THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE
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MEMORANDUM

TO: The Marijuana Control Board

DATE: June 17, 2024

FROM: Joan M. Wilson

RE: Director's Report

I. INTRODUCTION

This Board meeting brings its challenges, but thankfully, the state of AMCO's marijuana licensing queue is not one of them. Regina Cruz and Sam Carrell have largely been responsible for swift processing. Donovan Bennett Smith has largely been lent to the alcoholic beverage queue, which is still in dire straits following the Title 4 Rewrite. The Office is nearly back to full staff. We continue to prepare for bringing marijuana licensing into the new online licensing portal. Marijuana handler permit processing will likely follow as well. All this said, larger challenges face the industry in light of the failure of the marijuana excise tax relief bill. The Office is prepared to offer some remedies with a potential reduction in licensing fees. Other subjects, such as an adjustment of enforcement priorities to focus on the black market, are also subjects for this agenda. We look forward to receiving your guidance.

II. DISCUSSION TOPICS

A. LICENSING

Ms. Sawyer and Ms. Cruz will provide you an update on the licensing queue, including the processing of renewals. I am happy to report that at the time of writing two additional examiners have joined our time: Anna White and Kyle Helie. Both will be listening into this meeting from Anchorage. I am also happy to report that the licensing examiner classification study is now complete and will be implemented on July 22, 2024. We will provide a verbal report on the same to you at the board meeting.

B. ENFORCEMENT

Investigator Johnson currently serves as Acting Special Investigator 2 for the AMCO Enforcement Unit and will through the close of this month. We have completed the recruiting for the permanent Special Investigator 2. If the request to hire is not made before this Board meeting, it will be made shortly afterward.

Since the last meeting, AMCO Enforcement has conducted joint inspections with the Division of Agriculture and assisted their efforts to serve citations and cease and desist orders on non-compliant entities. Future cooperation and action, including against licensees, should be expected.

In light of the failure of the tax relief bill, we also request the Board to spend part of its meeting recommending enforcement priorities and revisiting the subject of tax accusations.

Last, the regulations discussion returns to the subject of our office's lack of knowledge of management services agreements and how they are likely creating undisclosed and indirect financial interests in licensed businesses. Better solutions are required.

C. LEGISLATIVE AND REGULATIONS REVIEW

The failure of HB 119, the marijuana tax bill, is likely the industry's largest concern to date. We also await passage of the bill that extends the marijuana control board. Our regulations discussion to reduce licensing fees revisits the subject of projected marijuana licensing fees for FY 2025 minus projected local government shared revenues. For comparison, here are the licensing fees and biennial renewal fees for alcoholic beverage licensees.

Alcohol Licensing Fees

Application and Admin Fees	Fee Amount
New Application Fee	$500
Transfer Application Fee	$500
Renewal Application Fee	$300
Fingerprint Fee	$48.25 (per person)
Endorsement Fee	$200
Endorsement Application Fee	$25
Initial Application New Multiple Fixed Counter Endorsement	$1250
Business Name Change Fee (AB-13)	$250
Licensed Premises Diagram Change Fee (AB-14)	$250
Seasonal Alternating Premises Request (AB-35)	$250
Change of Officers Application Fee (AB-39)	$250
Off-Site Warehouse Storage Application Fee (AB-38)	$250
Alternating Licensed Premises Application (AB-34)	$250
Waiver of Operations Application (AB-29)	Determined based on license history
Alcohol Server Education Course (AB-10)	$800
Review of Existing Alcohol Server Education Course	$250
Late fee for Alcohol Renewal	$500
Reinstatement Fee for Alcohol License	$1000

License Type	Year Round Fee	Seasonal Fee
Beverage Dispensary	$2,500	$1,250
Beverage Dispensary Tourism	$2,500	$1,250
Brewery Manufacturer	$1250	$625
Brewery Retail	$1250	$625
Club	$1500	$750
Common Carrier Dispensary - Airline	$1000 each airline OR $2000 for every community served	Seasonal fee determined individually
Common Carrier Dispensary - NOT Airline	$1000 for first 10 licenses, $100 each after	Seasonal fee determined individually
Destination Resort	$2500	$1250
Distillery Manufacturer	$1250	$625
Distillery Retail	$1250	$625
Fair	$1250	$625
General Wholesale	$2000	
Golf Course	$1250	$625
Limited Wholesale Brewed Beverage & Wine	$400	
Manufacture Direct Shipment	$200	
Outdoor Recreation Lodge	$2500	$1250
Package Store	$1500	$750
Pub	$1250	$625
Restaurant Eating Place	$1250	$625
Seasonal Restaurant Eating Place Tourism	N/A (This is already a seasonal license)	$1250
Sporting Activity or Event	$1250	$625
Theater	$1250	$625
Winery Manufacturer	$1000	$500
Winery Retail	$1000	$500

Here are the marijuana licensing fees:

Application and Admin Fees	Fee Amount
New Application Fee	$1000
Transfer Application Fee	$1000
Renewal Application Fee	$600
Fingerprint Fee	$48.25 (per person)
Business Name Change Fee (MJ-13)	$250
Licensed Premises Diagram Change Fee (MJ-14)	$250
Operating Plan Change Fee (MJ-15)	$250
Proposed New Marijuana Product Fee (MJ-16)	$250 (per product)
Ownership Change Fee (MJ-17)	$250
Conversion Application Fee	$1000
Onsite Consumption Endorsement Application Fee	$1000
Onsite Consumption Endorsement Fee	$2000

License Type	Fee Amount
Standard Marijuana Cultivation Facilities	$5,000
Limited Marijuana Cultivation Facilities	$1,000
Marijuana Product Manufacturing Facilities	$5,000
Marijuana Concentrate Manufacturing Facilities	$1,000
Marijuana Testing Facilities	$1,000
Retail Marijuana Store	$5,000

Renewal Fees	Fee Amount
Limited Marijuana Cultivation Facilities	$1,400
Marijuana Concentrate Manufacturing Facilities	$2,000
Marijuana Testing Facilities	$5,000
Standard Marijuana Cultivation Facilities	$7,000
Marijuana Product Manufacturing Facilities	$7,000
Retail Marijuana Store	$7,000

D. CANNABIS TESTING LAB USER WORKING GROUP

The Cannabis Testing Lab User Working Group has met monthly since February. While there are many topics still to address, the group focused on providing workable standards for measuring and assessing potency. A spreadsheet of its recommendations will be transmitted to the Board separately. Time is included in the agenda to discuss whether any regulatory projects should be opened based on those recommendations.

Pesticide and heavy metals testing in Alaska are also on the short-term horizon. Receiving the Board's recommendation for moving forward will also be solicited.

E. PUBLIC HEALTH BOARD SEAT

We welcome Dr. Brück Clift, public health member, to the Board. I am certain after her introduction licensees and the public will understand why her expertise will be a great resource for the Board and AMCO.

III. CONCLUSION

The next Marijuana Control Board meeting is September 11, 2024 in Kodiak, Alaska.