

HOUSE BILL NO. 117

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE

Introduced: 3/17/23

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to cannabis and cannabis seeds; relating to the regulation of cannabis
2 and cannabis facilities; relating to criminal law; relating to controlled substances;
3 relating to misbranded drugs and devices; relating to medical uses of cannabis; relating
4 to cannabis taxes; relating to the duties of the Department of Commerce, Community,
5 and Economic Development and the Department of Environmental Conservation;
6 renaming the Marijuana Control Board the Cannabis Control Board; relating to the
7 Cannabis Control Board; repealing the industrial hemp program; relating to the
8 cannabis use education and treatment program; relating to adulterated foods; and
9 providing for an effective date."

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 * **Section 1.** AS 03.20.150 is amended to read:

12 **Sec. 03.20.150. Applicability of other laws.** Nothing in AS 03.20.110 -

03.20.150 authorizes a person to

(1) violate 7 U.S.C. 2321 - 2582 (Plant Variety Protection Act of 1970);

(2) give, exchange, or receive a seed

(A) from a plant that is regulated as

(i) a controlled substance under AS 11.71 or a drug under AS 17.20; or

(ii) cannabis [MARIJUANA] under AS 17.38; or

(B) patented under 35 U.S.C. 161 - 164 (Plant Patent Act of 1930);

(3) possess, give, or exchange seed that is considered to be noxious, invasive, or toxic under AS 03.05 or AS 44.37 or a regulation adopted under those chapters.

* **Sec. 2.** AS 04.06.070 is amended to read:

Sec. 04.06.070. Appointment and removal of director. The governor shall appoint a director to serve as the executive officer of the board and the Cannabis [MARIJUANA] Control Board created under AS 17.38.080. The director may be removed by a majority vote of the full membership of the board and a majority vote of the full membership of the Cannabis [MARIJUANA] Control Board. The governor may remove the director for misconduct, misfeasance, or malfeasance in office. The governor may not remove the director unless the director is given a copy of the charges and afforded an opportunity to be publicly heard, in person or by counsel, in defense against the charges upon at least 10 days' notice. If the director is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the director and the findings based on the charges, together with a complete record of any hearing.

* **Sec. 3.** AS 11.71.040(a) is amended to read:

(a) Except as authorized in AS 17.30 and AS 17.38, a person commits the crime of misconduct involving a controlled substance in the fourth degree if the person

(1) manufactures or delivers any amount of a schedule IVA or VA controlled substance or possesses any amount of a schedule IVA or VA controlled

1 substance with intent to manufacture or deliver;

2 (2) manufactures or delivers, or possesses with the intent to
3 manufacture or deliver, one or more preparations, compounds, mixtures, or substances
4 of an aggregate weight of six ounces [ONE OUNCE] or more containing a schedule
5 VIA controlled substance;

6 (3) possesses any amount of a schedule IA controlled substance listed
7 in AS 11.71.140(e);

8 (4) possesses a schedule IIIA, IVA, VA, or VIA controlled substance

9 (A) with reckless disregard that the possession occurs

10 (i) on or within 500 feet of school grounds; or

11 (ii) at or within 500 feet of a recreation or youth center;

12 or

13 (B) on a school bus;

14 (5) knowingly keeps or maintains any store, shop, warehouse,
15 dwelling, building, vehicle, boat, aircraft, or other structure or place that is used for
16 keeping or distributing controlled substances in violation of a felony offense under this
17 chapter or AS 17.30;

18 (6) makes, delivers, or possesses a punch, die, plate, stone, or other
19 thing that prints, imprints, or reproduces a trademark, trade name, or other identifying
20 mark, imprint, or device of another or any likeness of any of these on a drug, drug
21 container, or labeling so as to render the drug a counterfeit substance;

22 (7) knowingly uses in the course of the manufacture or distribution of a
23 controlled substance a registration number that is fictitious, revoked, suspended, or
24 issued to another person;

25 (8) knowingly furnishes false or fraudulent information in or omits
26 material information from any application, report, record, or other document required
27 to be kept or filed under AS 17.30;

28 (9) obtains possession of a controlled substance by misrepresentation,
29 fraud, forgery, deception, or subterfuge;

30 (10) affixes a false or forged label to a package or other container
31 containing any controlled substance;

1 (11) [REPEALED]

2 (12) violates AS 11.71.050(a)(4) and, within the preceding 10 years,
3 has been previously convicted of a crime under AS 11.71.050(a)(4), or a law or
4 ordinance in this or another jurisdiction with elements similar to AS 11.71.050(a)(4).

5 * **Sec. 4.** AS 11.71.050(a) is amended to read:

6 (a) Except as authorized in AS 17.30 and AS 17.38, a person commits the
7 crime of misconduct involving a controlled substance in the fifth degree if the person

8 (1) manufactures or delivers, or possesses with the intent to
9 manufacture or deliver, one or more preparations, compounds, mixtures, or substances
10 of an aggregate weight of less than six ounces [ONE OUNCE] containing a schedule
11 VIA controlled substance;

12 (2) [REPEALED]

13 (3) fails to make, keep, or furnish any record, notification, order form,
14 statement, invoice, or information required under AS 17.30;

15 (4) under circumstances not proscribed under AS 11.71.030(a)(3),
16 11.71.040(a)(3), or 11.71.040(a)(4) possesses any amount of a schedule IA, IIA, IIIA,
17 IVA, or VA controlled substance; or

18 (5) under circumstances not proscribed under AS 11.71.040(a)(4),
19 possesses one or more preparations, compounds, mixtures, or substances of an
20 aggregate weight of six ounces [ONE OUNCE] or more containing a schedule VIA
21 controlled substance.

22 * **Sec. 5.** AS 11.71.060(a) is amended to read:

23 (a) Except as authorized in AS 17.30 or AS 17.38, a person commits the crime
24 of misconduct involving a controlled substance in the sixth degree if the person

25 (1) uses or displays any amount of a schedule VIA controlled
26 substance;

27 (2) possesses one or more preparations, compounds, mixtures, or
28 substances of an aggregate weight of

29 (A) less than six ounces [ONE OUNCE] containing a schedule
30 VIA controlled substance;

31 (B) [REPEALED]

(3) refuses entry into a premise for an inspection authorized under AS 17.30.

* **Sec. 6.** AS 11.71.080 is amended to read:

Sec. 11.71.080. Aggregate weight of live cannabis [MARIJUANA] plants.

For purposes of calculating the aggregate weight of a live cannabis [MARIJUANA] plant, the aggregate weight shall be one-sixth of the measured weight of the cannabis [MARIJUANA] plant after the roots of the cannabis [MARIJUANA] plant have been removed.

* **Sec. 7.** AS 11.71.125(f) is amended to read:

(f) The attorney general may not adopt an emergency regulation under this section that schedules an alcoholic beverage as defined in AS 04.21.080, cannabis [MARIJUANA] as defined in AS 17.38.900, or tobacco.

* **Sec. 8.** AS 11.71.190(b) is amended to read:

(b) Cannabis [MARIJUANA] is a schedule VIA controlled substance.

* **Sec. 9.** AS 11.71.900(14) is amended to read:

(14) "manufacture"

(A) means the production, preparation, propagation, compounding, conversion, growing, or processing of a controlled substance, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis; however, the growing of cannabis [MARIJUANA] for personal use is not manufacturing;

(B) includes the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance or its container unless done in conformity with applicable federal law

(i) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

(ii) by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale;

1 * **Sec. 10.** AS 11.81.900(b)(6) is amended to read:

2 (6) "cannabis" has the meaning given in AS 17.38.900 [ASCRIBED
3 TO IT IN AS 11.71.900(11), (12), AND (15)];

4 * **Sec. 11.** AS 11.81.900(b)(23) is amended to read:

5 (23) "electronic smoking product"

6 (A) means

7 (i) any product containing or delivering nicotine or any
8 other substance intended for human consumption that can be used by a
9 person through inhalation of vapor or aerosol from the product, of any
10 size or shape, whether the product is manufactured, distributed,
11 marketed, or sold as an e-cigarette, e-cigar, e-pipe, e-hookah, vape pen,
12 or any other product name or descriptor; or

13 (ii) a component, solution, alternative tobacco product,
14 e-liquid, e-juice, vapor product, flavoring, or other related product of an
15 electronic cigarette, electronic cigar, electronic cigarillo, electronic
16 pipe, or other similar device of any size or shape used for, or to assist
17 with, aerosolizing and inhaling chemical substances that may cause an
18 adverse effect on human health;

19 (B) does not include cannabis [MARIJUANA] as defined in

20 AS 11.71.900;

21 * **Sec. 12.** AS 12.62.400(a) is amended to read:

22 (a) To obtain a national criminal history record check for determining a
23 person's qualifications for a license, permit, registration, employment, or position, a
24 person shall submit the person's fingerprints to the department with the fee established
25 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau
26 of Investigation to obtain a national criminal history record check of the person for the
27 purpose of evaluating a person's qualifications for

28 (1) a license or conditional contractor's permit to manufacture, sell,
29 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage
30 under AS 04.11;

