establishment license shall

(1) conduct any product manufacturing and retail marijuana store operation in a

room completely separated from the cultivation broker facility by a secure door; and

(2) comply with each provision of this chapter that applies to any other type of

marijuana establishment license that the cultivation broker facility has obtained.

(c) A licensed marijuana cultivation broker facility may not

(1) do any act prohibited under 3 AAC 306.405(c);

(2) grow marijuana;

(3) extract concentrate from marijuana unless the broker facility has obtained a

marijuana manufacturing facility license;

(4) sell marijuana that is not packaged and labeled in compliance with 3 AAC

306.470 and 3 AAC 306.475; or

(5) sell marijuana that has not been reported to the Department of Revenue with

excise tax paid as required under AS 43.61.010 and AS 43.61.020. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.090 AS 43.61.010

AS 17.38.070 AS 17.38.100 AS 43.61.020

AS 17.38.084 AS 17.38.900

**3 AAC 306.420. Application for marijuana cultivation facility license.** (a) An

applicant for a new standard marijuana cultivation facility license or a new limited marijuana

cultivation facility shall file an application on a form the board prescribes, including

(1) the information required under 3 AAC 306.020; and

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(2) the proposed marijuana cultivation facility's operating plan, including, in

addition to the information required under 3 AAC 306.020(c):

(A) the size of the space intended to be under cultivation;

(B) the growing medium to be used;

(C) fertilizers, chemicals, gases, and delivery systems, including CO2

management, to be used;

(D) the irrigation and waste water systems to be used;

(E) waste disposal arrangements;

(F) odor control; and

(G) the testing procedure and protocols the marijuana cultivation facility

will follow.

(b) An applicant for a limited marijuana cultivation facility license must submit the

information required for a new marijuana establishment license set out in 3 AAC 306.020, and

(a)(2) of this section.

(c) An applicant for a marijuana cultivation broker facility license must

(1) submit the information required for a new marijuana establishment license

under 3 AAC 306.020;

(2) agree to submit the monthly reports and pay the excise tax specified under AS

43.61.010 and AS 43.61.020 on all marijuana it purchases; and

(3) provide other services the marijuana cultivation broker facility offers to a

limited marijuana cultivation facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

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**Editor's note:** The form for an application for a marijuana cultivation facility license or

a marijuana cultivation broker facility license is available online as provided in the editor's note under 3 AAC 306.020.

**3 AAC 306.425. Marijuana handler permit required.** A marijuana cultivation facility

must ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before

being present or employed at the marijuana cultivation facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession at

all times while on the marijuana cultivation facility's licensed premises. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.430. Restricted access area.** (a) A marijuana cultivation facility shall

conduct any operation in a restricted area in compliance with 3 AAC 306.710 and this section.

(b) A marijuana cultivation facility shall conduct any marijuana growing operation

within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors.

Where not prohibited by local government, outdoor production may take place in non-rigid

greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a

physical barrier. To obscure public view of the premises, outdoor production must be enclosed

by a sight obscuring wall or fence at least six feet high.

(c) A marijuana cultivation facility shall ensure that any marijuana at the cultivation

facility

(1) cannot be observed by the public from outside the cultivation facility; and

(2) does not emit an odor that is detectable by the public from outside the

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cultivation facility except as allowed by a local government conditional use permit process.

(d) A marijuana cultivation facility shall have full video surveillance of the licensed

premises as required under 3 AAC 306.720, including any area where marijuana is grown,

processed, packaged, or stored, or where marijuana waste is destroyed. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.435. Marijuana inventory tracking system.** (a) A marijuana cultivation

facility shall use an inventory tracking system in compliance with 3 AAC 306.730 to ensure all

marijuana propagated, grown, or cultivated on the marijuana cultivation facility's premises is

identified and tracked from the time the marijuana is propagated through transfer to another

licensed marijuana establishment or destruction. The marijuana cultivation facility must assign a

tracking number to each plant over 8 inches tall. When harvested, bud and flowers, clones or

cuttings, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding

five pounds; each harvest batch must be given an inventory tracking number. Clones or cuttings

must be limited to 50 or fewer plants and identified by a batch tracking number.

(b) A marijuana cultivation facility shall record each sale and transport of each batch in

its marijuana inventory tracking system, and shall generate a valid transport manifest to

accompany each transported batch.

(c) A marijuana cultivation facility shall record in its marijuana inventory tracking

system all marijuana used to provide a sample authorized under 3 AAC 306.460 for the purpose

of negotiating sales, including

(1) the amount of each sample;

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(2) the retail marijuana store or marijuana product manufacturing facility that

received the sample; and

(3) the disposal of any expired or outdated promotional sample returned to the

marijuana cultivation facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.440. Health and safety requirements.** (a) A marijuana cultivation facility

must comply with all applicable health and safety requirements set out in 3 AAC 306.735, and

the additional requirements set out in this section.

(b) A marijuana cultivation facility shall ensure that any licensee, employee, or agent

who is present at the marijuana cultivation facility and in contact with any marijuana

(1) wears clean clothing appropriate for the duties that person performs;

(2) wears protective apparel, such as head, face, hand and arm coverings, as

necessary to protect marijuana from contamination; and

(3) practices good sanitation and health habits. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.445. Standards for cultivation and preparation.** A marijuana cultivation

facility shall use certified scales in compliance with AS 45.75.080 and 3 AAC 306.745. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

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**3 AAC 306.450. Production of marijuana concentrate prohibited.** A marijuana

cultivation facility may not produce or possess marijuana concentrate that was extracted using

any process described in 3 AAC 306.455 on its licensed premises unless the marijuana

cultivation facility also has a marijuana product manufacturing facility license. Any extraction

or production of marijuana concentrate on the premises of a licensed marijuana cultivation

facility must

(1) be in a separate room that

(A) is physically separated by a secure door from any cultivation area;

and

(B) has a sign that clearly identifies the room as a marijuana concentrate

production area, and warns unauthorized persons to stay out; and

(2) comply with all applicable provisions of 3 AAC 306.500 - 3 AAC 306.570.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.455. Required laboratory testing.** (a) Except as provided in (d) of this

section, a marijuana cultivation facility shall provide a sample of each harvest batch of marijuana

produced at the facility to a marijuana testing facility, and may not sell or transport any

marijuana until all laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana cultivation facility shall

(1) collect a random, homogenous sample for testing by segregating harvested

marijuana into batches of individual strains of bud and flower, then selecting a random sample

from each batch in an amount required by the marijuana testing facility;

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shall

(2) designate an individual responsible for collecting each sample; that individual

(A) prepare a signed statement showing that each sample has been

randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755;

(3) transport the sample to the marijuana testing facility's licensed premises in

compliance with 3 AAC 306.750.

(c) A marijuana cultivation facility shall segregate the entire batch from which the

testing sample was selected until the marijuana testing facility reports the results from its tests.

During this period of segregation, the marijuana cultivation facility that provided the sample

shall maintain the batch in a secure, cool, and dry location to prevent the marijuana from

becoming contaminated or losing its efficacy. The facility that provided the sample may not sell

or transport any marijuana from the segregated batch until the marijuana testing facility has

completed its testing and provided those results, in writing, to the marijuana cultivation facility

that provided the sample. The marijuana cultivation facility shall maintain the testing results as

part of its business books and records.

(d) A limited marijuana cultivation facility may contract with a marijuana cultivation

broker facility to arrange the laboratory testing required in this section, and transportation of

marijuana to the marijuana testing facility. A marijuana cultivation broker facility's contract to

perform these services must be in writing and must be maintained in the limited marijuana

cultivation facility's business records. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.460. Samples.** (a) A marijuana cultivation facility may provide a free

sample of marijuana to a retail marijuana store if packaged in a sample jar containing no more

than 3 1/2 grams of marijuana and protected by a plastic or metal mesh screen to allow

customers to smell the product before purchase.

(b) A marijuana cultivation facility may provide a free sample of marijuana to a retail

marijuana store or marijuana product manufacturing facility as follows:

(1) a sample provided for the purpose of negotiating a sale may be no more than

one ounce;

(2) a marijuana cultivation facility may not provide any one licensed retail

marijuana store or marijuana product manufacturing facility with more than one ounce of

marijuana per month free of charge for the purpose of negotiating a sale.

(c) A retail marijuana store that receives a marijuana sample may not sell the marijuana

sample to a customer; and shall either

(1) return the marijuana sample to the cultivation facility that provided the

sample; or

(2) destroy the marijuana sample after use and document the destruction in its

marijuana inventory control system. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.465. Random sampling.** (a) The board or the director will from time to

time require a standard or limited marijuana cultivation facility to provide samples of the

growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for

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random compliance checks. The sample may be screened for pesticides and chemical residues,

unsafe levels of metals, and used for other laboratory tests the director finds to be in the interests

of the public. The marijuana cultivation facility shall bear all costs of testing under this

subsection.

(b) When the board or the director orders random sampling under this section, the

director will identify a licensed marijuana testing facility to perform the testing. The marijuana

testing facility will collect the test samples; the marijuana cultivation facility shall cooperate to

facilitate the collection of samples. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.470. Packaging of marijuana.** (a) A licensed marijuana cultivation

facility, including a marijuana cultivation broker facility, shall package its marijuana bud and

flower for sale as follows:

(1) to a retail marijuana store, either

(A) in a package not exceeding one ounce for resale to consumers without

additional handling by the retail marijuana store except to add the retail marijuana store's

own identifying name or logo and license number; or

(B) in a wholesale package not exceeding five pounds for re - packaging

by the retail marijuana store; or

(2) to a marijuana product manufacturing facility in a wholesale package not

exceeding five pounds, consisting of a single strain or a mixture of strains as identified on the

label.

(b) When a licensed marijuana cultivation facility packages marijuana for a retail

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marijuana store to sell to a consumer without re-packaging, the packaging must be designed or

constructed in compliance with 16 C.F.R. 1700.01 - 1700.20, as amended Dec.30, 1983 to be

significantly difficult for children under five years of age to open; but not normally difficult for

adults to use properly. The packaging may not have any printed images, including cartoon

characters, that specifically target individuals under the age of 21. In addition, the packaging

must

(1) protect the product from contamination and must not impart any toxic or

damaging substance to the marijuana;

(2) be four mil or greater thickness plastic, heat sealed, and with no easy-open

corner, dimple or flap;

(3) be opaque so that the product cannot be seen without opening the packaging

material.

(c) Each package prepared in compliance with this section must be identified by a

tracking label generated for tracking by the marijuana cultivation facility's marijuana inventory

control system.

(d) A marijuana cultivation facility shall prepare marijuana for transport or transfer to

another marijuana establishment by

(1) placing marijuana packaged in compliance with (a) - (c) of this section within

a sealed, tamper-evident shipping container;

(2) affixing a label in compliance with 3 AAC 306.475 to the shipping container;

and

(3) generating a transport manifest from the marijuana cultivation facility's

marijuana inventory system; the transport manifest must remain with the marijuana at all times

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while being transported, and a copy must be given to the licensed marijuana establishment that

receives the shipment. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.475. Labeling of marijuana.** (a) When a licensed marijuana cultivation

facility packages marijuana for a retail marijuana store to sell to a consumer without re-

packaging, the marijuana cultivation facility shall affix a label to each package of marijuana or

marijuana product that contains the following statements:

(1) "Marijuana has intoxicating effects and may be habit forming;"

(2) "Marijuana can impair concentration, coordination, and judgment. Do not

operate a vehicle or machinery under its influence;"

(3) "There may be health risks associated with consumption of marijuana;" and

(4) "For use only by adults twenty-one and older. Keep out of the reach of

children"

(5) "Marijuana should not be used by women who are pregnant or breast feeding."

