

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 -

1 03.20.150 authorizes a person to

2 (1) violate 7 U.S.C. 2321 - 2582 (Plant Variety Protection Act of
3 1970);

4 (2) give, exchange, or receive a seed

5 (A) from a plant that is regulated as

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

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

9 (B) patented under 35 U.S.C. 161 - 164 (Plant Patent Act of
10 1930);

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

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

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

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

28 (a) Except as authorized in AS 17.30 and AS 17.38, a person commits the
29 crime of misconduct involving a controlled substance in the fourth degree if the person
30 (1) manufactures or delivers any amount of a schedule IVA or VA
31 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]

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

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

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

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

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

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

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

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

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

16 (14) "manufacture"

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

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

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

29 (ii) by a practitioner, or by the practitioner's authorized
30 agent under the practitioner's supervision, for the purpose of, or as an
31 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

1 requirements for a criminal history check under AS 47.05.310, including

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

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

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

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

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

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

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

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

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

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

30 **Sec. 17.20.090. Misbranded drugs and devices.** A drug or device is
31 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, hyoscine, 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 and

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (4) possess in the aggregate more than

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

24 and

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

28 (b) Any patient found by a preponderance of the evidence to have knowingly
29 violated the provisions of this chapter shall be precluded from obtaining or using a
30 registry identification card for the medical use of cannabis [MARIJUANA] for a
31 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

1 condition under the provisions of this chapter and AS 11.71.090;

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

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

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

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

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

11 (a) In the interest of allowing law enforcement to focus on violent and
12 property crimes, and to enhance individual freedom, the people of the state of Alaska
13 find and declare that the use of **cannabis** [MARIJUANA] should be legal for persons
14 21 years of age or older.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (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,

1 employee, or agent of a retail **cannabis** [MARIJUANA] store, are lawful and are not
 2 an offense under state law or a basis for seizure or forfeiture of assets under state law:

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

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

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

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

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

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

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

21 (b) Notwithstanding any other provision of law, the following acts, when
 22 performed by a **cannabis** [MARIJUANA] cultivation facility with a current, valid
 23 registration, or a person 21 years of age or older who is acting in the person's capacity
 24 as an owner, employee, or agent of a **cannabis** [MARIJUANA] cultivation facility,
 25 are lawful and are not an offense under state law or a basis for seizure or forfeiture of
 26 assets under state law:

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

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

31 (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

1 performed by a cannabis [MARIJUANA] testing facility with a current, valid
 2 registration, or a person 21 years of age or older who is acting in the person's capacity
 3 as an owner, employee, or agent of a cannabis [MARIJUANA] testing facility, are
 4 lawful and are not an offense under state law or a basis for seizure or forfeiture of
 5 assets under state law:

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

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

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

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

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

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

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

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

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

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

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

1 consists of seven [FIVE] voting members as follows:

2 (1) one person from the public safety sector;

3 (2) one person from the public health sector;

4 (3) one person currently residing in a rural area;

5 (4) two people [ONE PERSON] actively engaged in the cannabis
6 [MARIJUANA] industry; [AND]

7 (5) one person who is either from the general public or is a
8 representative from a local government or community council, and is not [OR]
9 actively engaged in the cannabis [MARIJUANA] industry; and

10 (6) one person who has a background in plant production, organic
11 chemistry, or plant pathology.

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

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

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

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

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

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

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

26 (b) The board shall

27 (1) propose and adopt regulations;

28 (2) establish by regulation the qualifications for licensure, including
29 fees and factors related to the applicant's experience, criminal justice history, and
30 financial interests;

31 (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.

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

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

7 (a) Each application or renewal application for a registration to operate a
8 cannabis [MARIJUANA] establishment shall be submitted to the board. A renewal
9 application may be submitted up to 90 days before the expiration of the cannabis
10 [MARIJUANA] establishment's registration. When filing an application for a new
11 registration under this subsection, the applicant shall submit the applicant's
12 fingerprints and the fees required by the Department of Public Safety under
13 AS 12.62.160 for criminal justice information and a national criminal history record
14 check. When filing an application for renewal of registration, an applicant shall submit
15 the applicant's fingerprints and the fees required by the Department of Public Safety
16 under AS 12.62.160 for criminal justice information and a national criminal history
17 record check every five years. The board shall forward the fingerprints and fees to the
18 Department of Public Safety to obtain a report of criminal justice information under
19 AS 12.62 and a national criminal history record check under AS 12.62.400.

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

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

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

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

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

31 (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

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

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

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

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

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

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

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

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

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

29 in this chapter shall be construed to limit any privileges or rights of a medical
 30 **cannabis** [MARIJUANA] patient or medical **cannabis** [MARIJUANA] caregiver
 31 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 (1) at a private residence, except a private residence described in (b) of
2 this section or while a health care provider is present;

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

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

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

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

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

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

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

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

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

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

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

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

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

11 **(3) the general fund.**

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

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

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

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

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

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

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

31 (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;

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

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

7 (E) an enforcement component;

8 (13) licensure and regulation of child care facilities;

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

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

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

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

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

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

30 (C) surveys of

31 (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:

1 (13) **Cannabis** [MARIJUANA] Control Board (AS 17.38.080) -
2 June 30, 2024.

3 * **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,
4 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),
5 11.71.900(3), 11.71.900(11), 11.71.900(12), 11.71.900(15); AS 17.38.080(e)(3),
6 17.38.900(10), 17.38.900(11), 17.38.900(12), 17.38.900(13), 17.38.900(14), 17.38.900(15),
7 17.38.900(16), 17.38.900(18); AS 43.61.010(c), and 43.61.010(d) are repealed.

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

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

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

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

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

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

25 CONDITIONAL EFFECT; NOTIFICATION; LICENSING MORATORIUM. (a) If
26 the federal government legalizes or decriminalizes cannabis, the Cannabis Control Board
27 established in AS 17.38.080(a), as amended by sec. 41 of this Act, shall immediately impose a
28 12-month moratorium on the approval of new licenses issued under AS 17.38 for applications
29 filed on or after the effective date of this section.

30 (b) The chair of the Cannabis Control Board shall notify the revisor of statutes in
31 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.