31 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage

1 loan originator under AS 06.60;

2 (3) admission to the Alaska Bar Association under AS 08.08;

3 (4) licensure as a collection agency operator under AS 08.24;

4 (5) a certificate of fitness to handle explosives under AS 08.52;

5 (6) licensure as a massage therapist under AS 08.61;

6 (7) licensure to practice nursing or certification as a nurse aide under
7 AS 08.68;

8 (8) certification as a real estate appraiser under AS 08.87;

9 (9) a position involving supervisory or disciplinary power over a minor
10 or dependent adult for which criminal justice information may be released under
11 AS 12.62.160(b)(9);

12 (10) a teacher certificate under AS 14.20;

13 (11) a registration or license to operate a cannabis [MARIJUANA]
14 establishment under AS 17.38;

15 (12) admittance to a police training program under AS 18.65.230 or for
16 certification as a police officer under AS 18.65.240 if that person's prospective
17 employer does not have access to a criminal justice information system;

18 (13) licensure as a security guard under AS 18.65.400 - 18.65.490;

19 (14) a concealed handgun permit under AS 18.65.700 - 18.65.790;

20 (15) licensure as an insurance producer, managing general agent,
21 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines
22 broker, or independent adjuster under AS 21.27;

23 (16) serving and executing process issued by a court by a person
24 designated under AS 22.20.130;

25 (17) a school bus driver license under AS 28.15.046;

26 (18) licensure as an operator or an instructor for a commercial driver
27 training school under AS 28.17;

28 (19) registration as a broker-dealer, agent, investment adviser
29 representative, or investment adviser under AS 45.56.300 - 45.56.350;

30 (20) licensure, license renewal, certification, certification renewal, or
31 payment from the Department of Health of an individual and an entity subject to the

requirements for a criminal history check under AS 47.05.310, including

(A) a public home care provider described in AS 47.05.017;

(B) a provider of home and community-based waiver services financed under AS 47.07.030(c);

(C) a case manager to coordinate community mental health services under AS 47.30.530;

(D) an entity listed in AS 47.32.010(b) and (c), including an owner, officer, director, member, partner, employee, volunteer, or contractor of an entity; or

(E) an individual or entity not described in (A) - (D) of this paragraph that is required by statute or regulation to be licensed or certified by the Department of Health or that is eligible to receive payments, in whole or in part, from the Department of Health to provide for the health, safety, and welfare of persons who are served by the programs administered by the Department of Health;

(21) employment as a village public safety officer under AS 18.65.672 or certification as a village public safety officer under AS 18.65.682;

(22) licensure, license renewal, certification, or certification renewal by the Department of Family and Community Services of an individual or entity, or payment from the Department of Family and Community Services to an individual or entity, subject to the requirements for a criminal history check under AS 47.05.310 for a foster home, child placement agency, and runaway shelter listed in as 47.32.010(c), including an owner, officer, director, member, partner, employee, volunteer, or contractor of an entity.

* **Sec. 13.** AS 17.20.020(e) is amended to read:

(e) Food is not adulterated under this section solely because it contains **cannabis or a cannabis product** [INDUSTRIAL HEMP], as defined in **AS 17.38.900** [AS 03.05.100, OR AN INDUSTRIAL HEMP PRODUCT].

* **Sec. 14.** AS 17.20.090 is amended to read:

Sec. 17.20.090. Misbranded drugs and devices. A drug or device is misbranded

1 (1) if its labeling is false or misleading in any particular;

2 (2) if it is in package form unless it bears a label containing (A) the
3 name and place of business of the manufacturer, packer, or distributor; and (B) an
4 accurate statement of the quantity of the contents in terms of weight, measure, or
5 numerical count; however, under (B) of this paragraph reasonable variations shall be
6 permitted and exemptions for small packages shall be established by regulations
7 adopted by the department;

8 (3) if a word, statement, or other information required by or under
9 authority of this chapter to appear on the label or labeling is not prominently placed
10 with conspicuousness as compared with other words, statements, designs, or devices,
11 in the labeling and in terms that [WHICH] render it likely to be read and understood
12 by the ordinary individual under customary conditions of the purchase and use;

13 (4) if it is for use by man and contains a quantity of the narcotic or
14 hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis,
15 carbromal, chloral, coca, cocaine, codeine, heroin, cannabis [MARIJUANA],
16 morphine, opium, paraldehyde, peyote, or sulphonmethane, or a chemical derivative of
17 any of them, which has been by the commissioner after investigation found to be and
18 by regulations under this chapter designated as habit forming; unless its label bears the
19 name, and quantity or proportion of the substance or derivative and in juxtaposition
20 with it the statement "Warning - May be habit forming";

21 (5) if it is a drug and is not designated solely by a name recognized in
22 an official compendium unless its label bears (A) the common or usual name of the
23 drug; and (B) in case it is fabricated from two or more ingredients, the common or
24 usual name of each active ingredient, including the kind and quantity or proportion of
25 alcohol, and including, whether active or not, the name and quantity or proportion of
26 bromides, ether, chloroform, acetanilid, acetphenetidin, amidopyrine, antipyrine,
27 atropine, hyoscyne, hyoscyamine, arsenic, digitalis glucosines, mercury, quabain,
28 strophanthin, strychnine, thyroid, or derivative or preparation of any of these
29 substances contained in them; however, to the extent that compliance with the
30 requirements of (B) of this paragraph is impracticable, exemptions shall be established
31 by regulations adopted by the department;

1 (6) unless its labeling bears (A) adequate directions for use; and (B)
2 adequate warnings against use in those pathological conditions or by children where
3 its use may be dangerous to health, or against unsafe dosage or methods or duration of
4 administration or application, in the manner and form necessary for the protection of
5 users; however, where a requirement of (A) of this paragraph as applied to a drug or
6 device is not necessary for the protection of the public health, the department shall
7 adopt regulations exempting the drug or device from these requirements;

8 (7) if it purports to be a drug the name of which is recognized in an
9 official compendium, unless it is packaged and labeled as prescribed in the
10 compendium; however, the method of packing may be modified with the consent of
11 the commissioner, and when a drug is recognized in both the United States
12 Pharmacopoeia and the Homeopathic Pharmacopoeia of the United States, it is subject
13 to the requirements of the United States Pharmacopoeia with respect to packaging and
14 labeling unless it is labeled and offered for sale as a homeopathic drug, in which case
15 it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United
16 States, and not to those of the United States Pharmacopoeia;

17 (8) if it has been found by the commissioner to be a drug liable to
18 deterioration, unless it is packaged in the form and manner and its label bears a
19 statement of the precautions the department by regulation requires as necessary for the
20 protection of public health; and no regulation shall be established for a drug
21 recognized in an official compendium until the commissioner has informed the
22 appropriate body charged with the revision of the compendium of the need for
23 packaging or labeling requirements and that body has failed within a reasonable time
24 to prescribe the requirements;

25 (9) if it is a drug and its container is made, formed, or filled so as to be
26 misleading or if it is an imitation of another drug; or if it is offered for sale under the
27 name of another drug;

28 (10) if it is dangerous to health when used in the dosage, or with the
29 frequency or duration prescribed, recommended, or suggested in its labeling;

30 (11) if (A) it is a drug sold at retail and contains any quantity of
31 aminopyrine, barbituric acid, cinchophen, pituitary, thyroid, or their derivatives, or (B)

1 it is a drug or device sold at retail and its label as originally packed bears a statement
 2 that it is to be dispensed or sold only by or on the prescription of a physician, dentist,
 3 or veterinarian, unless it is sold on a written prescription signed by a member of the
 4 medical, dental, or veterinary profession licensed by law to administer the drug or
 5 device, and its label as dispensed bears the name and place of business of the seller,
 6 the serial number and date of the prescription, and the name of the member of the
 7 medical, dental, or veterinary profession, and the prescription may [SHALL] not be
 8 refilled except on the written authorization of the prescribing physician, dentist, or
 9 veterinarian.

10 * **Sec. 15.** AS 17.37.010(a) is amended to read:

11 (a) The department shall create and maintain a confidential registry of patients
 12 who have applied for and are entitled to receive a registry identification card according
 13 to the criteria set out in this chapter. The registry must also contain the name of the
 14 primary caregiver and the name of the alternate caregiver of a patient, if either is
 15 designated by the patient. Only one primary caregiver and one alternate caregiver may
 16 be listed in the registry for a patient. The registry and the information contained within
 17 it are not a public record under AS 40.25.100 - 40.25.295 (Alaska Public Records
 18 Act). Peace officers and authorized employees of state or municipal law enforcement
 19 agencies shall be granted access to the information contained within the department's
 20 confidential registry only

21 (1) for the purpose of verifying that an individual who has presented a
 22 registry identification card to a state or municipal law enforcement official is lawfully
 23 in possession of such card; or

24 (2) for the purpose of determining that an individual who claims to be
 25 lawfully engaged in the medical use of cannabis [MARIJUANA] is registered or
 26 listed with the department or is considered to be registered or listed under (g) of this
 27 section.