(b) With each harvest batch of marijuana sold, a marijuana cultivation facility must

disclose in writing

(1) each soil amendment, fertilizer, and other crop production aid applied to the

growing medium or marijuana plant included in the batch; and

(2) the name of the licensed marijuana testing facility that performed any

required laboratory test and the results of each required laboratory test.

(c) A marijuana cultivation facility may not label marijuana as organic unless permitted

by the United States Department of Agriculture in accordance with 7 U.S.C. 6501 (Organic

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Foods Production Act of 1990).

(d) A marijuana cultivation facility shall affix a label containing the following

information to each package of marijuana sold to another marijuana establishment.

(1) the name and license number of the marijuana cultivation facility where the

marijuana was grown;

(2) the harvest batch number assigned to the marijuana in the package;

(3) the net weight of the marijuana in the package, not including weight of the

shipping container, using a standard of measure compatible with the inventory tracking system;

and

(4) a complete list of all pesticides, fungicides, and herbicides used in cultivation

of the marijuana.

(e) If a marijuana cultivation facility transports wholesale marijuana to another

marijuana establishment for sale at retail or for use in manufacturing a marijuana product, then a

label must be affixed to the shipping container showing that a licensed marijuana testing facility

has tested each harvest batch in the shipment as provided in 3 AAC 306.645. The label must

report the test results, including the following information:

(1) a cannabinoid potency profile expressed as a range of percentages that

extends from the lowest percentage to highest percentage of concentration for each cannabinoid

listed from every test conducted on that strain of marijuana from the same marijuana cultivation

facility within the last three months;

(2) a statement listing the results of microbial testing required by 3 AAC

306.645(b)(2);

(3) a statement listing the results of residual solvent testing required by 3 AAC

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306.645(b)(3), if applicable;

(4) a statement listing any of the following contaminants for which the product

was tested:

(A) molds, mildew and filth, in addition to the testing required by 3 AAC

306.645(b)(2);

(B) herbicides, pesticides, and fungicides; and

(C) harmful chemicals.

(f) If a marijuana cultivation facility ships wholesale marijuana from a harvest batch that

has not been tested for each contaminant listed in (e)(4) of this section, the label for that batch

must include a statement identifying each contaminant listed in (e)(4) of this section for which

that harvest batch has not been tested. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.480. Marijuana tax to be paid.** (a) A standard marijuana cultivation

facility shall submit monthly reports to the Department of Revenue and pay the excise tax

required under AS 43.61.010 and AS 43.61.020 on all marijuana sold, or provided as a sample to

any marijuana establishment.

(b) A marijuana cultivation broker facility shall submit monthly reports to the

Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020

on all marijuana it has obtained from a limited marijuana cultivation facility, including any

sample provided to any other marijuana establishment. The broker shall agree to comply with

this section in a written agreement with each limited marijuana cultivation facility from which it

purchases marijuana, and shall provide a copy of the monthly report required under AS

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43.61.020 to each limited marijuana cultivation facility from which it purchases marijuana. If a

marijuana cultivation broker facility fails to pay the required tax, the limited marijuana

cultivation facility shall pay the required tax.

(c) When a marijuana cultivation facility, including a marijuana cultivation broker

facility, sells or distributes any marijuana to a retail marijuana store or a marijuana product

manufacturing facility, the marijuana cultivation facility or marijuana cultivation broker must

provide verification of tax payment to the purchaser. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.900

AS 17.38.030 AS 17.38.090 AS 43.61.010

AS 17.38.070 AS 17.38.100 AS 43.61.020

**Article 5. Marijuana Product Manufacturing Facilities.**

**Section**

500. Marijuana product manufacturing facility license required

505. Marijuana product manufacturing facility privileges

510. Acts prohibited at marijuana product manufacturing facility

515. Marijuana concentrate manufacturing facility license

520. Application for marijuana product manufacturing facility license

525. Approval of concentrates and marijuana products

530. Marijuana handler permit and food safety worker training

535. Restricted access and storage areas

540. Marijuana inventory tracking system

545. Health and safety standards

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550. Required laboratory testing

555. Production of marijuana concentrate

560. Potency limits per serving and transaction for edible marijuana products

565. Packaging of marijuana products

570. Labeling of marijuana products

**3 AAC 306.500. Marijuana product manufacturing facility license required.** (a) A

person may not extract marijuana concentrate for sale, or formulate or manufacture any

marijuana product for sale unless that person has obtained a marijuana product manufacturing

facility license from the board in compliance with this chapter, or is an employee or agent acting

for a licensed marijuana product manufacturing facility. The board will issue

(1) a standard marijuana product manufacturing facility license; and

(2) a marijuana concentrate manufacturing facility license.

(b) A person seeking any type of marijuana product manufacturing facility license must

(1) submit an application for a marijuana product manufacturing facility license

on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC

306.520; and

(2) demonstrate to the board's satisfaction that it will operate in compliance with

(A) each applicable provision of 3 AAC 306.500 - 3 AAC 306.570 and 3

AAC 306-700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance

of the state and the local government in which the applicant's proposed licensed premises

are located.

(c) A licensee of any marijuana product manufacturing facility, or an employee or agent

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of a marijuana product manufacturing facility, may not have an ownership interest in, or a direct

or indirect financial interest in any licensed marijuana testing facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.505. Marijuana product manufacturing facility privileges.** (a) Except as

provided in 3 AAC 306.515, a licensed marijuana product manufacturing facility, including a

marijuana concentrate manufacturing facility, is authorized to

(1) purchase marijuana from a marijuana cultivation facility including a

marijuana cultivation broker facility, or from another marijuana product manufacturing facility;

(2) extract marijuana concentrate in compliance with 3 AAC 306.555;

(3) manufacture, refine, process, cook, package, label, and store marijuana

products approved under 3 AAC 306.525, including

(A) marijuana concentrate; or

(B) any product intended for consumption or use on the body that is

comprised of marijuana and other ingredients, including edible products, ointments,

salves, patches, or tinctures;

(4) sell, distribute, or deliver marijuana extract or any marijuana product only to a

licensed retail marijuana store or to another licensed marijuana product manufacturing facility;

(5) provide and transport samples of marijuana concentrate or other marijuana

product to a certified marijuana testing lab for testing;

(6) provide a sample of marijuana concentrate or a marijuana product approved

under 3 AAC 306.525 to a licensed retail marijuana store for the purpose of negotiating a sale;

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(7) store inventory in a restricted access area on the licensed premises as

provided in 3 AAC 306.535; and

(8) transport marijuana in compliance with 3 AAC 306.750; or

(9) conduct in-house testing for the marijuana product manufacturing facility's

own use. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.510. Acts prohibited at marijuana product manufacturing facility.** (a)

A licensed marijuana product manufacturing facility, including a licensed marijuana concentrate

manufacturing facility, may not

(1) sell, deliver, distribute, or transfer marijuana, marijuana concentrate, or a

marijuana product directly to a consumer, with or without compensation;

(2) sell marijuana, marijuana concentrate, or a marijuana product that is not

manufactured, packaged, and labeled in compliance with 3 AAC 306.500 - 3 AAC 306.570;

(3) allow any person, including a licensee, employee, or agent, to consume

marijuana, marijuana concentrate, or a marijuana product on its licensed premises;

(4) manufacture or sell any product that

(A) is an adulterated food or drink;

(B) is a marijuana product containing any food that requires temperature-

controlled storage to keep it safe for human consumption;

(C) closely resembles any familiar food or drink item including candy; or

(D) is packaged to look like candy, or in bright colors or with cartoon

characters or other pictures or images that would appeal to children; and

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(5) operate in a location that is a retail or wholesale food establishment.

(b) In this section, "closely resemble" or "look like" means the product or its packaging

has a shape, color, markings, or decorative patterns that are familiar to the public from a widely

distributed branded food product, so that the marijuana product could easily be mistaken for that

branded product, especially by children.

(c) A marijuana product manufacturing facility may not accept any marijuana from a

marijuana cultivation facility or another marijuana product manufacturing facility unless

(1) all marijuana in the shipment is properly identified with a label generated in

the marijuana inventory tracking system of the licensed marijuana establishment that provided

the marijuana; and

(2) a valid transport manifest showing the source and destination of the marijuana

is attached to the shipment.

(d) A marijuana product manufacturing facility may not purchase or receive any

marijuana from a marijuana cultivation facility, or another marijuana product manufacturing

facility unless it receives evidence that tax due under AS 43.61.010 has been paid. If a marijuana

product manufacturing facility has marijuana on its premises without a certificate showing the

excise tax imposed under AS 43.61.010 has been paid on that marijuana, the marijuana product

manufacturing facility is liable for payment of the tax. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.090 AS 17.38.900

AS 17.38.070 AS 17.38.100 AS 43.61.010

AS 17.38.084

**3 AAC 306.515. Marijuana concentrate manufacturing facility license.** A licensed

marijuana concentrate manufacturing facility has the privileges set out in 3 AAC 306.505, except

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that it may not

(1) manufacture, refine, process, cook, package, label or store any marijuana

product other than marijuana concentrate;

(2) sell, distribute, or deliver any marijuana product other than marijuana

concentrate to a retail marijuana store or to another marijuana product manufacturing facility;

(3) provide and transport a sample of any marijuana product other than marijuana

concentrate to a licensed marijuana testing lab for testing; or

(4) provide samples of any product other than marijuana concentrate to a licensed

retail marijuana store for purposes of negotiating a sale. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.520. Application for marijuana product manufacturing facility license.**

An applicant for a marijuana product manufacturing facility license, including a marijuana

concentrate manufacturing facility, must file an application on a form the board prescribes, and

provide the information required under 3 AAC 306.020 and the following:

(1) a copy of a food safety permit if required under 18 AAC 31.020;

(2) a diagram of the proposed licensed premises required in 3 AAC 306.020(b),

identifying the area where

(A) in-house testing, if any, will occur; and

(B) marijuana and any marijuana product, including marijuana

concentrate, will be stored;

(3) in the applicant's operating plan required under 3 AAC 306.020(c), a

description of

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(A) the equipment and solvents, gases, chemicals, and other compounds

used to create concentrates and the processes to be used;

(B) each marijuana product the applicant intends to process at this

location; the product description must include the color, shape, texture, ingredients and

standard production procedure to be used and the additional information required for

product approval in 3 AAC 306.525;

(C) the packaging to be used for each type of product; and

(D) sample labels showing how the labeling information required in

3 ÅAC 306.570 will be set out; and

(E) the applicant's plan for disposal of waste. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**Editor's note:** The form for an application for a marijuana product manufacturing

facility license or a marijuana concentrate manufacturing license is available online as provided in the editor's note under 3 AAC 306.020.

**3 AAC 306.525. Approval of concentrates and marijuana products.** (a) A marijuana

product manufacturing facility, including a marijuana concentrate manufacturing facility, must

obtain the board's approval for each product it will manufacture for sale or transfer to another

licensed marijuana establishment. The board will not approve

(1) any marijuana concentrate or product intended for sale directly to a consumer

if the concentrate or product will have THC potency equal to or greater than 76 percent; or

(2) any product that is prohibited under 3 AAC 306.510(a)(4).

