

## **Retail Sales Endorsement for Licensed Cultivations**

We as the Governors Advisory Task Force on Recreational Marijuana recommend the following statutory and regulatory change be implemented by the Marijuana Control Board.

### **Purpose**

To help licensed marijuana cultivation facilities remain competitive and retain jobs as cannabis prices fall. To allow for cultivations to be a point destination for tourism and insulate cultivations (especially standalone) from lack of access to the consumer market and imminent Federal legalization/rescheduling.

### **Overview**

The MCB should create a license endorsement that allows current licensed cannabis cultivators the ability to sell the product they grow directly to consumers. The endorsement should explicitly prohibit a cultivation from selling product from any other licensee to the public. This means no edibles, manufactured goods or cannabis from other cultivators. Cultivators with this endorsement type would need to comply with all rules that prevent product diversion or sale to minors. The endorsement should require cultivators to maintain the same level of security and follow the same guidelines for purchase quantity limits as the retail license. There are questions as to if this endorsement should cost the same as a retail license. I think that would defeat the purpose. The purpose of this change is to save these standalone cultivation businesses and the jobs they represent. Charging them more money will not help. Obviously some fee is applicable and the MCB should decide what that would fairly be set at.

### **Proposed Statute Change (addition to current Statute)**

#### **Sec. 17.38.070. Lawful operation of marijuana-related facilities.**

(b) Notwithstanding any other provision of law, the following acts, when performed by a marijuana cultivation facility with a current, valid registration, or a person 21 years of age or older who is acting in the person's capacity as an owner, employee, or agent of a marijuana cultivation facility, are lawful and shall not be an offense under Alaska law or be a basis for seizure or forfeiture of assets under Alaska law:

(7) delivering, distributing, or selling marijuana to consumers.

### **Proposed Regulation Change**

#### **3 AAC 306.485. Retail sales endorsement for marijuana cultivation facilities**

- (a) Unless prohibited by local or state law, the board may approve a retail sales endorsement for a licensed marijuana cultivation facility for retail sales, on the marijuana cultivation facility premises.
- (b) A licensed marijuana cultivation facility holding a retail sales endorsement is authorized to
  - (1) sell marijuana grown on its licensed premises, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.475 in an amount not exceeding fifty percent of the limit set out in 3 AAC 306.355, to an individual on the licensed premises or as permitted under 3 AAC 306.995 for consumption off the licensed premises;

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- (2) with prior approval of the board, permit consumption of marijuana or a marijuana product purchased on the licensed premises, in a designated area on the licensed premises.
- (c) A person seeking a retail sales endorsement for a marijuana cultivation facility must operate in compliance with each applicable provision of 3 AAC 306.300 – 3 AAC 306.370. (3 AAC 306.310., 3 AAC 306.325., 3 AAC 306.340., 3 AAC 306.345., 3 AAC 306.350., 3 AAC 306.355., 3 AAC 306.365.)
- (d) This section does not prohibit a marijuana cultivation facility from refusing to sell marijuana or a marijuana product to a consumer.
- (e) A licensed marijuana cultivation facility is prohibited from using a retail sales endorsement to
  - (1) sell marijuana purchased from a licensed marijuana cultivation facility to an individual on the licensed premises or
  - (2) sell a marijuana product purchased from a licensed marijuana product manufacturing facility to an individual on the licensed premises.
- (f) The holder of a retail sales endorsement must apply for renewal annually at the time of renewal of the underlying retail marijuana store license.