28 * **Sec. 16.** AS 17.37.010(c) is amended to read:

29 (c) In order to be placed on the state's confidential registry for the medical use
 30 of cannabis [MARIJUANA], an adult patient or a parent or guardian of a minor
 31 patient shall provide to the department

1 (1) a statement signed by the patient's physician

2 (A) stating that the physician personally examined the patient
3 and that the examination took place in the context of a bona fide physician-
4 patient relationship and setting out the date the examination occurred;

5 (B) stating that the patient has been diagnosed with a
6 debilitating medical condition; and

7 (C) stating that the physician has considered other approved
8 medications and treatments that might provide relief, that are reasonably
9 available to the patient, and that can be tolerated by the patient, and that the
10 physician has concluded that the patient might benefit from the medical use of
11 cannabis [MARIJUANA];

12 (2) a sworn application on a form provided by the department
13 containing the following information:

14 (A) the name, address, date of birth, and Alaska driver's license
15 or identification card number of the patient;

16 (B) the name, address, and telephone number of the patient's
17 physician; and

18 (C) the name, address, date of birth, and Alaska driver's license
19 or identification card number of the patient's primary caregiver and alternate
20 caregiver if either is designated at the time of application, along with the
21 statements required under (d) of this section; and

22 (3) if the patient is a minor, a statement by the minor's parent or
23 guardian that the patient's physician has explained the possible risks and benefits of
24 medical use of cannabis [MARIJUANA] and that the parent or guardian consents to
25 serve as the primary caregiver for the patient and to control the acquisition,
26 possession, dosage, and frequency of use of cannabis [MARIJUANA] by the patient.

27 * **Sec. 17.** AS 17.37.010(f) is amended to read:

28 (f) The department shall review the application and all information submitted
29 under (c) and (d) of this section within 30 days of receiving it. The department shall
30 notify the patient that the patient's application for a registry identification card has
31 been denied if the department's review of the information that the patient has provided

discloses that the information required under (c) of this section has not been provided or has been falsified or that the patient is not otherwise qualified to be registered. If the department determines that the primary caregiver or alternate caregiver is not qualified under this section to be a primary caregiver or alternate caregiver, or if the information required under this section has not been provided or has been falsified, the department shall notify the patient of that determination and shall proceed to review the patient's application as if a primary caregiver or alternate caregiver was not designated. The patient may amend the application and designate a new primary caregiver or alternate caregiver at any time. The department may not list a newly designated primary caregiver or alternate caregiver until it determines that the newly designated primary caregiver or alternate caregiver is qualified under this section and that the information required under this section has been provided. Otherwise, not more than five days after verifying the information, the department shall issue a registry identification card to the patient, and, if a primary caregiver for a patient has been listed in the registry, the department shall issue to the patient a duplicate of the patient's card clearly identified as the caregiver registry identification card, stating

(1) the patient's name, address, date of birth, and Alaska driver's license or identification card number;

(2) that the patient is registered with the department as a person who has a debilitating medical condition that the patient may address with the medical use of cannabis [MARIJUANA];

(3) the dates of issuance and expiration of the registry identification card; and

(4) the name, address, date of birth, and Alaska driver's license or identification card number of the patient's primary caregiver and alternate caregiver, if either is designated.

* **Sec. 18.** AS 17.37.010(h) is amended to read:

(h) A patient or a primary caregiver who is questioned by a state or municipal law enforcement official about the patient's or primary caregiver's medical use of cannabis [MARIJUANA] shall immediately show proper identification to the official and inform the official that the person is a registered patient or listed primary

caregiver for a registered patient and either show the official (1) the person's registry identification card, or (2) a copy of an application that has been pending without registration or denial for over 35 days since received by the department and proof of the date of delivery to the department, which shall be accorded the same legal effect as a registry identification card until the patient receives actual notice that the application has been denied.

* **Sec. 19.** AS 17.37.030(a) is amended to read:

(a) A patient, primary caregiver, or alternate caregiver registered with the department under this chapter has an affirmative defense to a criminal prosecution related to cannabis [MARIJUANA] to the extent provided in AS 11.71.090.

* **Sec. 20.** AS 17.37.030(c) is amended to read:

(c) A physician is not subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or privilege, for

(1) advising a patient whom the physician has diagnosed as having a debilitating medical condition about the risks and benefits of medical use of cannabis [MARIJUANA] or that the patient might benefit from the medical use of cannabis, if [MARIJUANA, PROVIDED THAT] the advice is based on [UPON] the physician's contemporaneous assessment in the context of a bona fide physician-patient relationship of

(A) the patient's medical history and current medical condition;

and

(B) other approved medications and treatments that might provide relief and that are reasonably available to the patient and that can be tolerated by the patient; or

(2) providing a patient with a written statement in an application for registration under AS 17.37.010.

* **Sec. 21.** AS 17.37.030(d) is amended to read:

(d) Notwithstanding the provisions of this section, a person, including a patient, primary caregiver, or alternate caregiver, is not entitled to the protection of this chapter for the person's acquisition, possession, cultivation, use, sale, distribution, or transportation of cannabis [MARIJUANA] for nonmedical use.

* **Sec. 22.** AS 17.37.040 is amended to read:

Sec. 17.37.040. Restrictions on medical use of cannabis [MARIJUANA].

(a) A patient, primary caregiver, or alternate caregiver may not

(1) engage in the medical use of cannabis [MARIJUANA] in a way that endangers the health or well-being of any person;

(2) engage in the medical use of cannabis [MARIJUANA] in plain view of, or in a place open to, the general public; this paragraph does not prohibit a patient or primary caregiver from possessing cannabis [MARIJUANA] in a place open to the general public if

(A) the person possesses, in a closed container carried on the person, one ounce or less of cannabis [MARIJUANA] in usable form;

(B) the cannabis [MARIJUANA] is not visible to anyone other than the patient or primary caregiver; and

(C) the possession is limited to that necessary to transport the cannabis [MARIJUANA] directly to the patient or primary caregiver or directly to a place where the patient or primary caregiver may lawfully possess or use the cannabis [MARIJUANA];

(3) sell or distribute cannabis [MARIJUANA] to any person, except that a patient may deliver cannabis [MARIJUANA] to the patient's primary caregiver and a primary caregiver may deliver cannabis [MARIJUANA] to the patient for whom the caregiver is listed; or

(4) possess in the aggregate more than

(A) one ounce of cannabis [MARIJUANA] in usable form;

and

(B) six cannabis [MARIJUANA] plants, with not [NO] more than three mature and flowering plants producing usable cannabis [MARIJUANA] at any one time.

(b) Any patient found by a preponderance of the evidence to have knowingly violated the provisions of this chapter shall be precluded from obtaining or using a registry identification card for the medical use of cannabis [MARIJUANA] for a period of one year. In this subsection, "knowingly" has the meaning given in

1 AS 11.81.900.

2 (c) A governmental, private, or other health insurance provider is not liable for
3 any claim for reimbursement for expenses associated with medical use of **cannabis**
4 [MARIJUANA].

5 (d) Nothing in this chapter requires any accommodation of any medical use of
6 **cannabis** [MARIJUANA]

7 (1) in any place of employment;

8 (2) in any correctional facility, medical facility, or facility monitored
9 by the department or the Department of Administration;

10 (3) on or within 500 feet of school grounds;

11 (4) at or within 500 feet of a recreation or youth center; or

12 (5) on a school bus.

13 * **Sec. 23.** AS 17.37.070(4) is amended to read:

14 (4) "debilitating medical condition" means

15 (A) cancer, glaucoma, positive status for human
16 immunodeficiency virus, or acquired immune deficiency syndrome, or
17 treatment for any of these conditions;

18 (B) any chronic or debilitating disease or treatment for such
19 diseases, which produces, for a specific patient, one or more of the following,
20 and for which, in the professional opinion of the patient's physician, such
21 condition or conditions reasonably may be alleviated by the medical use of
22 **cannabis** [MARIJUANA]: cachexia; severe pain; severe nausea; seizures,
23 including those that are characteristic of epilepsy; or persistent muscle spasms,
24 including those that are characteristic of multiple sclerosis; or

25 (C) any other medical condition, or treatment for such
26 condition, approved by the department, under regulations adopted under
27 AS 17.37.060 or approval of a petition submitted under AS 17.37.060;

28 * **Sec. 24.** AS 17.37.070(8) is amended to read:

29 (8) "medical use" means the acquisition, possession, cultivation, use or
30 transportation of **cannabis** [MARIJUANA] or paraphernalia related to the
31 administration of **cannabis** [MARIJUANA] to alleviate a debilitating medical

condition under the provisions of this chapter and AS 11.71.090;

* **Sec. 25.** AS 17.37.070(12) is amended to read:

(12) "usable form" and "usable cannabis" [MARIJUANA] means the seeds, leaves, buds, and flowers of the plant genus [(GENUS)] cannabis, but does not include the stalks or roots.

* **Sec. 26.** AS 17.37.080 is amended to read:

Sec. 17.37.080. Short title. AS 17.37.010 - 17.37.070 may be cited as the Medical Uses of Cannabis [MARIJUANA] for Persons Suffering from Debilitating Medical Conditions Act.