(b) An applicant for a marijuana product manufacturing facility license may request the

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board's approval of its intended products with a new license application by including, in its

operating plan

(1) a photograph, drawing, or graphic representation of the expected appearance

of each final product; and

(2) the proposed standard production procedure and detailed manufacturing

process for each product.

(c) A licensed marijuana product manufacturing facility may at any time submit a new

product approval request to the board on a form the board prescribes along with a fee of $250.

(d) A licensed marijuana product manufacturing facility shall keep its ingredient list and

potency limits for any food product containing marijuana on file at the marijuana product

manufacturing facility's licensed premises. The ingredient list and potency limits for any

product manufactured at the facility must be made available for inspection on request by the

director, or an employee or agent of the board. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.530. Marijuana handler permit and food safety worker training.** (a) A

marijuana product manufacturing facility shall ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before

being present or employed at the marijuana product manufacturing facility's licensed premises;

and

(2) has the marijuana handler permit card in the person's immediate possession at

all times while on the marijuana product manufacturing facility's licensed premises.

(b) A licensee, employee, or agent of a licensed marijuana product manufacturing

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facility who handles marijuana at the facility shall obtain a food safety worker card in

compliance with AS 18.31.330, and keep that card in that person's possession at all times while

on the licensed premises of the marijuana product manufacturing facility. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.535. Restricted access and storage areas.** (a) A marijuana product

manufacturing facility shall conduct any extraction or product manufacturing operation in a

restricted area in compliance with 3 AAC 306.710.

(b) A marijuana product manufacturing facility shall have full video surveillance of the

licensed premises as provided in 3 AAC 306.720, including any area where

(1) marijuana concentrate is produced;

(2) any operation involved in manufacturing any product containing marijuana

occurs,

(3) marijuana or a marijuana product is stored or stockpiled; or

(4) marijuana waste is destroyed.

(c) Any area where marijuana or a marijuana product is stored must be moisture and

temperature controlled and protected from pests and vermin. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.540. Marijuana inventory tracking system.** (a) A marijuana product

manufacturing facility shall use a marijuana inventory tracking system as provided in 3 AAC

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306.730 to ensure that the marijuana product manufacturing facility identifies and tracks any

marijuana or marijuana product from the time the marijuana or marijuana product is received,

through

(1) use of the marijuana or marijuana product in manufacturing any other

marijuana product;

(2) sale or transfer of the marijuana or marijuana product originally received, or

any marijuana product manufactured at that marijuana product manufacturing facility to another

licensed marijuana establishment; and

(3) disposal of any expired or outdated marijuana or marijuana product that is not

sold or transferred to another licensed marijuana establishment.

(b) When marijuana from a marijuana cultivation facility or marijuana product from

another marijuana product manufacturing facility is delivered or transported to the licensed

premises of a marijuana product manufacturing facility, the marijuana product manufacturing

facility shall immediately enter tracking information for that marijuana or marijuana product into

the inventory tracking system. A marijuana product manufacturing facility may not accept any

marijuana or marijuana product that does not have a valid transport manifest generated from the

marijuana inventory tracking system of the licensed marijuana establishment that supplies the

marijuana or marijuana product.

(c) A marijuana product manufacturing facility shall track any received marijuana or

marijuana product to its use in a marijuana product, and shall reconcile each transaction to its

inventory tracking system at the close of business each day.

(d) A marijuana product manufacturing facility shall account for any variance in the

quantity of marijuana or marijuana product the facility received, and the quantity the facility

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sold, transferred, or disposed of. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.545. Health and safety standards.** (a) A marijuana product manufacturing

facility shall comply with the health and safety standards set out in 3 AAC 306.735, the Alaska

Food Safety Code, 18 AAC 31, if applicable, and any local kitchen-related health and safety

standards for retail food establishments.

(b) In addition to inspection by the director or an employee or agent of the board, a

marijuana product manufacturing facility is subject to inspection by local safety officials,

including a local fire department, building inspector, or code enforcement officer. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.550. Required laboratory testing.** (a) A marijuana product manufacturing

facility shall provide a sample of each marijuana product manufactured at the facility to a

licensed marijuana testing facility, and may not sell or transport any marijuana product until all

laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana product manufacturing facility shall

(1) collect a random sample for testing by selecting a product from each

production lot in an amount required by the marijuana testing facility;

(2) designate an individual responsible for collecting each sample; that individual

shall

(A) prepare a signed statement showing that each sample has been

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randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755, and

(3) transport the sample to the marijuana testing facility in compliance with

3 AAC 306.750.

(c) After collecting and transporting a sample for testing, a marijuana product

manufacturing facility shall segregate the entire production lot from which the testing sample

was selected until the marijuana testing facility reports the results from its tests. During this

period of segregation, the marijuana product manufacturing facility that provided the sample

shall maintain the production lot in a secure, cool, and dry location to prevent the marijuana

product from becoming contaminated or losing its efficacy. The marijuana product

manufacturing facility may not sell or transport any marijuana product from the segregated lot

until the marijuana testing facility has completed its testing and analysis and provided those

results, in writing, to the marijuana product manufacturing facility that provided the sample. The

marijuana product manufacturing facility shall maintain the testing results as part of its business

records. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.555. Production of marijuana concentrate.** (a) Before producing any

marijuana concentrate for sale, a marijuana product manufacturing facility shall develop standard

operating procedures, good manufacturing practices, a safety plan, and a training plan for each

individual employed in an extraction process.

(b) A marijuana product manufacturing facility may create marijuana concentrates only

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as follows:

(1) water-based marijuana concentrate may be produced by extracting

cannabinoids from marijuana by using only water, ice or dry ice;

(2) food-based marijuana concentrate may be produced by extracting

cannabinoids from marijuana through the use of propylene glycol, glycerin, butter, olive oil, or

other typical cooking fats; infused dairy butter and oils or fats derived from natural sources may

be used to prepare infused edible products, but may not be prepared as stand-alone edible

products for sale;

(3) solvent-based marijuana concentrate may be produced using the hydrocarbons

N-butane, isobutane, propane, or heptane or other solvents or gases the board approves that

exhibit low to minimal potential human health-related toxicity; approved solvents must be of at

least ninety-nine percent purity and must be used

(A) in a professional grade closed loop extraction system designed to

recover the solvents;

(B) in an environment with proper ventilation; and

(C) with control of all sources of ignition if a flammable atmosphere is or

may be present.

(c) A marijuana product manufacturing facility using a professional grade closed loop

gas extraction system must ensure that

(1) every vessel is used in compliance with the manufacturer's stated pressure

ratings;

(2) any CO2 used is of at least ninety-nine percent purity;

(3) any person using a solvent or gas to extract marijuana concentrate in the

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closed looped system must be fully trained on how to use the system, have direct access to

applicable material safety data sheets, and handle and store the solvent and gas safely;

(4) a licensed engineer has certified that the professional grade closed loop

system was commercially manufactured, is safe for its intended use, and is built to codes of

recognized and generally accepted engineering practices;

(5) any professional grade closed loop system, and other equipment and facilities

used in the extraction process must be approved for their use by the local fire code official and

must meet any applicable fire, safety, and building code requirements.

(d) A marijuana product manufacturing facility may use heat, screens, presses, steam

distillation, ice water, and other methods without employing solvents or gases to create kief,

hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other

extracts.

(e) A marijuana product manufacturing facility may use food grade glycerin, ethanol,

and propylene glycol solvents to create extracts. All ethanol must be removed from the extract in

a manner to recapture the solvent and ensure that it is not vented into the atmosphere. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.560. Potency limits per serving and transaction for edible marijuana**

**products.** (a) A marijuana product manufacturing facility may not prepare any product with

potency levels exceeding the following, as tested in compliance with 3 AAC 306.645:

(1) for a single serving of marijuana product, five milligrams active

tetrahydrocannabinol (THC) or Delta 9;

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(2) in a single packaged unit of marijuana product to be eaten or swallowed, not

more than ten servings, or fifty milligrams of active THC or Delta 9; the THC content must be

homogenous, or evenly distributed throughout the marijuana infused product. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.565. Packaging of marijuana products.** (a) A marijuana product

manufacturing facility shall observe the potency limits set out in 3 AAC 306.560 in packaging

each product for resale by a retail marijuana store.

(b) A container or packaging for any edible marijuana product produced by a marijuana

product manufacturing facility must be designed or constructed in compliance with 16 C.F.R.

1700.01 - 1700.20, as amended Dec. 30, 1983 to be significantly difficult for children under five

years of age to open; but not normally difficult for adults to use properly. The container or

packaging may not have any printed images, including cartoon characters, that specifically target

individuals under the age of 21. In addition, the packaging must

(1) protect the product from contamination and not impart any toxic or damaging

substance to the product;

(2) be four mil or greater thickness plastic, heat sealed and with no easy-open

corner, dimple or flap; marijuana product in liquid form may also be sealed using a metal crown

product;

(3) be opaque so that the product cannot be seen without opening the packaging

material;

(4) if the marijuana package contains multiple servings or is intended for more

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than a single use, the packaging must be resealable to childproof standards in compliance with

C.F.R. 1700.01 - 1700.20, as amended Dec. 30, 198; and

(5) if the marijuana product contains multiple servings, the product itself must

have markings or demarcations clearly delineating each serving of the product. For liquid

marijuana products with multiple servings the packaging must indicate the number and size of

individual servings.

(c) A licensed marijuana product manufacturing facility may transfer marijuana products

that are not edible marijuana products to another licensed facility in wholesale packages not to

exceed 5 pounds.

(d) Each packaged marijuana product must be identified by a tracking label generated by

the marijuana product manufacturing facility's marijuana inventory control system.

(e) A licensed marijuana product manufacturing facility shall prepare marijuana products

for transfer to another marijuana establishment by

(1) placing marijuana products within a sealed, tamper-evident shipping

container;

(2) affixing a label that complies with 3 AAC 306.570(d) to the shipping

container; and

(3) generating a transport manifest from the marijuana product manufacturing

facility's marijuana inventory system; the transport manifest must remain with the marijuana

products at all times while being transported, and a copy must be given to the licensed marijuana

establishment that receives the shipment. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

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**3 AAC 306.570. Labeling of marijuana products.** (a) With each production lot of

marijuana product sold, a marijuana product manufacturing facility must disclose in writing the

name of the licensed marijuana testing facility that performed any required test and the results of

each required test.

(b) A marijuana product may not be labeled as organic unless permitted by the United

States Department of Agriculture in compliance with 7 U.S.C. 6501 (Organic Foods Production

Act of 1990).

(c) A marijuana product manufacturing facility shall affix a label containing the

following information to each package of marijuana product sold to a retail store for resale to a

consumer:

(1) the name and license number of the marijuana product manufacturing facility

where the marijuana product was prepared;

(2) the production lot number assigned to the product in the package;

(3) the net weight of the product in the package, not including weight of

packaging, using a standard of measure compatible with the inventory tracking system;

(4) a label containing the following statements:

(A) "Marijuana has intoxicating effects and may be habit forming;"

(B) "Marijuana can impair concentration, coordination, and judgment. Do

not operate a vehicle or machinery under its influence;"

(C) "There may be health risks associated with consumption of

marijuana;" and

(D) "For use only by adults twenty-one and older. Keep out of the reach of

children"

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(E) "Marijuana should not be used by women who are pregnant or breast

feeding."

