



MEMORANDUM

TO: Marijuana Control Board

DATE: June 18, 2024

FROM: Kristina Serezhenkov, Regulations
Specialist

RE: Regulations: Refine Onsite
Consumption Endorsement for
Edibles

This project was opened at the April 2024 Board meeting. The attached regulations draft is for board discussion. It proposes to amend:

3 AAC 306.370(e)(1) Onsite consumption endorsement for retail marijuana stores.

This is amended to remove the requirement for an edibles only onsite consumption area that is indoors to be separated by 'walls and a secure door'. How an indoors onsite consumption area is separated (isolated) from the other areas of the retail marijuana store is for board consideration and direction.

Options for the board:

- Move to approve and send to Law for initial review and (with Law's approval) subsequent public comment
- Move to amend and then send to Law for initial review and (with Law's approval) subsequent public comment
- Move to send back to staff for more work
- Table the regulations project
- Close the regulations project

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.370(e)(1) is amended to read:

Commented [KRS1]: Entire section included for reference.

(a) Unless prohibited by local or state law, the board may approve an onsite consumption endorsement for a licensed retail marijuana store for consumption, on the marijuana retail store premises,

(1) of edible marijuana product only, in compliance with this section, in an indoor or outdoor area, regardless of whether the licensed retail marijuana store is freestanding;

(2) by any method, in compliance with this section, in an indoor or outdoor area of a freestanding licensed retail marijuana store.

(b) A licensed retail marijuana store with an approved onsite consumption endorsement is authorized to sell, for consumption at the time of purchase and only in an area designated as the marijuana consumption area,

(1) marijuana bud or flower, in quantities not to exceed one gram to any one person per day;

(2) edible marijuana products in quantities not to exceed 25 milligrams of THC to any one person per day; and

(3) a vaping device that contains not more than 0.3 grams of marijuana concentrate to any one person per day; a person may not consume marijuana concentrate onsite by a means other than vaping as described in this paragraph.

(c) A licensed retail marijuana store with an approved onsite consumption endorsement may

(1) sell food or beverages not containing marijuana or alcohol; and

(2) allow a person to remove from the licensed premises marijuana or marijuana products that have been purchased on the licensed premises for consumption under this section, if they are packaged in accordance with 3 AAC 306.345.

(d) A licensed retail marijuana store with an approved onsite consumption endorsement may not

(1) allow any licensee, employee, or agent of a licensee to consume marijuana or

marijuana products, including marijuana concentrate, during the course of a work shift;

(2) allow a person to consume tobacco or tobacco products in the marijuana consumption area;

(3) allow a person to bring into or consume in the marijuana consumption area any marijuana or marijuana product that were not purchased at the licensed retail marijuana store;

(4) sell, offer to sell, or deliver marijuana or marijuana products at a price less than the price regularly charged for the marijuana or marijuana products during the same calendar week;

(5) sell, offer to sell, or deliver an unlimited amount of marijuana or marijuana products during a set period of time for a fixed price;

(6) sell, offer to sell, or deliver marijuana or marijuana products on any one day at prices less than those charged the general public on that day;

(7) encourage or permit an organized game or contest on the licensed premises that involves consuming marijuana or marijuana products or the awarding of marijuana or marijuana products as prizes; or

(8) advertise or promote in any way, either on or off the licensed premises, a practice prohibited under this section.

(c) A marijuana consumption area must have the following characteristics:

(1) the marijuana consumption area must be isolated from the other areas of the retail marijuana store and must.

(A) if the marijuana consumption area falls under 3 AAC

306.370(a)(2), [MUST] be separated by walls and secure door, and [MUST] have access only from the retail marijuana store;

(B) if the marijuana consumption area falls under 3 AAC

306.370(a)(1), be separated by barriers as approved by the board, and have access only from the retail marijuana store;

(2) the licensed marijuana retail store must provide a smoke-free area for employees to monitor the marijuana consumption area;

(3) a marijuana consumption area that is indoors and in which smoking is permitted must have a ventilation system

Commented [KRS2]: If 'barriers' is kept, a definition can be added if the board wishes.