* **Sec. 27.** AS 17.38.010(a) is amended to read:

(a) In the interest of allowing law enforcement to focus on violent and property crimes, and to enhance individual freedom, the people of the state of Alaska find and declare that the use of cannabis [MARIJUANA] should be legal for persons 21 years of age or older.

* **Sec. 28.** AS 17.38.010(b) is amended to read:

(b) In the interest of the health and public safety of our citizenry, the people of the state of Alaska further find and declare that the production and sale of cannabis [MARIJUANA] should be regulated so that

(1) individuals will have to show proof of age before purchasing cannabis [MARIJUANA];

(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of cannabis [MARIJUANA]; and

(3) cannabis [MARIJUANA] sold by regulated businesses will be labeled and subject to additional regulations to ensure that consumers are informed and protected.

* **Sec. 29.** AS 17.38.020 is amended to read:

Sec. 17.38.020. Personal use of cannabis [MARIJUANA]. Notwithstanding any other provision of law, except as otherwise provided in this chapter, the following acts, by persons 21 years of age or older, are lawful and are not criminal or civil offenses under state law or the law of any political subdivision of the state or a basis for seizure or forfeiture of assets under state law:

(1) possessing, using, displaying, purchasing, or transporting cannabis [MARIJUANA] accessories or six ounces [ONE OUNCE] or less of cannabis [MARIJUANA];

(2) possessing, growing, processing, or transporting not more than six cannabis [MARIJUANA] plants, with three or fewer being mature, flowering plants, and possession of the cannabis [MARIJUANA] produced by the plants on the premises where the plants were grown, except that not more than 12 cannabis [MARIJUANA] plants, with six or fewer being mature, flowering plants, may be present in a single dwelling regardless of the number of persons 21 years of age or older residing in the dwelling;

(3) transferring six ounces [ONE OUNCE] or less of cannabis [MARIJUANA] and up to six immature cannabis [MARIJUANA] plants to a person who is 21 years of age or older without remuneration;

(4) consumption of cannabis [MARIJUANA], except that nothing in this chapter permits the consumption of cannabis [MARIJUANA] in public; and

(5) assisting, aiding, or supporting another person who is 21 years of age or older in any of the acts described in (1) - (4) of this section.

* **Sec. 30.** AS 17.38.020 is amended by adding a new subsection to read:

(b) Notwithstanding any other provision of law, the following acts are lawful and are not criminal or civil offenses under state law or the law of any political subdivision of the state or a basis for seizure or forfeiture of assets under state law:

(1) possessing, using, displaying, purchasing, transporting, or consuming products if the only form of cannabis contained in the product is cannabidiol, cannabigerol, cannabichromene, cannabinol, or another cannabis wellness product that is authorized by the department, or a combination thereof;

(2) assisting, aiding, or supporting another person in an act described in this subsection.

* **Sec. 31.** AS 17.38.030(a) is amended to read:

(a) The personal cultivation of cannabis [MARIJUANA] described in AS 17.38.020(2) is subject to the following terms:

(1) cannabis [MARIJUANA] plants shall be cultivated in a location

1 where the plants are not subject to public view without the use of binoculars, aircraft,
2 or other optical aids;

3 (2) a person who cultivates cannabis [MARIJUANA] must take
4 reasonable precautions to ensure the plants are secure from unauthorized access;

5 (3) cannabis [MARIJUANA] cultivation may only occur on property
6 lawfully in possession of the cultivator or with the consent of the person in lawful
7 possession of the property.

8 * **Sec. 32.** AS 17.38.040 is amended to read:

9 **Sec. 17.38.040. Public consumption banned, penalty.** It is unlawful to
10 consume cannabis [MARIJUANA] in public. A person who violates this section is
11 guilty of a violation punishable by a fine of up to \$100.

12 * **Sec. 33.** AS 17.38.050(a) is amended to read:

13 (a) A person who is under 21 years of age may not present or offer to a
14 cannabis [MARIJUANA] establishment or the cannabis [MARIJUANA]
15 establishment's agent or employee any written or oral evidence of age that is false,
16 fraudulent, or not actually the person's own, for the purpose of

17 (1) purchasing, attempting to purchase, or otherwise procuring or
18 attempting to procure cannabis [MARIJUANA] or cannabis [MARIJUANA]
19 products; or

20 (2) gaining access to a cannabis [MARIJUANA] establishment.

21 * **Sec. 34.** AS 17.38.060 is amended to read:

22 **Sec. 17.38.060. Cannabis [MARIJUANA] accessories authorized.**
23 Notwithstanding any other provision of law, it is lawful and is not an offense under
24 state law or the law of any political subdivision of the state or a basis for seizure or
25 forfeiture of assets under state law for persons 21 years of age or older to manufacture,
26 possess, or purchase cannabis [MARIJUANA] accessories, or to distribute or sell
27 cannabis [MARIJUANA] accessories to a person who is 21 years of age or older.

28 * **Sec. 35.** AS 17.38.070(a) is amended to read:

29 (a) Notwithstanding any other provision of law, the following acts, when
30 performed by a retail cannabis [MARIJUANA] store with a current, valid registration,
31 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 retail cannabis [MARIJUANA] store, are lawful and are not an offense under state law or a basis for seizure or forfeiture of assets under state law:

(1) possessing, displaying, storing, or transporting cannabis [MARIJUANA] or cannabis [MARIJUANA] products, except that cannabis [MARIJUANA] and cannabis [MARIJUANA] products may not be displayed in a manner that is visible to the general public from a public right-of-way;

(2) delivering or transferring cannabis [MARIJUANA] or cannabis [MARIJUANA] products to or from a cannabis testing facility, cannabis cultivation facility, or cannabis product manufacturing facility [A MARIJUANA TESTING FACILITY];

(3) receiving cannabis [MARIJUANA] or cannabis [MARIJUANA] products from a cannabis [MARIJUANA] testing facility;

(4) purchasing cannabis or cannabis products [MARIJUANA] from a cannabis [MARIJUANA] cultivation facility or cannabis product manufacturing facility; and [;]

(5) [PURCHASING MARIJUANA OR MARIJUANA PRODUCTS FROM A MARIJUANA PRODUCT MANUFACTURING FACILITY; AND

(6)] delivering, distributing, or selling cannabis [MARIJUANA] or cannabis [MARIJUANA] products to consumers.

* **Sec. 36.** AS 17.38.070(b) is amended to read:

(b) Notwithstanding any other provision of law, the following acts, when performed by a cannabis [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 cannabis [MARIJUANA] cultivation facility, are lawful and are not an offense under state law or a basis for seizure or forfeiture of assets under state law:

(1) cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing cannabis [MARIJUANA];

(2) delivering or transferring cannabis [MARIJUANA] to a cannabis [MARIJUANA] testing facility;

(3) receiving cannabis [MARIJUANA] from a cannabis

1 [MARIJUANA] testing facility or a retail cannabis store;

2 (4) delivering, distributing, or selling cannabis [MARIJUANA] to a
3 cannabis [MARIJUANA] cultivation facility, a cannabis [MARIJUANA] product
4 manufacturing facility, or a retail cannabis [MARIJUANA] store;

5 (5) receiving or purchasing cannabis [MARIJUANA] from a
6 cannabis [MARIJUANA] cultivation facility; and

7 (6) receiving cannabis [MARIJUANA] seeds or immature cannabis
8 [MARIJUANA] plants from a person 21 years of age or older.

9 * **Sec. 37.** AS 17.38.070(c) is amended to read:

10 (c) Notwithstanding any other provision of law, the following acts, when
11 performed by a cannabis [MARIJUANA] product manufacturing facility with a
12 current, valid registration, or a person 21 years of age or older who is acting in the
13 person's capacity as an owner, employee, or agent of a cannabis [MARIJUANA]
14 product manufacturing facility, are lawful and are not an offense under state law or a
15 basis for seizure or forfeiture of assets under state law:

16 (1) packaging, processing, transporting, manufacturing, displaying, or
17 possessing cannabis [MARIJUANA] or cannabis [MARIJUANA] products;

18 (2) delivering or transferring cannabis [MARIJUANA] or cannabis
19 [MARIJUANA] products to a cannabis [MARIJUANA] testing facility;

20 (3) receiving cannabis [MARIJUANA] or cannabis [MARIJUANA]
21 products from a cannabis [MARIJUANA] testing facility or a retail cannabis store;

22 (4) delivering or selling cannabis [MARIJUANA] or cannabis
23 [MARIJUANA] products to a retail cannabis [MARIJUANA] store or a cannabis
24 [MARIJUANA] product manufacturing facility;

25 (5) purchasing cannabis [MARIJUANA] from a cannabis
26 [MARIJUANA] cultivation facility; and

27 (6) purchasing cannabis [MARIJUANA] or cannabis
28 [MARIJUANA] products from a cannabis [MARIJUANA] product manufacturing
29 facility.