(d) A marijuana product manufacturing facility transporting marijuana product to a

retail marijuana store shall affix a label to the shipping container showing that a licensed

marijuana testing facility has tested each lot of marijuana product in the shipment and giving the

test results, including the following information:

(1) a cannabinoid potency profile expressed as a range of percentages that

extends from the lowest percentage to highest percentage of concentration for each cannabinoid

listed from every test conducted on that production lot from the same marijuana product

manufacturing facility within the last three months;

(2) a statement listing the results of microbial testing required by 3 AAC

306.645(b)(2);

(3) a statement listing the results of residual solvent testing required by 3 AAC

306.645(b)(3), if applicable;

(4) a statement listing any of the following contaminants for which the product

was tested:

(A) molds, mildew and filth, in addition to the testing required by

3 AAC 306.645(b)(2);

(B) herbicides, pesticides, and fungicides, and

(C) harmful chemicals.

(e) If a marijuana product manufacturing facility ships wholesale marijuana product from

a production lot of marijuana product that has not been tested for each contaminant listed in

(d)(4) of this section, the label for that lot must include a statement identifying each contaminant

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listed in (d)(4) of this section for which that lot has not been tested. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**Article 6. Marijuana Testing Facilities.**

**Section**

600. Applicability

605. Marijuana testing facility license required

610. Marijuana testing facilities: privileges and prohibitions

615. Application for marijuana testing facility license

620. Approval of testing facility

625. Proficiency testing program

630. Scientific director

635. Testing methodologies

640. Standard operating procedure manual

645. Laboratory testing of marijuana and marijuana products

650. Chain of custody

655. Marijuana inventory tracking system

660. Failed materials, retests

665. Supplemental marijuana quality testing

670. Reporting, verification

675. Records retention

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**3 AAC 306.600. Applicability.** (a) The provisions of 3 AAC 306.600 - 3 AAC

306.675 apply to any person offering any service testing, analyzing, or certifying potency,

moisture content, pesticide or solvent residue, mold, mildew, bacteria, or other contaminant in

marijuana or any marijuana product to any other person including a marijuana establishment or

any member of the public, whether for compensation or not, as a independent or third party

testing facility.

(b) The provisions of 3 AAC 306.600 - 3 AAC 306.675 do not apply to any licensed

marijuana establishment that controls marijuana testing equipment used solely for its own in-

house testing of its own cultivated crop, of products produced or manufactured at its own

facility, or of retail products placed or offered for sale in its marijuana retail store. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.605. Marijuana testing facility license required.** (a) A person may not

offer or provide any marijuana testing service or test results unless the person has obtained a

marijuana testing facility license from the board in compliance with this chapter, or is an

employee or agent acting for a licensed marijuana testing facility.

(b) A person seeking a marijuana testing facility license must

(1) submit an application for a marijuana testing facility license on a form the

board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.615; and

(2) demonstrate to the board's satisfaction that the applicant will operate in

compliance with

(A) each applicable provision of 3 AAC 306.600 - 3 AAC 306.675, and

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3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance

of the state and the local government in which the applicant's proposed licensed premises

are located.

(C) does not hold any marijuana establishment license in Alaska other

than a testing facility license, or have any financial interest in common with any person

who is a licensee of a marijuana establishment in Alaska other than a testing facility

license; and

(D) meets the board's standards for approval as set out in 3 AAC 306.620

- 3 AAC 306.625.

(c) A licensee of any marijuana testing facility, or an employee or agent of a licensed

marijuana testing facility may not have an ownership interest in, or a direct or indirect financial

interest in any other licensed marijuana establishment. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.610. Marijuana testing facilities: privileges and prohibitions.** (a) A

licensed marijuana testing facility may have any amount of marijuana and marijuana product on

its premises at any given time provided that the testing facility's marijuana inventory tracking

system and other records document that all marijuana and marijuana products are on the

premises only for the testing purposes described in 3 AAC 306.600 - 3 AAC 3306.675.

(b) A licensed marijuana testing facility may not

(1) have any licensee, employee, or agent who holds any type of marijuana

establishment license other than a marijuana testing facility license issued under this chapter;

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(2) sell, deliver, distribute, or transfer any marijuana or marijuana product to a

consumer, with or without compensation; or

(3) allow any person to consume marijuana or marijuana product on its licensed

premises. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.615. Application for marijuana testing facility license.** An applicant for a

new marijuana testing facility license must file an application on a form the board prescribes,

including

(1) the information required under 3 AAC 306.020; and

(2) the proposed marijuana testing facility's operating plan, including, in addition

to the information required under 3 AAC 306.020(c), the following:

(A) each test the marijuana testing facility will offer;

(B) the facility's standard operating procedure for each test the facility

will offer; and

(C) the acceptable range of results for each test the facility will offer.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.620. Approval of testing facility. (a)** A person seeking a marijuana testing

facility license must first obtain the approval of the board or the board's contractor by showing

competence to perform each test the licensee will offer as an independent third party testing

facility, including tests to identify

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(1) THC, THCA, CBD, CBDA and CBN potency;

(2) harmful microbials including E. coli or salmonella;

(3) residual solvents;

(4) poisons or toxins;

(5) harmful chemicals;

(6) dangerous molds, mildew or filth;

(7) pesticides.

(b) In evaluating whether a person has shown competence in testing under this section,

the board or the board's contractor may

(1) conduct an on-site inspection of the applicant's premises;

(2) require the applicant to demonstrate proficiency in testing; and

(3) examine compliance with any applicable requirement of 3 AAC 306.630 -

3AAC 306.675, and 3 AAC 306.700 - 3AAC 306.755, including

(A) qualifications of personnel;

(B) standard operating procedure for each testing methodology the facility

will use;

(C) proficiency testing results;

(D) quality control and quality assurance;

(E) security;

(F) chain of custody;

(G) specimen retention;

(H) space;

(I) records; and

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(J) reporting of results.

(c) In this section, "approval" means the board or its contractor has examined the

qualifications and procedures of the marijuana testing facility license applicant and found them

generally in compliance with good laboratory practices; "approval" does not mean the board

guarantees that the testing facility can or will protect the public from all potential hazards of

marijuana including microbials, poisons or toxins, residual solvents, pesticides, or other

contaminants. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.625. Proficiency testing program.** (a) When an accredited proficiency

testing program becomes available in the state, the board may require an applicant for a

marijuana testing facility license to participate successfully in a proficiency testing program

within 12 months before receiving a license. The proficiency testing program must require an

applicant for a marijuana testing facility license or a participating licensed marijuana testing

facility to analyze test samples using the same procedures with the same number of replicate

analyses, standards, testing analysts, and equipment that will be used for product testing.

Successful participation means the positive identification of 80 percent of the target analytes that

the testing facility reports, and must include quantitative results when applicable. Any false

positive results reported will be considered an unsatisfactory score for the proficiency test.

(b) Before renewing the license of a marijuana testing facility, the board may require the

facility to participate in a proficiency testing program with documentation of continued

performance satisfactory to the board. The license of a marijuana testing facility may be limited,

suspended, or revoked if the facility fails to participate and receive a passing score in a

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proficiency testing program.

(c) The scientific director and each testing analyst of an applicant for a marijuana testing

facility license and a licensed marijuana testing facility that participated in a proficiency test

shall sign a corresponding attestation statement. The scientific director must review and evaluate

each proficiency test result.

(d) An applicant for a marijuana testing facility license, and a licensed marijuana testing

facility participating in the proficiency testing program, shall take and document remedial action

when the applicant or the facility meets the standards of (a) of this section, but scores less than

100 percent in a proficiency test. "Remedial action" means the marijuana testing facility's

scientific director shall, at a minimum, review all samples tested and results reported after the

date of the marijuana testing facility's last successful proficiency test. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.630. Scientific director.** (a) A marijuana testing facility must employ a

scientific director who must be responsible for

(1) overseeing and directing the laboratory's scientific methods;

(2) ensuring that the laboratory achieves and maintains quality standards of

practice; and

(3) supervising all staff of the laboratory.

(b) The scientific director of a marijuana testing facility must have the following

qualifications:

(1) a doctorate degree in chemical or biological sciences from an accredited

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college or university and have at least 2 years of post-degree laboratory experience;

(2) a master's degree in chemical or biological sciences from an accredited

college or university and have at least 4 years of post-degree laboratory experience; or

(3) a bachelor's degree in chemical or biological sciences from an accredited

college or university and have at least 6 years of post-degree laboratory experience. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.635. Testing methodologies.** (a) An applicant for a marijuana testing

facility license and a licensed marijuana testing facility shall

(1) use the following materials, which are hereby adopted by reference, as

guidelines or references for testing methodologies:

(A) *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality*

*Control, Revision 2014* published by the American Herbal Pharmacopoeia; and

(B) United Nations Office on Drugs and Crime: Recommended methods

for the identification and analysis of cannabis and cannabis products: Manual for use by national

drug analysis laboratories (2009).

(2) notify the board of any alternative scientifically valid testing methodology the

facility proposes to use for any laboratory test it conducts; the board may require third-party

validation of any monograph, peer reviewed scientific journal article, or analytical method the

marijuana testing facility proposes to follow to ensure the methodology produces comparable

and accurate results.

(b) An applicant for a marijuana testing facility license and the holder of a marijuana

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testing facility license must be familiar with, and to the extent possible, integrate into the

facility's operations the good laboratory practices set out in the following materials, hereby

adopted by reference

(1) 21 C.F.R. 58, as revised as of Dec. 22, 1978; and

(2) *Principles of Good Laboratory Practice and Compliance Monitoring*

published by the Organization for Economic Co-operation and Development (OECD), as revised

as of 1999.

(c) The board or the board's contractor may inspect the practices, procedures, and

programs adopted, followed, and maintained by the applicant or the licensed marijuana testing

facility; and may examine all records of the applicant or the licensed marijuana testing facility

that are related to the inspection. The board may require an applicant or a licensed marijuana

testing facility to have an independent third party inspect and monitor laboratory operations to

assess testing competency and the facility's compliance with its quality program. The board may

require random validation of a marijuana testing facility's execution of all testing methodologies

the facility uses. The marijuana testing facility must pay all costs of validation. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**Editor's note:** *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014,* published by the American Herbal Pharmacopoeia may be obtained

from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or

at the Internet address http://www.herbal-ahp.org/

United Nations Office on Drugs and Crime: Recommended methods for the identification

and analysis of cannabis and cannabis products: Manual for use by national drug analysis

laboratories (2009).is available at the internet address

https://www.unodc.org/documents/scientific/ST-NAR-40-Ebook.pdf

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*OECD Principles of Good Laboratory Practice and Compliance Monitoring* published

by the Organisation for Economic Co-operation and Development as revised as of 1997 is

available at the internet address

3 A**AC 306.640. Standard operating procedure manual.** (a) An applicant for a

marijuana testing facility license and a licensed marijuana testing facility must have a written

procedures manual with detailed instructions explaining how to perform each testing method the

applicant or marijuana testing facility uses, and minimum standards for each test. The written

procedures manual must be available to each employee of the marijuana testing facility at all

times. A standard operating procedures manual must cover at least the following procedures:

(1) sample preparation;

(2) reagent, solution, and reference standard preparation;

(3) instrument setup, where applicable;

(4) standardization of volumetric reagent solutions, as applicable;

(5) data acquisition; and

(6) calculation of results.