Commented [KRS3R2]: Barrier--a material object that prevents movement or access. (for example)

Commented [KRS4]: The phrase ' be separated by barriers as approved by the board' is added here as I am not sure of board directive on this. This can be removed or rephrased as desired. Note--all outdoor onsite areas are covered under paragraph (4) (C) and require fencing/walls.

(A) that is separate from the ventilation system of the other areas of the licensed retail marijuana store or other licensed marijuana establishments in a freestanding building; and

(B) that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;

(4) if outdoors, the marijuana consumption area must be found by the board to be compatible with uses in the surrounding area through evaluation of

(A) neighboring uses;

(B) the location of air intake vents on neighboring buildings, if consumption by smoking is permitted;

(C) a sight-obscuring wall or fence around the outdoor marijuana consumption area;

(D) objections of property owners, residents, and occupants within 250 linear feet or the notification distance required by the local government, whichever is greater; and

(E) any other information the board finds relevant.

(f) An applicant for an onsite consumption endorsement must file an application on a form the board prescribes, including the endorsement fee set out in 3 AAC 306.100, and

(1) the applicant's operating plan, in a format the board prescribes, describing the retail marijuana store's plan for

(A) security, in addition to what is required for a retail marijuana store, including

(i) doors and locks;

(ii) windows;

(iii) measures to prevent diversion; and

(iv) measures to prohibit access to persons under 21 years of age;

(B) ventilation, if consumption by smoking is to be permitted in an indoor area; ventilation plans must be

(i) signed and approved by a licensed mechanical engineer;

Commented [KR55]: Regs project running in parallel. Being rewritten to remove 'operating plan' requirement but keeping 'additional information' and description of...

(ii) sufficient to remove visible smoke; and

(iii) consistent with all applicable building codes and ordinances;

(C) monitoring overconsumption;

(D) unconsumed marijuana, by disposal or by packaging in accordance with 3 AAC 306.345; and

(E) preventing introduction into the marijuana consumption area of marijuana or marijuana products not sold by the retail marijuana store, and marijuana or marijuana products not sold specifically for onsite consumption;

(2) the applicant’s detailed diagram of the marijuana consumption area which must show the location of

(A) the licensed premises of the retail marijuana store;

(B) the serving area or areas;

(C) ventilation exhaust points, if applicable;

(D) the employee monitoring area;

(E) doors, windows, or other exits; and

(F) access control points;

(3) the title, lease, or other documentation showing the applicant’s sole right of possession of the proposed marijuana consumption area, if the area is not already part of the approved licensed premises for the retail marijuana store; and

(4) for an outdoor marijuana consumption area,

(A) an affidavit that notice of an outdoor marijuana consumption area has been mailed to property owners, residents, and occupants of properties within 250 linear feet of the boundaries of the property on which the onsite consumption endorsement is proposed, or the notification distance required by the local government, whichever is greater.

(g) The retail marijuana store holding an onsite consumption endorsement under this chapter shall

(1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with the operating plan and 3 AAC 306.740;

(2) monitor patrons in the marijuana consumption area at all times, specifically for overconsumption;

Commented [KRS6]: Access control points could include 'barriers' OR can add additional paragraph at (G) to specify 'barriers' should be on the detailed diagram

(3) display all warning signs required under 3 AAC 306.360 and 3 AAC 306.365 within the marijuana consumption area, visible to all consumers;

(4) provide, at no cost to patrons, written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the marijuana consumption area;

(5) package and label all marijuana or marijuana products sold for consumption on the premises as required in 3 AAC 306.345; and

(6) comply with any conditions set by the local government or placed on the endorsement by the board.

(h) The holder of an onsite consumption endorsement must apply for renewal annually at the time of renewal of the underlying retail marijuana store license. (Eff. 4/11/2019, Register 230; am 8/7/2021, Register 239; am ___/___/___, Register _____)

Authority:	AS 17.38.010	AS 17.38.150	AS 17.38.900
	AS 17.38.070	AS 17.38.190	AS 18.35.301
	AS 17.38.121	AS 17.38.200	