30 * **Sec. 38.** AS 17.38.070(d) is amended to read:

31 (d) Notwithstanding any other provision of law, the following acts, when

performed by a cannabis [MARIJUANA] testing 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 cannabis [MARIJUANA] testing facility, are lawful and are not an offense under state law or a basis for seizure or forfeiture of assets under state law:

(1) possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring, or delivering cannabis [MARIJUANA];

(2) receiving cannabis [MARIJUANA] or cannabis [MARIJUANA] products from a cannabis [MARIJUANA] cultivation facility, a cannabis [MARIJUANA] retail store, a cannabis [MARIJUANA] products manufacturer, or a person 21 years of age or older; and

(3) returning cannabis [MARIJUANA] or cannabis [MARIJUANA] products to a cannabis [MARIJUANA] cultivation facility, a cannabis [MARIJUANA] retail store, a cannabis [MARIJUANA] products manufacturer, or a person 21 years of age or older.

* **Sec. 39.** AS 17.38.070(f) is amended to read:

(f) Nothing in this section prevents the imposition of penalties on cannabis [UPON MARIJUANA] establishments for violating this chapter or rules adopted by the board or local governments under [PURSUANT TO] this chapter.

* **Sec. 40.** AS 17.38.070(g) is amended to read:

(g) The provisions of AS 17.30.020 do not apply to cannabis [MARIJUANA] establishments.

* **Sec. 41.** AS 17.38.080(a) is amended to read:

(a) The Cannabis [MARIJUANA] Control Board is established in the Department of Commerce, Community, and Economic Development as a regulatory and quasi-judicial agency. The board is in the Department of Commerce, Community, and Economic Development for administrative purposes only.

* **Sec. 42.** AS 17.38.080(b) is amended to read:

(b) The board members shall be appointed by the governor and confirmed by a majority of the members of the legislature in joint session. A member of the board may not hold any other state or federal office, either elective or appointive. The board

consists of seven [FIVE] voting members as follows:

- (1) one person from the public safety sector;
- (2) one person from the public health sector;
- (3) one person currently residing in a rural area;
- (4) two people [ONE PERSON] actively engaged in the cannabis [MARIJUANA] industry; [AND]
- (5) one person who is either from the general public or is a representative from a local government or community council, and is not [OR] actively engaged in the cannabis [MARIJUANA] industry; and
- (6) one person who has a background in plant production, organic chemistry, or plant pathology.

* **Sec. 43.** AS 17.38.080(d) is amended to read:

(d) A board member representing the general public, the public safety sector, the public health sector, or a rural area or who is a representative from a local government or community council, or the member's immediate family member, may not have a financial interest in the cannabis [MARIJUANA] industry.

* **Sec. 44.** AS 17.38.080(e) is amended by adding a new paragraph to read:

(7) "cannabis industry" means a business or profession related to cannabis in which the person is lawfully engaged and that is in compliance with this chapter, regulations adopted under this chapter, and other provisions of state law.

* **Sec. 45.** AS 17.38.121(a) is amended to read:

(a) The board shall control the cultivation, manufacture, and sale of cannabis [MARIJUANA] in the state. The board is vested with the powers and duties necessary to enforce this chapter.

* **Sec. 46.** AS 17.38.121(b) is amended to read:

- (b) The board shall
 - (1) propose and adopt regulations;
 - (2) establish by regulation the qualifications for licensure, including fees and factors related to the applicant's experience, criminal justice history, and financial interests;
 - (3) review applications for licensure made under this chapter and may

1 order the executive director to issue, renew, suspend, or revoke a license authorized
2 under this chapter; [AND]

3 (4) hear appeals from actions of the director and from actions of
4 officers and employees charged with enforcing this chapter and the regulations
5 adopted under this chapter;

6 (5) work with the Department of Natural Resources to regulate
7 cannabis cultivation; in developing regulations for the cultivation of cannabis
8 under this paragraph, the board shall defer to recommendations from the
9 division of the Department of Natural Resources with responsibility for
10 agriculture; and

11 (6) adopt regulations to create a cannabis wholesale distributor
12 license authorizing a person to import cannabis and cannabis products into the
13 state.

14 * **Sec. 47.** AS 17.38.121(c) is amended to read:

15 (c) When considering an application for licensure, the board may reduce the
16 area to be designated as the licensed premises from the area applied for if the board
17 determines that a reduction in area is necessary to ensure control over the sale and
18 consumption of cannabis [MARIJUANA] on the premises or is otherwise in the
19 public interest.

20 * **Sec. 48.** AS 17.38.121 is amended by adding a new subsection to read:

21 (g) The board may limit the number of licenses allowed under this chapter
22 based on the public interest.

23 * **Sec. 49.** AS 17.38.131 is amended to read:

24 **Sec. 17.38.131. Enforcement powers.** The director and the persons employed
25 for the administration and enforcement of this chapter may, with the concurrence of
26 the commissioner of public safety, exercise the powers of peace officers when those
27 powers are specifically granted by the board. Powers granted by the board under this
28 section may be exercised only when necessary for the enforcement of the criminally
29 punishable provisions of this chapter, other criminal statutes relating to substances or
30 activities regulated or permitted under this chapter, regulations of the board, and other
31 criminally punishable laws and regulations relating to cannabis [MARIJUANA].

1 * **Sec. 50.** AS 17.38.190 is amended to read:

2 **Sec. 17.38.190. Rulemaking.** (a) The board shall adopt regulations necessary
3 for implementation of this chapter. Regulations under this subsection may not prohibit
4 the operation of cannabis [MARIJUANA] establishments, either expressly or through
5 regulations that make their operation unreasonably impracticable. The regulations
6 must include

7 (1) procedures for the issuance, renewal, suspension, and revocation of
8 a registration to operate a cannabis [MARIJUANA] establishment; procedures under
9 this paragraph are subject to all requirements of AS 44.62 (Administrative Procedure
10 Act);

11 (2) a schedule of application, registration, and renewal fees;
12 application fees may not exceed \$5,000, with this upper limit adjusted annually for
13 inflation, unless the board determines a greater fee is necessary to carry out its
14 responsibilities under this chapter;

15 (3) qualifications for registration that are directly and demonstrably
16 related to the operation of a cannabis [MARIJUANA] establishment;

17 (4) security requirements for cannabis [MARIJUANA]
18 establishments, including for the transportation of cannabis [MARIJUANA] by
19 cannabis [MARIJUANA] establishments;

20 (5) requirements to prevent the sale or diversion of cannabis
21 [MARIJUANA] and cannabis [MARIJUANA] products to persons under the age of
22 21;

23 (6) labeling requirements for cannabis [MARIJUANA] and cannabis
24 [MARIJUANA] products sold or distributed by a cannabis [MARIJUANA]
25 establishment;

26 (7) health and safety regulations and standards for the manufacture of
27 cannabis [MARIJUANA] products and the cultivation of cannabis [MARIJUANA];

28 (8) reasonable restrictions on the advertising and display of cannabis
29 [MARIJUANA] and cannabis [MARIJUANA] products; and

30 (9) civil penalties for the failure to comply with regulations made
31 under this chapter.

(b) In order to ensure that individual privacy is protected, the board may not require a consumer to provide a retail cannabis [MARIJUANA] store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis [MARIJUANA] store may not be required to acquire and record personal information about consumers.

* **Sec. 51.** AS 17.38.200(a) is amended to read:

(a) Each application or renewal application for a registration to operate a cannabis [MARIJUANA] establishment shall be submitted to the board. A renewal application may be submitted up to 90 days before the expiration of the cannabis [MARIJUANA] establishment's registration. When filing an application for a new registration under this subsection, the applicant shall submit the applicant'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. When filing an application for renewal of registration, an applicant shall submit the applicant'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 every five years. The board shall forward the fingerprints and fees 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.

* **Sec. 52.** AS 17.38.200(b) is amended to read:

(b) The board shall begin accepting and processing applications to operate cannabis [MARIJUANA] establishments one year after February 24, 2015.

* **Sec. 53.** AS 17.38.200(c) is amended to read:

(c) Upon receiving an application or renewal application for a cannabis [MARIJUANA] establishment, the board shall immediately forward a copy of each application and half of the registration application fee to the local regulatory authority for the local government in which the applicant desires to operate the cannabis [MARIJUANA] establishment, unless the local government has not designated a local regulatory authority under [PURSUANT TO] AS 17.38.210(c).

* **Sec. 54.** AS 17.38.200(d) is amended to read:

(d) Within 45 to 90 days after receiving an application or renewal application,

1 the board shall issue a biennial [AN ANNUAL] registration to the applicant unless
 2 the board finds the applicant is not in compliance with regulations enacted under
 3 [PURSUANT TO] AS 17.38.190 or the board is notified by the relevant local
 4 government that the applicant is not in compliance with ordinances and regulations
 5 made under [PURSUANT TO] AS 17.38.210 and in effect at the time of application.

6 * **Sec. 55.** AS 17.38.200(e) is amended to read:

7 (e) If a local government has enacted a numerical limit on the number of
 8 cannabis [MARIJUANA] establishments and a greater number of applicants seek
 9 registrations, the board shall solicit and consider input from the local regulatory
 10 authority as to the local government's preference or preferences for registration.