(b) The scientific director of a licensed marijuana testing facility shall approve, sign, and

date each standard operating procedure, and each revision to any standard operating procedure.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.645. Laboratory Testing of Marijuana and Marijuana Products.** (a) A

licensed marijuana testing facility must use the general body of required laboratory tests for

marijuana plant material, any extract or concentrate of marijuana, and any edible marijuana

products as listed in the tables in this section. Required tests may include potency analysis,

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moisture content, foreign matter inspection, microbial screening, pesticide, other chemical

residue, and metals screening, and residual solvents levels. A marijuana testing facility shall

establish a schedule of fees and sample size required for each test it offers.

(b) The tests required for each marijuana type or marijuana product, are as follows:

(1) potency testing is required on marijuana bud and flower, marijuana

concentrate, and marijuana product, and is subject to the following rules:

(A) required cannabinoid potency test must at least determine the

concentration of THC, THCA, CBD, CBDA and CBN cannabinoids; a marijuana testing

facility may test and report results for any additional cannabinoid provided the test is

conducted in compliance with a validated method;

(B) a marijuana testing facility shall report potency test results as follows:

(i) for a potency test on marijuana and marijuana concentrate, by

listing for each required cannabinoid a single percentage concentration that

represents an average of all samples within the test batch; alternatively, the sum of

THC + THCA may be reported as total THC; the sum of CBD + CBDA may be

reported as total CBD;

(ii) for a potency test on a marijuana product, whether conducted

on each individual production lot or using process validation, by listing for each

cannabinoid the total number of milligrams contained within a single retail

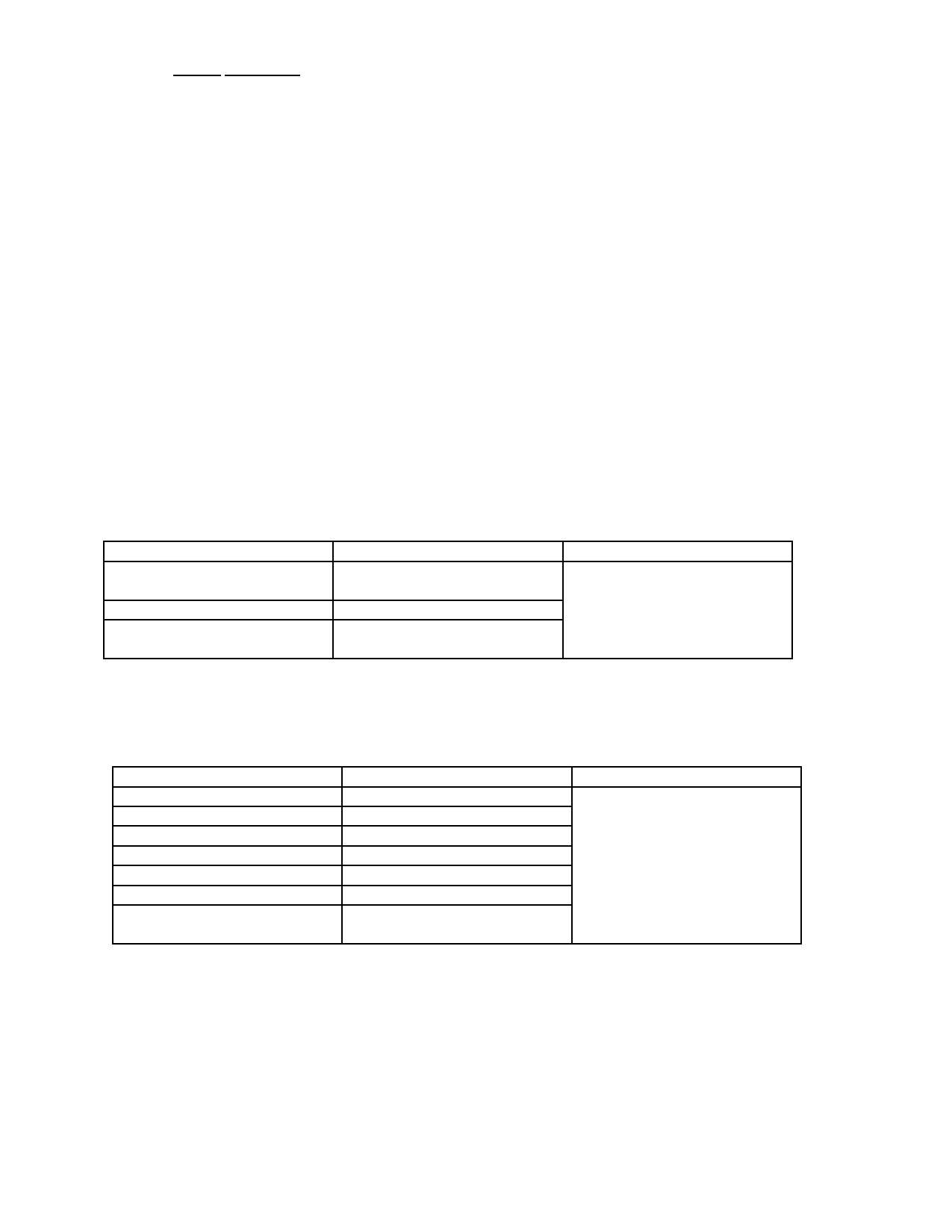
marijuana product unit for sale; and

(iii) for testing whether the THC content is homogenous, the THC

content of each single serving in a multi-unit package must be reported, and must

be within 20% of the manufacturer's target; for example, in a 25 mg total THC

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package with 5 servings, each serving must contain between 4 and 6 mg of THC;

(C) edible marijuana products will be considered to have failed potency

testing if:

(i) an individually packaged edible retail marijuana product

contained within a test lot is determined to have more than 50 mg of THC within

it, then the test batch is considered to have failed potency testing;

(ii) if the THC content of an edible marijuana product is not

homogenous, then it is considered to have failed potency testing;

(2) microbial testing for the listed substances on the listed marijuana products is

required as follows:

**Substance**

-Shiga-toxin producing

Escherichia coli (STEC)\*- Bacteria

Salmonella species\* - Bacteria

Aspergillus fumigatus, Aspergillus

flavus, Aspergillus niger - Fungus

**Acceptable Limits Per Gram**

< 1 Colony Forming Unit (CFU/g)

< 1 Colony Forming Unit (CFU/g) < 1 Colony Forming Unit (CFU/g)

**Product to be Tested**

Flower; Retail Marijuana

Products; Water- and Food-

Based Concentrates

(3) testing for the listed residual solvents and metals on the listed marijuana

products is required as follows:

**Substance**

Butanes

Heptanes

Benzene\*\* Toluene\*\* Hexane\*\*

Total Xylenes (m,p, o-xylenes)\*\*

Any solvent not permitted for

use pursuant to Rule R 605.

**Acceptable Limits Per Gram** < 800 Parts Per Million (PPM) < 500 Parts Per Million (PPM)

< 1 Parts Per Million (PPM) < 1 Parts Per Million (PPM)

< 10 Parts Per Million (PPM)

< 1 Parts Per Million (PPM)

None Detected

**Product to be Tested**

Solvent-Based Concentrates

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.650. Chain of custody.** A marijuana testing facility must establish an

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adequate chain of custody and sample requirement instructions that include

(1) issuing instructions for the minimum sample requirements and storage

requirements;

(2) documenting the condition of the external package and integrity seals utilized

to prevent contamination of, or tampering with, the sample;

(3) documenting the condition and amount of sample provided at the time the

sample is received at the facility;

(4) documenting each person handling the original samples, aliquots, and

extracts;

(5) documenting any transfer of samples, aliquots, and extracts to another

marijuana testing facility for additional testing or at the request of the marijuana cultivation

facility or marijuana product manufacturer that provided the testing sample;

(6) maintaining a current list of authorized personnel and restricting entry to the

facility to those authorized persons;

(7) securing the facility during non-working hours;

(8) securing short-term and long-term storage areas when not in use;

(9) using a secured area to log in and aliquot samples;

(10) ensuring samples are stored appropriately; and

(11) documenting the disposal of samples, aliquots, and extracts. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.655. Marijuana inventory tracking system.** (a) A marijuana testing

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facility shall use an inventory tracking system as provided in 3 AAC 306.730 to ensure all

marijuana transported to the marijuana testing facility's premises is identified and tracked from

the time the marijuana arrives at the testing facility to the use and destruction of the marijuana in

testing, or disposal in compliance with 3 AAC 306.740.

(b) When a marijuana testing facility completes any testing, use, or research, it shall

immediately dispose of any sample received under this section. If a marijuana testing facility

disposes of a sample received under this section, the testing facility shall document the disposal

of the sample using its inventory control system. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.660. Failed materials, retests.** (a) If a sample tested by a marijuana testing

facility does not pass the required tests based on the standards set out in 3 AAC 306.645, the

facility that provided the sample shall

(1) dispose of the entire harvest batch or production lot from which the sample

was taken; and

(2) document the disposal of the sample using its marijuana inventory control

system.

(b) If a sample of marijuana fails a required test, any marijuana plant trim, leaf, and other

usable material from the same plants automatically fails the required test. The board may

approve a request to allow a batch of marijuana that fails a required test to be used to make a

CO2 or solvent-based extract. After processing, the CO2 or solvent-based extract must pass all

required tests.

(c) If a marijuana cultivation facility or a marijuana product manufacturing facility

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petitions for a re-test of marijuana or a marijuana product that failed a required test, the board

may authorize a retest to validate the test results. The marijuana cultivation facility or a

marijuana product manufacturing facility must pay all costs of a retest. (Eff. \_\_\_/\_\_\_ /\_\_\_\_,

Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.665. Supplemental marijuana quality testing.** (a) The board or director

may at any time determine that the interests of the public require random supplemental testing of

marijuana or a marijuana product. When the board or director requires random supplemental

marijuana testing, the board or director will direct the marijuana cultivation facility that produced

the marijuana, or the marijuana product manufacturing facility that manufactured the product, to

submit a specified sample, batch, or packaged product to a designated marijuana testing facility.

The material must be packaged in a manner that ensures the testing facility will be able to

confirm that it has received and is testing the correct supplemental sample.

(b) When a marijuana testing facility receives a sample for supplemental laboratory

testing under this section, the marijuana testing facility shall

(1) perform any required laboratory test the board requests; and

(2) report its results to the board or director and the facility that provided the

sample.

(c) A marijuana testing facility that conducts laboratory testing under this section shall

bill all costs directly to the marijuana cultivation facility or the marijuana product manufacturing

facility that provided the samples for testing. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.670. Reporting, verification.** (a) A marijuana testing facility must report

the result of each required laboratory test directly into its marijuana inventory control system

within twenty-four hours after the test is completed. A marijuana testing facility must provide

the final report

(1) to the facility that submitted the sample in a timely manner; and

(2) to the director within 72 hours when results of tested samples exceed

allowable levels.

