

Register _____, _____ 2024 COMMERCE, COMMUNITY, AND EC. DEV.

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

3 AAC 306.915 is amended to read:

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 **solely** 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, **or an agent operating a management services agreement under 3 AAC 306.917,** unless the board has approved a transfer of the license to a different person. (Eff.

2/21/2016, Register 217; am ___/___/_____, Register _____)

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

3 AAC 306 is amended by adding a new section to read:

3 AAC 306.916. Responsibility of licensees, agents, and employees. (a) The licensee has a duty to exercise that degree of care that a reasonable person would observe to ensure that a business under the person’s control is lawfully conducted. This duty of the licensee includes, but is not limited

(1) to ensuring the compliance by agents or employees with AS 17.38 and the regulations adopted under this title including acting with reasonable diligence to determine that

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agents or employees are advised of the provisions of AS 17.38 and the regulations adopted under this title, either by securing the agent's or employee's written acknowledgement of posted instructions or otherwise; and

(2) to ensuring the compliance of the premises with public health, fire, and safety codes and ordinances of the state or municipality having jurisdiction. (Eff. 1/1/2024, Register 248; am ____ / ____ / _____, Register _____)

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

3 AAC 306 is amended by adding a new section to read:

3 AAC 306.917. Management agreement. (a) For the purposes of 3 AAC 306.015(a), a marijuana establishment licensee, excluding a licensee holding a marijuana testing facility license under 3 AAC 306.605, may enter into a management agreement with a person who would otherwise qualify for a marijuana license under 3 AAC 306.015 and who holds a **current marijuana handler permit** set out at 3 AAC 306.700, who does not have an ownership interest in the marijuana establishment license for the purpose of giving that person responsibility for the day-to-day operations of a marijuana establishment license.

(b) A management agreement under this section must be in writing and signed by a licensee or transferor whose name is required to be provided with an application for a new or transfer license under 3 AAC 306.020 or 3 AAC 306.045-046, and by the non-licensee or transferee agreeing to manage the operation of the business. The licensee who signs the management agreement **shall notify the board not later than 10 days from** the effective date of the

Commented [KRS1]: Question for the board: Do you want a full background check? If so, this sub section can be amended to require this.

Commented [KRS2]: Question for the board: Do you want a notification on a 'notification form prescribed by the board' that includes the name of the parties and their contact info? Or do you just want a notification and say, an email from the licensee will suffice?

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management agreement and if there are any changes to the management agreement, including expiration, termination, or amendment not later than 10 days after each change to the management agreement occurs.

(d) The director may request, and the licensee shall provide no later than three days after the director's request;

(1) a copy of the signed management agreement and any related agreements between the parties that are signed and dated by

(A) a licensee or transferor

(B) the non-licensee or transferee

(2) information detailing any compensation paid in exchange for the management agreement; and

(3) any other information relevant to the management agreement.

(e) The director may declare a management agreement that does not comply with AS 17.38, 3 AAC 306.015(a), or 3 AAC 306.915-917 void.

(f) The board may suspend or revoke the marijuana handler permit of an agent operating a management services agreement under 3 AAC 305.917 if the agent violates AS 17.38 or its implementing regulations. (Eff. 1/1/2024, Register 248; am ___/___/_____, Register _____)

Authority: AS 17.38.010 AS 17.38.150 AS 17.38.200

AS 17.38.070 AS 17.38.190 AS 17.38.900

AS 17.38.121