11 * **Sec. 56.** AS 17.38.200(g) is amended to read:

12 (g) Every cannabis [MARIJUANA] establishment registration shall specify
 13 the location where the cannabis [MARIJUANA] establishment will operate. A
 14 separate registration shall be required for each location at which a cannabis
 15 [MARIJUANA] establishment operates.

16 * **Sec. 57.** AS 17.38.200(h) is amended to read:

17 (h) Cannabis [MARIJUANA] establishments and the books and records
 18 maintained and created by cannabis [MARIJUANA] establishments are subject to
 19 inspection by the board.

20 * **Sec. 58.** AS 17.38.200(i) is amended to read:

21 (i) A cannabis [MARIJUANA] establishment may not be registered under
 22 this chapter if a person who is an owner, officer, or agent of the cannabis
 23 [MARIJUANA] establishment has been convicted of a felony and either

24 (1) less than five years have elapsed from the time of the person's
 25 conviction; or

26 (2) the person is currently on probation or parole for that felony.

27 * **Sec. 59.** AS 17.38.210(a) is amended to read:

28 (a) A local government may prohibit the operation of cannabis
 29 [MARIJUANA] cultivation facilities, cannabis [MARIJUANA] product
 30 manufacturing facilities, cannabis [MARIJUANA] testing facilities, or retail
 31 cannabis [MARIJUANA] stores through the enactment of an ordinance or by a voter

1 initiative. An established village may prohibit the operation of cannabis
 2 [MARIJUANA] cultivation facilities, cannabis [MARIJUANA] product
 3 manufacturing facilities, cannabis [MARIJUANA] testing facilities, or retail
 4 cannabis [MARIJUANA] stores as provided in AS 17.38.300.

5 * **Sec. 60.** AS 17.38.210(b) is amended to read:

6 (b) A local government may enact ordinances or regulations not in conflict
 7 with this chapter or with regulations enacted under [PURSUANT TO] this chapter,
 8 governing the time, place, manner, and number of cannabis [MARIJUANA]
 9 establishment operations. A local government may establish civil penalties for
 10 violation of an ordinance or regulation governing the time, place, and manner of a
 11 cannabis [MARIJUANA] establishment that may operate in such local government.

12 * **Sec. 61.** AS 17.38.210(c) is amended to read:

13 (c) A local government may designate a local regulatory authority that is
 14 responsible for processing applications submitted for a registration to operate a
 15 cannabis [MARIJUANA] establishment within the boundaries of the local
 16 government. The local government may provide that the local regulatory authority
 17 may issue such registrations should the issuance by the local government become
 18 necessary because of a failure by the board to adopt regulations under [PURSUANT
 19 TO] AS 17.38.190 or to accept or process applications in accordance with
 20 AS 17.38.200.

21 * **Sec. 62.** AS 17.38.210(e) is amended to read:

22 (e) A local government may establish a schedule of annual operating,
 23 registration, and application fees for cannabis [MARIJUANA] establishments. The [,
 24 PROVIDED THAT THE] local government may charge an [THE]

25 (1) application fee only if an application is submitted to the local
 26 government in accordance with (f) of this section; and

27 (2) registration fee only if a registration is issued by the local
 28 government in accordance with (f) of this section.

29 * **Sec. 63.** AS 17.38.210(f) is amended to read:

30 (f) If the board does not issue a registration to an applicant within 90 days of
 31 receipt of the application filed in accordance with AS 17.38.200 and does not notify

the applicant of the specific, permissible reason for its denial, in writing and within such time period, or if the board has adopted regulations under [PURSUANT TO] AS 17.38.190 and has accepted applications under [PURSUANT TO] AS 17.38.200 but has not issued any registrations by 15 months after February 24, 2015, the applicant may resubmit its application directly to the local regulatory authority, under [PURSUANT TO] (c) of this section, and the local regulatory authority may issue a biennial [AN ANNUAL] registration to the applicant. If an application is submitted to a local regulatory authority under this subsection, the board shall forward to the local regulatory authority the application fee paid by the applicant to the board upon request by the local regulatory authority.

* **Sec. 64.** AS 17.38.220 is amended to read:

Sec. 17.38.220. Employers, driving, minors, and control of property. (a)

Nothing in this chapter is intended to require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growing of cannabis [MARIJUANA] in the workplace or to affect the ability of employers to have policies restricting the use of cannabis [MARIJUANA] by employees.

(b) Nothing in this chapter is intended to allow driving under the influence of cannabis [MARIJUANA] or to supersede laws related to driving under the influence of cannabis [MARIJUANA].

(c) Nothing in this chapter is intended to permit the transfer of cannabis [MARIJUANA], with or without remuneration, to a person under the age of 21.

(d) Nothing in this chapter shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation, or any other entity who occupies, owns, or controls private property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis [MARIJUANA] on or in that property.

* **Sec. 65.** AS 17.38.230 is amended to read:

Sec. 17.38.230. Impact on medical cannabis [MARIJUANA] law. Nothing

in this chapter shall be construed to limit any privileges or rights of a medical cannabis [MARIJUANA] patient or medical cannabis [MARIJUANA] caregiver under AS 17.37.

1 * **Sec. 66.** AS 17.38.300(a) is amended to read:

2 (a) If a majority of the voters voting on the question vote to approve the
3 option, an established village shall exercise a local option to prohibit the operation of
4 one or more of the following types of cannabis [MARIJUANA] establishments:

- 5 (1) cannabis [MARIJUANA] cultivation facilities;
- 6 (2) cannabis [MARIJUANA] product manufacturing facilities;
- 7 (3) cannabis [MARIJUANA] testing facilities; or
- 8 (4) retail cannabis [MARIJUANA] stores.

9 * **Sec. 67.** AS 17.38.320 is amended to read:

10 **Sec. 17.38.320. Effect on registrations of prohibition of cannabis**
11 **[MARIJUANA] establishments.** If a majority of voters vote to prohibit the operation
12 of cannabis [MARIJUANA] establishments under AS 17.38.300, the board may not
13 issue, renew, or transfer, between persons or locations, a registration for a cannabis
14 [MARIJUANA] establishment located within the perimeter of the established village.
15 A registration that may not be renewed because of a local option election held under
16 AS 17.38.300 is void 90 days after the results of the election are certified. A
17 registration that expires during the 90 days after the results of a local option election
18 are certified may be extended, until it is void under this section, by payment of a
19 prorated portion of the annual registration fee.

20 * **Sec. 68.** AS 17.38.330(a) is amended to read:

21 (a) If a majority of the voters vote to prohibit the operation of cannabis
22 [MARIJUANA] establishments under AS 17.38.300, a person may not knowingly sell
23 or manufacture cannabis [MARIJUANA] in the established village.

24 * **Sec. 69.** AS 17.38.340(d) is amended to read:

25 (d) After a petition has been certified as sufficient to meet the requirements of
26 (b) of this section, another petition may not be filed or certified until after the question
27 presented in the first petition has been voted on. A local option question to prohibit the
28 operation of cannabis [MARIJUANA] cultivation facilities, cannabis
29 [MARIJUANA] product manufacturing facilities, cannabis [MARIJUANA] testing
30 facilities, or retail cannabis [MARIJUANA] stores or to prohibit all cannabis
31 [MARIJUANA] establishments may be presented in one election.

1 * **Sec. 70.** AS 17.38 is amended by adding a new section to read:

2 **Sec. 17.38.380. Higher education.** (a) A postsecondary educational institution
3 in the state may invest in, develop, and offer cannabis research and educational
4 programs relating to the production, growth, economics, business, testing, and science
5 of cannabis.

6 (b) A postsecondary educational institution that elects to engage in the sale of
7 cannabis or cannabis products as part of its research and educational programs under
8 this section shall obtain a registration to operate a retail cannabis store.

9 * **Sec. 71.** AS 17.38.900(1) is amended to read:

10 (1) "board" means the **Cannabis** [MARIJUANA] Control Board
11 established by AS 17.38.080;

12 * **Sec. 72.** AS 17.38.900(2) is amended to read:

13 (2) "consumer" means a person 21 years of age or older who purchases
14 **cannabis** [MARIJUANA] or **cannabis** [MARIJUANA] products for personal use by
15 persons 21 years of age or older, but not for resale to others;

16 * **Sec. 73.** AS 17.38.900(3) is amended to read:

17 (3) "consumption" means the act of ingesting, inhaling, or otherwise
18 introducing **cannabis** [MARIJUANA] into the human body;

19 * **Sec. 74.** AS 17.38.900(4) is amended to read:

20 (4) "director" means the director of the **Cannabis** [MARIJUANA]
21 Control Board and the Alcoholic Beverage Control Board;

22 * **Sec. 75.** AS 17.38.900(8) is amended to read:

23 (8) "local regulatory authority" means the office or entity designated to
24 process **cannabis** [MARIJUANA] establishment applications by a local government;

25 * **Sec. 76.** AS 17.38.900(19) is amended to read:

26 (19) "unreasonably impracticable" means that the measures necessary
27 to comply with the regulations require such a high investment of risk, money, time, or
28 any other resource or asset that the operation of a **cannabis** [MARIJUANA]
29 establishment is not worthy of being carried out in practice by a reasonably prudent
30 businessperson.