(b) A marijuana testing facility shall establish procedures to ensure that reported results

are accurate, precise, and scientifically valid. To ensure reported results are valid, a marijuana

testing facility must include in all final reports:

(1) the name and location of the marijuana testing facility;

(2) the unique sample identifier assigned by the testing facility;

(3) the marijuana establishment or other person that submitted the testing sample;

(4) the sample identifier provided by the person that submitted the testing

sample;

(5) the date the facility received the sample;

(6) the chain of custody identifier;

(7) the date of report;

(8) the type of product tested;

(9) the test results;

(10) the units of measure; and

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(11) any other information or qualifiers needed for interpretation of the test

method and the results being reported, including any identified and documented discrepancy.

(c) A marijuana testing facility may amend a final report for clerical purposes except that

test results may not be amended. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.675. Records retention.** A marijuana testing facility shall maintain the

business records required under 3 AAC 306.755 for the period of time specified in that section.

The books and records required under 3 AAC 306.755(a)(1) include:

(1) test results;

(2) quality control and quality assurance records;

(3) standard operating procedures;

(4) chain of custody records;

(5) proficiency testing records;

(6) analytical data to include printouts generated by the instrumentation;

(7) accession numbers;

(8) specimen type;

(9) raw data of calibration standards and curves, controls and subject results;

(10) final and amended reports;

(11) acceptable reference range parameters;

(12) identity of analyst; and

(13) date of analysis. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

**Article 7. Operating Requirements for All Marijuana Establishments.**

**Section**

700. Marijuana handler permit

705. Licensed premises, alteration

710. Restricted access areas

715. Security alarm systems and lock standards

720. Video surveillance

725. Inspection of licensed premises

730. Marijuana inventory tracking system

735. Health and safety standards

740. Waste disposal

745. Standardized scales

750. Transportation

755. Business records

**3 AAC 306.700. Marijuana handler permit.** (a) A marijuana establishment and each

licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures,

tests, or transports marijuana or a marijuana product, or who checks the identification of a

consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed

or beginning employment at a marijuana establishment.

(b) To obtain a marijuana handler permit, a person shall complete a marijuana handler

permit education course approved by the board, pass a written test demonstrating an

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understanding of the course material, and obtain a certificate of course completion from the

course provider. An approved marijuana handler permit education course must cover at least the

following topics:

(1) AS 17.37, AS 17.38, and this chapter;

(2) the effects of consumption of marijuana and marijuana products;

(3) how to identify a person impaired by consumption of marijuana;

(3) how to determine valid identification;

(4) how to intervene to prevent unlawful marijuana consumption; and

(5) the penalty for an unlawful act by a licensee, an employee, or an agent of a

marijuana establishment.

(c) To obtain a marijuana handler permit, a person who has completed the marijuana

handler permit course described under (b) of this section shall present the course completion

certificate, along with a report of criminal justice information obtained from the Department of

Public Safety under AS 12.62.160 to the director. The director shall issue a marijuana handler

permit card valid for three years from the date of issue. A person may renew a card issued under

this section by passing a written test demonstrating an understanding of the course subjects.

(d) A licensee, employee, or agent of a marijuana establishment shall keep the marijuana

handler permit card described in (c) of this section in that person's immediate possession when

on the licensed premises of the retail marijuana store.

(e) The board will review an approved marijuana handler permit education course at

least once every three years, and may rescind approval of the course if the board finds that the

education course contents are insufficient or inaccurate. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.705. Licensed premises, alteration.** (a) A marijuana establishment license

will be issued for a specific licensed premises, which is a place clearly designated in a license

application and described by a line drawing submitted with the license application. The licensed

premises must

(1) have adequate space for its approved operations, including growing,

manufacturing, processing, packaging, or storing marijuana or marijuana products; and

(2) be located and constructed to facilitate cleaning, maintenance, and proper

operation.

(b) A marijuana establishment's license must be posted in a conspicuous place within the

licensed premises.

(c) A holder of a marijuana establishment license may not alter the functional floor plan

or reduce or expand the area of the licensed premises without first obtaining the director's

written approval. A marijuana establishment license holder seeking to change or modify the

licensed premises shall submit a request for approval of the change on a form prescribed by the

board, along with

(1) the fee prescribed in 3 AAC 306.100;

(2) a drawing showing the proposed change;

(3) evidence that the proposed change conforms to any local restrictions; and

(4) evidence that the licensee has obtained any applicable local building permit.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

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AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.710. Restricted access areas.** (a) A marijuana establishment shall restrict

access to any part of the licensed premises where marijuana or a marijuana product is grown,

processed, tested, stored, or stocked.

(b) Except as provided in 3 AAC 306.325 for a marijuana retail store, each entrance to a

restricted access area must be marked by a sign that says "Restricted access area. Visitors must

be escorted." A marijuana establishment shall limit the number of visitors to not more than five

visitors for each licensee, employee, or agent of the licensee who is actively engaged in

supervising those visitors.

(c) In a restricted access area, any licensee, employee, and agent of the marijuana

establishment shall wear a current identification badge bearing the person's photograph. A

person under the age of 21 may not enter any restricted access area. Any visitor to the restricted

area must

(1) show identification as required in 3 AAC 306.350 to prove that person is not

under the age of 21;

(2) obtain a visitor identification badge before entering the restricted access area;

and

(3) be escorted at all times by a licensee, or an employee or an agent of the

marijuana establishment. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

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**3 AAC 306.715. Security alarm systems and lock standards.** (a) Each licensee,

employee, or agent of a marijuana establishment shall display an identification badge issued by

the marijuana establishment at all times when on the marijuana establishment's licensed

premises.

(b) The licensed premises of a marijuana establishment must have

(1) exterior lighting to facilitate surveillance;

(2) a security alarm system on all exterior doors and windows; and

(3) continuous video monitoring as provided in 3 AAC 306.720.

(c) A marijuana establishment shall have policies and procedures that

(1) are designed to prevent diversion of marijuana or marijuana product;

(2) prevent loitering;

(3) describe the use of any additional security device, such as a motion detector,

pressure switch, and duress, panic, or hold-up alarm to enhance security of its licensed premises;

and

(4) describe the actions to be taken by a licensee, employee, or agent of the

marijuana establishment when any automatic or electronic notification system alerts a local law

enforcement agency of an unauthorized breach of security.

(d) A marijuana establishment must use commercial grade, non-residential door locks on

all exterior entry points to the licensed premises. Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.720. Video surveillance.** (a) A marijuana establishment shall install and

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maintain a video surveillance and camera recording system as provided in this section. The

video system must cover

(1) each restricted access area and each entrance to a restricted access area within

the licensed premises;

(2) each entrance to the exterior of the licensed premises;

(3) each point-of-sale (POS) area.

(b) At a marijuana establishment, a required video camera must be placed in a way that

produces a clear view adequate to identify any individual inside the licensed premises, or within

20 feet of each entrance to the licensed premises. Both the interior and the exterior of each

entrance to the facility must be recorded by a video camera.

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana

waste is destroyed, must have a camera placement in the room facing the primary entry door, and

in adequate fixed positions, at a height which will provide a clear, unobstructed view of the

regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in

order to allow for the clear and certain identification of any person and activity in the area at all

times.

(d) Surveillance recording equipment and video surveillance records must be housed in a

locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only

to a marijuana establishment licensee or authorized employee, and to law enforcement personnel

including an agent of the board. A marijuana establishment may use an offsite monitoring

service and offsite storage of video surveillance records as long as security requirements at the

offsite facility are at least as strict as onsite security requirements as described in this section.

(e) Each surveillance recording must be preserved for a minimum of 40 days, in a format

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that can be easily accessed for viewing. All recorded images must clearly and accurately display

the time and date, and must be archived in a format that does not permit alteration of the

recorded image, so that the images can readily be authenticated. After 40 days, a marijuana

establishment may erase video recordings, unless the licensee knows or should know of any

pending criminal, civil, or administrative investigation for which the video recording may

contain relevant information. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.725. Inspection of licensed premises.** (a) A marijuana establishment or an

applicant for a marijuana establishment license under this chapter shall, upon request, make the

licensed premises or the proposed licensed premises, including any place for storage, available

for inspection by the director, an employee or agent of the board, or an officer charged with the

enforcement of this chapter. The board or the director may also request a local fire protection

agency or any other state agency with health and safety responsibilities to inspect licensed

premises or proposed licensed premises.

(b) Inspection under this section includes inspection of the premises, facilities,

qualifications of personnel, methods of operation, business and financial records, marijuana

inventory tracking system, policies, and purposes of any marijuana establishment and of any

applicant for a marijuana establishment license. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

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**3 AAC 306.730. Marijuana inventory tracking system. (a)** A marijuana

establishment shall use a marijuana inventory tracking system capable of sharing information

with the system the board implements to ensure all marijuana cultivated and sold in the state, and

each marijuana product processed and sold in the state, is identified and tracked from the time

the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana

establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana

product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

(b) All marijuana delivered to a marijuana establishment must be weighed on a scale

certified in compliance with 3 AAC 306.745. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.735. Health and safety standards.** (a) A marijuana establishment is

subject to inspection by the local fire department, building inspector, or code enforcement officer

to confirm that no health or safety concerns are present.

(b) A marijuana establishment shall take all reasonable measures and precautions to

ensure that

(1) any person who has an illness, an open sore or infected wound, or other

potential source of infection may not come in contact with marijuana or a marijuana product

while the illness or source of infection persists;

(2) the licensed premises have

(A) adequate and readily accessible toilet facilities that are maintained in

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good repair and sanitary condition; and

(B) convenient hand-washing facilities with running water at a suitable

temperature; the marijuana establishment shall require employees to wash or sanitize

their hands, and must provide effective hand-cleaning, sanitizing preparations, and drying

devices;

(3) each person working in direct contact with marijuana or a marijuana product

shall conform to good hygienic practices while on duty, including

(A) maintaining adequate personal cleanliness; and

(B) washing hands thoroughly in an adequate hand-washing area before

starting work, after using toilet facilities, and at any other time when the person's hands

may have become soiled or contaminated;

(4) litter, waste, and rubbish are properly removed; the waste disposal equipment

must be maintained and adequate to

(A) avoid contaminating any area where marijuana or any marijuana

product is stored, displayed, or sold; and

(B) prevent causing odors or attracting pests;

(5) floors, walls, and ceilings must be constructed to allow adequate cleaning,

and must be kept clean and in good repair;

(6) adequate lighting is installed in any area where marijuana or a marijuana

product is stored, displayed, or sold, and where any equipment or utensil is cleaned;

(7) screening or other protection adequately protects against the entry of pests;

(8) any building, fixture, and other facility is maintained in sanitary condition;

(9) any toxic cleaning compound, sanitizing agent, and pesticide chemical must

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be identified and stored in a safe manner to protect against contamination of marijuana or

marijuana product and in compliance with any applicable local, state, or federal law;

(10) adequate sanitation principles are used in any receiving, inspecting,

transporting, and storing of marijuana or marijuana product; and

(11) any marijuana or marijuana product must be held in a manner that prevents

the growth of bacteria, microbes, or other undesirable microorganisms.

(c) A marijuana establishment shall ensure that any marijuana or marijuana product that

has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to

the marketplace; in this section, "stored improperly" means being exposed to extremes in

temperature, humidity, smoke, fumes, pressure, or radiation due to a natural disaster, fire,

accident, or equipment failure.

(d) If a marijuana establishment does not have reliable information about the age or

storage conditions of marijuana or a marijuana product in its possession, the marijuana

establishment may salvage the marijuana only if:

(1) a licensed marijuana testing facility determines from quality assurance testing

that the marijuana or marijuana product meets all applicable standards of moisture, potency, and

contaminants;

(2) inspection of the premises where a disaster or accident occurred shows that

the marijuana or marijuana product stored there was not adversely affected by the disaster or

accident; and

(3) the marijuana establishment maintains a record of the salvaged marijuana or

marijuana product in its marijuana inventory tracking system, including the name, lot number

and final disposition. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.740. Waste disposal.** (a) A marijuana establishment shall store, manage,

and dispose of any solid or liquid waste, including wastewater generated during marijuana

cultivation production, processing, testing, or retail sales, in compliance with applicable federal,

state, and local laws and regulations.

(b) Marijuana waste must be rendered unusable for any purpose for which it was grown

or produced before it leaves a marijuana establishment. Marijuana waste includes:

(1) marijuana plant waste, including roots, stalks, leaves, and stems that have not

been processed with solvent;

(2) solid marijuana sample plant waste in the possession of a marijuana testing

facility; and

(3) other waste as determined by the board.

(c) A marijuana establishment shall

(1) give the board at least 3 days notice in the marijuana inventory tracking

system required under 3 AAC 306.730 before making the waste unusable and disposing of it;

except that the director may authorize immediate disposal on an emergency basis; and

(2) keep a record of the final destination of marijuana waste made unusable.

(d) Marijuana plant waste must be made unusable by grinding the marijuana plant waste

and mixing it with at least an equal amount of other compostable or non-compostable materials.

A marijuana establishment may use other methods to make marijuana waste unusable if the

board approves the method in advance. Material that may be mixed with the marijuana waste

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includes

(1) compostable materials including food waste, yard waste, vegetable based

grease or oils, or other wastes approved by the board when the mixed material can be used as

compost feedstock or in another organic waste method such as an anaerobic digester with

approval of any applicable local government entity; or

(2) non-compostable materials including paper waste, cardboard waste, plastic

waste, oil, or other wastes approved by the board when the mixed material may be delivered to a

permitted solid waste facility, incinerator, or other facility with approval of any applicable local

government entity.

(e) When marijuana or a marijuana product is found by, or surrendered to, a law

enforcement officer including an airport security officer, the officer may dispose of the

marijuana or marijuana product as provided in this section or by any method that is allowed

under any applicable local ordinance. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.745. Standardized scales.** A marijuana establishment shall use certified

scales in compliance with AS 45.75.080, the Alaska Weights and Measures Act. A marijuana

establishment shall

(1) maintain registration and inspection reports of certified scales; and

(2) upon request by the board or the director, provide a copy of the registration and

inspection reports of the certified scales to the board or the director for review. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

**3 AAC 306.750. Transportation.** (a) A licensed marijuana establishment shall

transport marijuana as follows:

(1) a marijuana cultivation facility may transport marijuana to a marijuana

cultivator's broker, another marijuana cultivation facility, a marijuana product manufacturing

facility, a marijuana testing facility, or a marijuana retail store;

(2) a marijuana broker may transport marijuana to the broker's own storage area,

a marijuana product manufacturing facility, a marijuana testing facility, or a marijuana retail

store;

(3) a marijuana product manufacturing facility may transport a marijuana product

to another marijuana product manufacturing facility, a marijuana testing facility, or a marijuana

retail store;

(4) a marijuana testing facility may transport marijuana or a marijuana product to

the facility from which it received the marijuana or another marijuana testing facility; and

(5) a marijuana retail store may transport marijuana or a marijuana product to

another marijuana retail store.

(b) A marijuana establishment from which a shipment of marijuana or marijuana product

originates is responsible for preparing, packaging, and securing the marijuana or marijuana

product during shipment, for recording the transfer in the marijuana inventory tracking system,

and for preparing the transport manifest. Any individual transporting marijuana in compliance

with this section shall have a marijuana handler permit required under 3 AAC 306.700.

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(c) When any marijuana or marijuana product is transported, the marijuana establishment

that originates the transport shall use the marijuana tracking system to record the type, amount

and weight of marijuana or marijuana product being transported, the name of the transporter, the

time of departure and expected delivery, and the make, model and license plate number of the

transporting vehicle. A complete printed transport manifest on a form prescribed by the board

must be kept with the marijuana or marijuana product at all times.

(d) During transport, any marijuana or marijuana product must be in a sealed package or

container in a locked, safe and secure storage compartment in the vehicle transporting the

marijuana or marijuana product. The sealed package may not be opened during transport. Any

vehicle transporting marijuana or marijuana product must travel directly from the shipping

marijuana establishment to the receiving marijuana establishment, and must not make any

unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any

other licensed marijuana establishment.

(e) When a marijuana establishment receives marijuana or a marijuana product

transported in compliance with this section, the recipient of the shipment shall use the marijuana

inventory tracking system to report the type, amount, and weight of marijuana or marijuana

product received. The licensed recipient shall refuse to accept any shipment of marijuana or

marijuana product that is not accompanied by the transport manifest.

(f) A marijuana establishment must keep records of all marijuana or marijuana product

shipped from or received at that marijuana establishment as required under 3 AAC 306.755.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

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AS 17.38.084

**3 AAC 306.755. Business records.** (a) A marijuana establishment shall

maintain, in a format that is readily understood by a reasonably prudent business person, the

following information:

(1) all books and records necessary to fully account for each business transaction

conducted under its license for the current year and three preceding calendar years; records for

the last six months must be maintained on the marijuana establishment's licensed premises;

older records may be archived on or off premises;

(2) a current employee list setting out the full name and marijuana handler permit

number of each licensee, employee, and agent who works at the marijuana establishment;

(3) the business contact information for vendors that maintain video surveillance

systems and security alarm systems for the licensed premises;

(4) records related to advertising and marketing;

(5) a current diagram of the licensed premises including each restricted access

area;

(6) a log recording the name, and date and time of entry of each visitor permitted

in a restricted access area;

(7) all records normally retained for tax purposes;

(8) accurate and comprehensive inventory tracking records that account for all

marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail

marijuana product is sold to a consumer, to another marijuana establishment, or destroyed; and

(9) transportation records for marijuana and marijuana product as required under

3 AAC 306.750(f).

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(b) A marijuana establishment shall provide any record required to be kept on the

licensed premises to an employee of the board upon request. Any record kept off premises must

be provided to the board's employees within three business days after a request for the record.

(c) A marijuana establishment is required to exercise due diligence in preserving and

maintaining all required records. Loss of records and data, including electronically maintained

records, will not be considered an excuse for a violation of this rule. Failure to retain records

required under this section may be interpreted by the board as a license violation affecting public

safety. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**Article 8. Enforcement and Civil Penalties.**

**Section**

800. Inspection and investigation

805. Report or notice of violation

810. Suspension or revocation of license

815. Suspension or revocation based on act of employee

820. Procedure for action on license suspension or revocation

825. Summary suspension to protect public health, safety, or welfare.

830. Seizure of marijuana or marijuana product

835. Hearing

840. Civil fines

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845. Appeal

850. Surrender or destruction of license

**3 AAC 306.800. Inspection and investigation.** (a) The director, an enforcement agent,

an employee of the board, or a peace officer acting in an official capacity, may

(1) inspect the licensed premises of any marijuana establishment, including any

marijuana and marijuana product on the premises, equipment used in cultivating, processing,

testing, or storing marijuana, the marijuana establishment's inventory tracking system, business

records, and computers, at any reasonable time and in a reasonable manner;

(2) issue a report or notice as provided in 3 AAC 306.805; and

(3) as authorized under AS 17.38.085, exercise peace officer powers and take any

other action the director determines is necessary.

(b) A marijuana establishment, and any licensee, employee, or agent in charge shall

cooperate with the director, an enforcement agent, an employee of the board, or a peace officer

acting in an official capacity, to enforce the laws related to marijuana, including

(1) permitting entry upon and inspection of the licensed premises; and

(2) providing access to business records at reasonable times when requested by

the director, an enforcement agent, an employee of the board, or a peace officer. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.805. Report or notice of violation. (a)** The director, an enforcement agent,

an employee of the board, or a peace officer acting in an official capacity, may issue an

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inspection report, an advisory report, or a notice of violation before taking action to suspend or

revoke a marijuana establishment license.

(b) An inspection report documents an investigator's inspection of licensed premises.

An inspection report must be prepared on a form the board prescribes and include information

prescribed by statute, regulation, or the board.

(c) The director, an enforcement agent, an employee of the board, or a peace officer may

issue an advisory notice when an incident occurs or a defect is noted that could result in a

violation of a statute, regulation, or municipal ordinance. An advisory notice may result from an

inspection report, but is not a basis for administrative action unless the incident or defect

continues or is not corrected.

(d) The director, an enforcement agent, an employee of the board, or a peace officer may

issue a notice of violation when an inspection report or other credible information shows a

marijuana establishment is in violation of AS 17.38, this chapter, or other law relating to

marijuana. The notice of violation must be delivered to the marijuana establishment at its

licensed premises, and to the board. The notice must describe any violation, and cite the

applicable statute, regulation, or order of the board. A marijuana establishment that receives a

notice of violation may respond to the notice orally or in writing, and may, within ten days after

receiving the notice, request an opportunity to appear before the board. A notice of violation

may be the basis of a proceeding to suspend or revoke a marijuana establishment's license as

provided under 3 AAC 306.810. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

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**3 AAC 306.810. Suspension or revocation of license.** (a) The board will suspend or

revoke a marijuana establishment license issued under this chapter if any licensee is convicted of

a felony, or if the board becomes aware that a licensee did not disclose a previous felony

conviction.

(b) The board may suspend or revoke a license issued under this chapter, refuse to renew

a license, or impose a civil fine, if the board finds that a licensee for any marijuana establishment

(1) misrepresented a material fact on an application for a marijuana establishment

license, or an affidavit, report, or signed statement under AS 17.38 or this chapter; or

(2) is following any practice or procedure that is contrary to the best interests of

the public, including

(A) using any process not approved by the board for extracting or

manufacturing marijuana concentrate or products; or

(B) selling or distributing any marijuana concentrate or product that has

not been approved by the board;

(3) failed, within a reasonable time after receiving a notice of violation from the

director, to correct any defect that is the subject of the notice of violation of

(A) AS 17.38 or this chapter;

(B) a condition or restriction imposed by the board; or

(C) other applicable law;

(4) knowingly allowed an employee or agent to violate AS 17.38, this chapter, or

a condition or restriction imposed by the board;

(5) failed to comply with any applicable public health, fire, safety, or tax law or

regulation in the state; or

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(6) used the licensed premises for any illegal purpose including gambling,

possession or use of narcotics other than marijuana, prostitution, or sex trafficking.