31 * **Sec. 77.** AS 17.38.900 is amended by adding new paragraphs to read:

1 (20) "cannabis" means any part of a plant or seeds from all species of
2 the genus cannabis, whether growing or not, and all derivatives, extracts,
3 cannabinoids, isomers, acids, salts, and salts of isomers;

4 (21) "cannabis accessories" means equipment, products, or materials of
5 any kind that are used, intended for use, or designed for use in planting, propagating,
6 cultivating, growing, harvesting, composting, manufacturing, compounding,
7 converting, producing, processing, preparing, testing, analyzing, packaging,
8 repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or
9 otherwise introducing cannabis into the human body;

10 (22) "cannabis cultivation facility" means an entity registered to
11 cultivate, prepare, and package cannabis and to sell cannabis to retail cannabis stores,
12 to cannabis product manufacturing facilities, and to other cannabis cultivation
13 facilities, but not to consumers;

14 (23) "cannabis establishment" means a cannabis cultivation facility, a
15 cannabis testing facility, a cannabis product manufacturing facility, or a retail cannabis
16 store;

17 (24) "cannabis product" means a concentrated cannabis product and a
18 cannabis product that consists of cannabis and other ingredients and is intended for use
19 or consumption, including an edible product, ointment, or tincture;

20 (25) "cannabis product manufacturing facility" means an entity
21 registered to purchase cannabis; manufacture, prepare, and package cannabis products;
22 and sell cannabis and cannabis products to other cannabis product manufacturing
23 facilities and to retail cannabis stores, but not to consumers;

24 (26) "cannabis testing facility" means an entity registered to analyze
25 and certify the safety and potency of cannabis;

26 (27) "retail cannabis store" means an entity registered to purchase
27 cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis
28 products from cannabis product manufacturing facilities, and to sell cannabis and
29 cannabis products to consumers.

30 * **Sec. 78.** AS 18.35.301(h) is amended to read:

31 (h) Nothing in this section prohibits an individual from smoking

(1) at a private residence, except a private residence described in (b) of this section or while a health care provider is present;

(2) in a stand-alone shelter if the stand-alone shelter meets the following requirements:

(A) food or drink may not be sold or served in the stand-alone shelter; and

(B) the stand-alone shelter meets the minimum distance requirements of (c) of this section; or

(3) in an establishment licensed under AS 17.38 that is freestanding if the smoking is in accordance with regulations adopted by the Cannabis [MARIJUANA] Control Board created under AS 17.38.080.

* **Sec. 79.** AS 43.61.010(a) is amended to read:

(a) An excise tax is imposed on the sale or transfer of cannabis [MARIJUANA] from a cannabis [MARIJUANA] cultivation facility to a retail cannabis [MARIJUANA] store or cannabis [MARIJUANA] product manufacturing facility. Every cannabis [MARIJUANA] cultivation facility shall pay an excise tax at the rate of \$12.50 an [\$50 PER] ounce, or proportionate part thereof, on cannabis [MARIJUANA] that is sold or transferred from a cannabis [MARIJUANA] cultivation facility to a retail cannabis [MARIJUANA] store or cannabis [MARIJUANA] product manufacturing facility.

* **Sec. 80.** AS 43.61.010(b) is amended to read:

(b) The department may exempt certain parts of the cannabis [MARIJUANA] plant from the excise tax described in (a) of this section or may establish a rate lower than \$12.50 an [\$50 PER] ounce for certain parts of the cannabis [MARIJUANA] plant.

* **Sec. 81.** AS 43.61.010(f) is amended to read:

(f) The cannabis [MARIJUANA] education and treatment fund is established in the general fund. The [IN ADDITION TO THE ACCOUNTING UNDER (c) OF THIS SECTION, THE] Department of Administration shall separately account for [25 PERCENT OF] the tax collected under this section and deposit it into the cannabis [MARIJUANA] education and treatment fund. The Department of Administration

shall deposit interest earned on the fund into the general fund. Money in the fund does not lapse. The legislature may appropriate from [USE THE ANNUAL ESTIMATED BALANCE IN] the fund not more than 33 percent of the annual estimated tax collected under this section to each of the following:

(1) [TO MAKE APPROPRIATIONS TO] the Department of Health for the comprehensive cannabis [MARIJUANA] use education and treatment program established under AS 44.29.020(a)(14);

(2) the Department of Commerce, Community, and Economic Development to support administrative tasks relating to the cultivation, manufacture, and sale of cannabis and cannabis products in the state; and

(3) the general fund.

* **Sec. 82.** AS 43.61.010 is amended by adding new subsections to read:

(g) A sales tax is imposed on the sale of cannabis and cannabis products from a retail cannabis store to a consumer. Every consumer shall pay a three percent sales tax at a retail cannabis store for all cannabis and cannabis products intended for human consumption.

(h) An import tax is imposed on the importation of cannabis and cannabis products by a cannabis wholesale distributor. Every cannabis wholesale distributor shall pay an import tax of 10.5 percent of the value of the cannabis and cannabis products imported by the cannabis wholesale distributor.

* **Sec. 83.** AS 43.61.020 is amended to read:

Sec. 43.61.020. Monthly statement and payments. (a) Each cannabis [MARIJUANA] cultivation facility shall send a statement by mail or electronically to the department on or before the last day of each calendar month. The statement must contain an account of the amount of cannabis [MARIJUANA] sold or transferred to retail cannabis [MARIJUANA] stores and cannabis [MARIJUANA] product manufacturing facilities in the state during the preceding month, setting out

(1) the total number of ounces, including fractional ounces, sold or transferred;

(2) the names and Alaska address of each buyer and transferee; and

(3) the weight of cannabis [MARIJUANA] sold or transferred to the

1 respective buyers or transferees.

2 (b) The cannabis [MARIJUANA] cultivation facility shall pay monthly to the
3 department, all taxes, computed at the rates prescribed in this chapter, on the
4 respective total quantities of the cannabis [MARIJUANA] sold or transferred during
5 the preceding month. The monthly return shall be filed and the tax paid on or before
6 the last day of each month to cover the preceding month.

7 * **Sec. 84.** AS 43.61.020, as amended by sec. 83 of this Act, is amended to read:

8 **Sec. 43.61.020. Monthly statement and payments.** (a) Each retail cannabis
9 store and wholesale distributor [CULTIVATION FACILITY] shall send a statement
10 by mail or electronically to the department on or before the last day of each calendar
11 month. The statement must contain an account of the amount of cannabis sold to
12 consumers or imported into [OR TRANSFERRED TO RETAIL CANNABIS
13 STORES AND CANNABIS PRODUCT MANUFACTURING FACILITIES IN] the
14 state during the preceding month, setting out

15 [(1)] the total number of ounces, including fractional ounces, sold or
16 imported and the total value of the cannabis sold or imported [TRANSFERRED;

17 (2) THE NAMES AND ALASKA ADDRESS OF EACH BUYER
18 AND TRANSFEREE; AND

19 (3) THE WEIGHT OF CANNABIS SOLD OR TRANSFERRED TO
20 THE RESPECTIVE BUYERS OR TRANSFEREES].

21 (b) The retail cannabis store and wholesale distributor [CULTIVATION
22 FACILITY] shall pay monthly to the department, all taxes, computed at the rates
23 prescribed in this chapter, on the respective total quantities of the cannabis sold or
24 imported [TRANSFERRED] during the preceding month. The monthly return shall
25 be filed and the tax paid on or before the last day of each month to cover the preceding
26 month.

27 * **Sec. 85.** AS 43.61.030 is amended to read:

28 **Sec. 43.61.030. Administration and enforcement of tax.** (a) Delinquent
29 payments under this chapter shall subject the cannabis [MARIJUANA] cultivation
30 facility to civil penalties under AS 43.05.220.

31 (b) If a cannabis [MARIJUANA] cultivation facility fails to pay the tax to the

1 state, the cannabis [MARIJUANA] cultivation facility's registration may be revoked
 2 in accordance with procedures established under AS 17.38.190(a)(1).

3 * **Sec. 86.** AS 43.61.030, as amended by sec. 85 of this Act, is amended to read:

4 **Sec. 43.61.030. Administration and enforcement of tax.** (a) Delinquent
 5 payments under this chapter shall subject the retail cannabis store or wholesale
 6 distributor [CULTIVATION FACILITY] to civil penalties under AS 43.05.220.

7 (b) If a retail cannabis store or wholesale distributor [CULTIVATION
 8 FACILITY] fails to pay the tax to the state, the retail cannabis store's
 9 [CULTIVATION FACILITY'S] registration or wholesale distributor's license may
 10 be revoked in accordance with procedures established under AS 17.38.190(a)(1).