(c) A local government may notify the director if it obtains evidence that a marijuana

establishment has violated a provision of AS 17.38, this chapter, or a condition the board has

imposed on the marijuana establishment. Unless the board finds that the local government's

notice is arbitrary, capricious, and unreasonable, the director will prepare the notice and

supporting evidence as an accusation against the marijuana establishment under AS 44.62.360,

and conduct proceedings to resolve the matter as described under 3 AAC 306.820. (Eff. \_\_\_/\_\_\_

/\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.815. Suspension or revocation based on act of employee.** If, in a

proceeding to suspend or revoke a marijuana establishment license under 3 AAC 306.810 and

3 AAC 306.820, evidence shows that an employee or agent of a licensed marijuana

establishment was responsible for an act that would justify suspension or revocation of the

marijuana establishment's license if committed by a licensee, the board may find that licensee

knowingly allowed the act if

(1) the licensee was physically present when the violation occurred, and knew or

should have known, the violation was occurring and took no action to stop it;

(2) the licensee failed to adequately supervise the agent or employee;

(3) the licensee failed to adequately train the agent or employee in the

requirements of AS 17.38 and this chapter relating to marijuana; or

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(4) the licensee was reckless or careless in hiring the agent or employee. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.820. Procedure for action on license suspension or revocation.** A

proceeding to suspend or revoke a license must be initiated by service of an accusation on the

marijuana establishment in compliance with AS 44.62.360 and AS 44.62.380, and conducted in

compliance with AS 44.62.330 - AS 44.62.630. The accusation must be served at the address of

the licensed premises, or at the address of the licensee who is responsible for management and

compliance with laws as listed in the marijuana establishment license application in compliance

with 3 AAC 306.020(b)(5). The marijuana establishment is entitled to a hearing as provided

under AS 44.62.390. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.825. Summary suspension to protect public health, safety, or welfare.**

(a) If the director finds that a person holding a marijuana establishment license has acted and

appears to be continuing to act in a way that constitutes an immediate threat to the public health,

safety or welfare, the director may issue an order immediately suspending the license of that

person, and ordering an immediate stop to the activity that constitutes the threat to the public

health, safety, or welfare.

(b) When the director issues a summary suspension under this section, the director shall

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immediately give the marijuana establishment subject to the summary suspension order notice of

the reasons for the summary suspension, and of the time and place for an expedited hearing

before the board. Unless the marijuana establishment subject to the summary suspension order

requests a delay, the hearing will be held within five days after the director gives notice of the

reasons for the summary suspension and the scheduled hearing. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.830. Seizure of marijuana or marijuana product.** (a**)** The director, an

enforcement agent, an employee of the board, or a peace officer acting in an official capacity,

may seize marijuana or any marijuana product from a licensed marijuana establishment if the

marijuana establishment has

(1) any marijuana or marijuana product not properly logged into the marijuana

establishment's marijuana inventory tracking system;

(2) any adulterated marijuana food or drink product forbidden under 3 AAC

306.510(a)(4); or

(3) any marijuana or marijuana product that is not properly packaged and labeled

as provided in 3 AAC 306.465 and 3 AAC 306.470 or 3 AAC 306.565 and 3 AAC 306.570.

(b) If the director, an enforcement agent, an employee of the board, or a peace officer

acting in an official capacity, seizes marijuana or a marijuana product under this section, the

director shall update the marijuana inventory control tracking system to reflect the seizure and

ensure that the seized items are stored in a reasonable manner. The director shalltimmediately

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give the marijuana establishment from which the marijuana or marijuana product was seized

notice of the reasons for the seizure and the time and place of a hearing before the board. Unless

the marijuana establishment from which the marijuana or marijuana product was seized requests

a delay, the hearing will be held within ten days after the director gives notice of the reasons for

seizure and the scheduled hearing. If the seizure occurs in connection with a summary

suspension under 3 AAC 306.825, the hearing will be combined with a hearing on the summary

suspension.

(c) If the marijuana establishment from which the marijuana or marijuana product was

seized does not request or participate in a hearing under this section, or if, after a hearing the

board finds that seizure of the marijuana or marijuana product was justified, the marijuana or

marijuana product will be destroyed by burning, crushing, or mixing with other material to make

the marijuana or marijuana product unusable as provided in 3 AAC 306.740.

(d) If a seizure under this section is of marijuana plants in place in a licensed standard or

limited marijuana cultivation facility, the seizure order may direct the cultivation facility to

continue care of the plants until the hearing, but prohibit any transfer, sale, or other commercial

activity related to the plants. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.835. Hearing.** (a) Except as provided in 3 AAC 306.825 or 3 AAC

306.830, any person aggrieved by an action of the director, an enforcement agent, or an

employee of the board, may request a hearing in compliance with AS 44.62.390 by filing a

notice of defense within 15 days after receiving a written accusation. Failure to file a notice of

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defense as provided in this section constitutes a waiver of the right to a hearing.

(b) The Office of Administrative Hearings will conduct the hearing in compliance with

due process, the Alaska Administrative Procedure Act, AS 44.62.330 - AS 44.62.630, and the

applicable regulations adopted by the Office of Administrative Hearings at 2 AAC 64.100 -

2 AAC 64.990. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.840. Civil fines.** (a) The board may, in addition to any other penalties

imposed under this title, impose a civil fine on a marijuana establishment, licensee, or person that

the board determines has violated a provision of AS 17.38 or this chapter.

(b) In a proceeding under 3 AAC 306.810 - 3 AAC 306.830, the board may impose a

civil fine, not to exceed the greater of

(1) an amount that is three times the monetary gain realized by the marijuana

establishment, licensee, or person as a result of the violation, as determined by the board;

(2) $10,000 for the first violation;

(3) $30,000 for the second violation; or

(4) $50,000 for the third or subsequent violation. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register

\_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.845. Appeal.** (a) An aggrieved party may appeal to the board regarding any

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action of the director, an enforcement agent, or an employee of the board charged with enforcing

AS 17.38 or this chapter, including suspending or revoking a license, seizing marijuana or a

marijuana product, or imposing a civil fine.

(b) A person aggrieved by a final decision of the board suspending or revoking a license

under this chapter, or imposing a civil fine may appeal to the superior court under AS 44.62.560.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**3 AAC 306.850. Surrender or destruction of license.** A license issued under this

chapter must be surrendered to the director, an enforcement agent, or an employee of the board

on demand if the director or board so orders. A license issued under this chapter must be

surrendered within 10 days after the marijuana establishment loses or vacates the licensed

premises. If a license is destroyed, the marijuana establishment shall promptly notify the board.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.085 AS 17.38.100

AS 17.38.070 AS 17.38.087 AS 17.38.900

AS 17.38.084 AS 17.38.090

**Article 9. General Provisions.**

**Section**

900. Marijuana clubs prohibited

905. Public records

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910. Refusal to sell marijuana

915. Exercise of authority

920. Death of licensee

990. Definitions

**3 AAC 306.900. Marijuana clubs prohibited.** (a) A person may not maintain a place

where marijuana or marijuana products are received or kept, or to which marijuana or marijuana

products are brought for consumption by the public or by members of a club, association, or

corporation unless the person is authorized to do so under this title.

(b) A person may not maintain, operate, or lease premises for the purpose of providing a

place for consuming marijuana or marijuana products for consideration by members of the public

or other persons, unless the person is authorized to do so under this title.

(c) In this section, "consideration" includes a membership fee, a cover charge, the sale of

food, ice, mixers, or other drinks, or the furnishing of marijuana accessories for use in the

consumption of marijuana or any marijuana product.

(d) A person violating this section is subject to a civil fine as provided in 3 AAC

306.840. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.905. Public records.** Marijuana establishment applications are public

records. The board may, at the request of any applicant, designate materials confidential if they

(1) contain proprietary information including trade secrets; or

(2) are required to be kept confidential by any federal or state law or regulation.

(Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

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**Authority:**  AS 17.38.010 AS 17.38.090 AS 17.38.900

AS 17.38.070 AS 17.38.100 AS 40.25.110

AS 17.38.084

**3 AAC 306.910. Refusal to sell marijuana.** Nothing in this chapter prohibits a licensee

from refusing to sell marijuana or marijuana products to any person unless that refusal is a

violation of AS 18.80.210. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.915. Exercise of authority.** Until a marijuana establishment surrenders its

license to the board, and so long as business is conducted under the license on the licensed

premises, the person holding the license, whether an individual, a partnership, a limited liability

company, a corporation, or a local government, is responsible and liable for the conduct of the

business. Any individual exercising actual authority over the conduct of business on the licensed

premises must be the holder of the marijuana establishment license, or an agent or employee of

that person unless the board has approved a transfer of the license to a different person. (Eff.

\_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.920. Death of licensee.** (a) If an individual who is the sole licensee of a

marijuana establishment dies, the marijuana establishment shall cease operation. A personal

representative appointed by the superior court for the estate of the deceased licensee may submit

to the director a written request to reopen the business, along with a copy of the court order

appointing the personal representative. If the licensed marijuana establishment is in good

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standing, and the personal representative is not a person prohibited from holding a marijuana

establishment by AS 17.38.100(i), the director shall grant permission to the personal

representative to operate the business on the licensed premises subject to (b) of this section. In

this section, "good standing" means the marijuana establishment

(1) has a valid current license;

(2) has paid all fees due under this chapter, and all local taxes due; and

(3) has no unresolved suspension or revocation proceedings against it.

(b) A personal representative authorized to operate a marijuana establishment under (a)

of this section must submit an application for a transfer of ownership to another person in

compliance with 3 AAC 306.045 within 90 days after obtaining the director's approval to

operate. The board may extend the time allowed in this section for another 90 days if the

personal representative requests the additional time.

(c) This section does not authorize the transfer of a marijuana establishment license

unless the board approves the personal representative's application for transfer of license to

another person. (Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

**3 AAC 306.990. Definitions.** (a) In AS 17.38 and this chapter,

(1) "affiliate" means a person that directly or indirectly through one or more

intermediaries controls, or is controlled by, or is under common control with, a partnership,

limited liability company, or corporation subject to this chapter;

(2) "assisting" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of

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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;

(3) "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;

(4) "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;

(5) "immature" means a marijuana plant 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;

(6) "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;

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(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;

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

(8) "registration" means "licensure," or "license;"

(9) "transport" or "transfer" means to deliver between licensed marijuana

establishments as provided in 3 AAC 306.750.

(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 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;

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(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) "CBN" means cannabinol;

(7) "CBD" means cannabidiol;

(8) "CBDA" means CBD Acid;

(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 any marijuana establishment that re-sells marijuana

or incorporates marijuana into a manufactured product;

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

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species;

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

(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,

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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;

(B) does not include consumption of any marijuana or marijuana product

on the licensed premises;

(20) "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;

(21) "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;

(22) "licensed premises" means any or all designated portions of a building or

structure, or rooms or enclosures in the building or structure, at the specific address 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;

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(23) "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;

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

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

(26) "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;

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

(28) "marijuana product manufacturing facility" has the meaning given in

AS 17.38.900;

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

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

(31) "process" or "processing" means harvesting, curing, drying, trimming of a

marijuana plant;

(32) "propagate" means to cause a marijuana plant to grow by planting clones or

cuttings, and nurturing them into viable plants up to 8 inches in height;

(33) "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 minors; or

(B) operated by a public or private organization licensed to provide

shelter, training, or guidance for minors;

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

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(35) "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;

(36) "THC" means *tetrahydrocannabinol,* the main psychoactive substance found

in marijuana;

(37) "THCA" means THC Acid;

(38) "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. Eff. \_\_\_/\_\_\_ /\_\_\_\_, Register \_\_\_\_)

**Authority:**  AS 17.38.010 AS 17.38.070 AS 17.38.084

AS 17.38.090 AS 17.38.100 AS 17.38.900

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