11 * **Sec. 87.** AS 43.61 is amended by adding new sections to read:

12 **Sec. 43.61.040. Tax for excess cannabis.** A person who is not registered
 13 under AS 17.38 and who is found to be in possession of cannabis plants in excess of
 14 the amount of cannabis plants authorized for personal use in AS 17.38.020(2) is
 15 subject to the tax on the cannabis plants possessed in excess of the amount authorized
 16 for use in AS 17.38.020 and seizure of any excess plants possessed. The tax due under
 17 this section is \$50 for each immature plant and \$200 for each mature, flowering plant.

18 **Sec. 43.61.050. Unregistered product.** (a) A cannabis product manufacturing
 19 facility or retail cannabis store is secondarily liable for unregistered cannabis in the
 20 possession of the cannabis product manufacturing facility or retail cannabis store. If
 21 requested by the department, the cannabis product manufacturing facility or retail
 22 cannabis store shall provide the department with proof that cannabis in the possession
 23 of the cannabis product manufacturing facility or retail cannabis store is from a
 24 registered cannabis product manufacturing facility. If the cannabis product
 25 manufacturing facility or retail cannabis store is unable to show the legal origin of
 26 cannabis in its possession, the cannabis is subject to seizure and the cannabis product
 27 manufacturing facility or retail cannabis store is subject to a tax penalty of two times
 28 the tax assessed on comparable legal cannabis. For the purposes of the penalty, the
 29 department has the authority to determine the tax value of comparable legal cannabis.

30 (b) The department may examine the books, papers, records, or memoranda of
 31 a person growing, selling, receiving, storing, refining, or processing cannabis. A

1 person growing, selling, receiving, storing, refining, or processing cannabis shall
 2 preserve all books, papers, records, or memoranda for at least three years and shall
 3 provide the books, papers, records, or memoranda for inspection when demanded by
 4 the department.

5 **Sec. 43.61.900. Definitions.** In this chapter, "cannabis," "cannabis cultivation
 6 facility," "cannabis product," "cannabis product manufacturing facility," "cannabis
 7 wholesale distributor," and "retail cannabis store" have the meanings given in
 8 AS 17.38.900.

9 * **Sec. 88.** AS 44.29.020(a) is amended to read:

10 (a) The Department of Health shall administer state programs, including

- 11 (1) maternal and child health services;
- 12 (2) preventive medical services;
- 13 (3) public health nursing services;
- 14 (4) nutrition services;
- 15 (5) health education;
- 16 (6) laboratories;
- 17 (7) mental health treatment and diagnosis, except for mental health
 18 treatment and diagnosis under AS 47.30.660 - 47.30.915;
- 19 (8) medical facilities;
- 20 (9) adult public assistance;
- 21 (10) the Alaska temporary assistance program;
- 22 (11) general relief;
- 23 (12) a comprehensive smoking education, tobacco use prevention, and
 24 tobacco control program; to the maximum extent possible, the department shall
 25 administer the program required under this paragraph by grant to or contract with one
 26 or more organizations in the state; the department's program must include

27 (A) a community-based tobacco use prevention and cessation
 28 component addressing the needs of youth and adults that includes use of
 29 cessation aids such as a nicotine patch or a nicotine gum tobacco substitute;

30 (B) youth-based efforts that involve youth in the design and
 31 implementation of tobacco control efforts;

(C) anti-tobacco counter-marketing targeting both youth and adult populations designed to communicate messages to help prevent youth initiation of tobacco use, promote cessation among tobacco users, and educate the public about the lethal effects of exposure to secondhand smoke;

(D) tobacco use surveys of youth and adult populations concerning knowledge, awareness, attitude, and use of tobacco products; and

(E) an enforcement component;

(13) licensure and regulation of child care facilities;

(14) a comprehensive cannabis [MARIJUANA] use education and treatment program; to the extent possible, the department shall administer the program required under this paragraph by grant to or contract with one or more organizations in the state; the department's program must include

(A) a community-based cannabis [MARIJUANA] misuse prevention component; the community-based component must provide for a youth services grant program to

(i) reduce initiation and promote cessation of cannabis [MARIJUANA] use by youth, reduce youth access to cannabis [MARIJUANA] products, and reduce exposure of youth to impaired driving dangers related to cannabis [MARIJUANA] use;

(ii) provide recreational, educational, and character-building programs for youth outside school hours; and

(iii) address cannabis [MARIJUANA] use prevention through outcome-based curricula, adult and peer mentoring, and opportunities for positive, prosocial leisure and recreational activities;

(B) cannabis [MARIJUANA] public education designed to communicate messages to help prevent youth initiation of cannabis [MARIJUANA] use, educate the public about the effects of cannabis [MARIJUANA] use, and educate the public about cannabis [MARIJUANA] laws;

(C) surveys of

(i) youth and adult populations concerning knowledge,

1 awareness, attitude, and use of **cannabis** [MARIJUANA] products;

2 (ii) the need for trained professionals working in
3 organizations described in this paragraph;

4 (D) the development of plans to address the need for trained
5 professionals and to assist in implementing a training program for those
6 professionals;

7 (E) monitoring of population health status related to the
8 consequences of **cannabis** [MARIJUANA] use; and

9 (F) substance abuse screening, brief intervention, and referral
10 to treatment.

11 * **Sec. 89.** AS 44.33.020(a)(44) is amended to read:

12 (44) supply necessary clerical and administrative services for the
13 Alcoholic Beverage Control Board and the **Cannabis** [MARIJUANA] Control Board.

14 * **Sec. 90.** AS 44.37.030(a) is amended to read:

15 (a) The Department of Natural Resources shall

16 (1) obtain and publish information electronically and in print on
17 subjects connected with agriculture, including community seed libraries established
18 under AS 03.20.120;

19 (2) control and regulate the entry and transportation of seeds, plants,
20 and other horticultural products;

21 (3) control and eradicate the spread of pests injurious to plants, trees,
22 vegetables, livestock, and poultry;

23 (4) aid in developing used and unused agricultural resources; [AND]

24 (5) experiment and determine practical methods of growing,
25 processing, soil analysis, eradication of obnoxious weeds, control of insects, and
26 cheaper and more satisfactory methods of land clearing; **and**

27 **(6) provide recommendations to the Cannabis Control Board**
28 **relating to the regulation of cannabis cultivation under AS 17.38.121.**

29 * **Sec. 91.** AS 44.62.330(a)(46) is amended to read:

30 (46) **Cannabis** [MARIJUANA] Control Board.

31 * **Sec. 92.** AS 44.66.010(a)(13) is amended to read:

(13) **Cannabis** [MARIJUANA] Control Board (AS 17.38.080) -

June 30, 2024.

* **Sec. 93.** AS 03.05.010(a)(7), 03.05.010(a)(8), 03.05.010(b)(6), 03.05.010(c), 03.05.076, 03.05.078, 03.05.079, 03.05.100(5); AS 11.71.160(f)(1), 11.71.160(f)(2), 11.71.160(f)(3), 11.71.900(3), 11.71.900(11), 11.71.900(12), 11.71.900(15); AS 17.38.080(e)(3), 17.38.900(10), 17.38.900(11), 17.38.900(12), 17.38.900(13), 17.38.900(14), 17.38.900(15), 17.38.900(16), 17.38.900(18); AS 43.61.010(c), and 43.61.010(d) are repealed.

* **Sec. 94.** AS 43.61.010(a) and 43.61.010(b) are repealed July 1, 2028.

* **Sec. 95.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 43.61.010(a), as amended by sec. 79 of this Act, AS 43.61.010(b), as amended by sec. 80 of this Act, AS 43.61.020, as amended by sec. 83 of this Act, and AS 43.61.030, as amended by sec. 85 of this Act, apply to taxes accrued on or after the effective date of secs. 79, 80, 83, and 85 of this Act.

* **Sec. 96.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CANNABIS TESTING ANALYSIS. The Department of Environmental Conservation shall research how to develop a cost-effective, in-state method to test cannabis for heavy metals and pesticides. As part of the research, the Department of Environmental Conservation shall analyze the differences between expanding state laboratory services, offering funding incentives to private laboratories, and exploring opportunities with the University of Alaska to further develop laboratory capabilities.

* **Sec. 97.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT; NOTIFICATION; LICENSING MORATORIUM. (a) If the federal government legalizes or decriminalizes cannabis, the Cannabis Control Board established in AS 17.38.080(a), as amended by sec. 41 of this Act, shall immediately impose a 12-month moratorium on the approval of new licenses issued under AS 17.38 for applications filed on or after the effective date of this section.

(b) The chair of the Cannabis Control Board shall notify the revisor of statutes in writing within three days after the federal legalization or decriminalization of cannabis.

1 (c) During the 12-month moratorium under (a) of this section, the Cannabis Control
2 Board shall analyze the cannabis industry and, following the expiration of the moratorium,
3 may authorize an increase in the number of licenses that the board may issue.

4 * **Sec. 98.** If sec. 97 of this Act takes effect, it takes effect on the day after the date the
5 federal government approves the federal legalization or decriminalization of cannabis.

6 * **Sec. 99.** Sections 82, 84, and 86 of this Act take effect July 1, 2028.