

Submitted by: Mayor Berkowitz, Assembly Chair
Rivera and Assembly Member
Petersen
Prepared by: Municipal Clerk's Office,
Planning Department,
Office of Economic and Community
Development, and
Assembly Counsel
Reviewed by: Department of Law
For reading: May 7, 2019

**ANCHORAGE, ALASKA
AO No. 2019-66**

1 **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY MAKING**
2 **TECHNICAL CORRECTIONS TO MUNICIPAL MARIJUANA LICENSING AND**
3 **ALLOWING ON-SITE CONSUMPTION OF EDIBLE MARIJUANA PRODUCTS AT**
4 **LICENSED, FREESTANDING RETAIL MARIJUANA STORES THAT HAVE A**
5 **MUNICIPAL ENDORSEMENT BY AMENDING ANCHORAGE MUNICIPAL CODE**
6 **CHAPTER 10.80 AND AMENDING SECTION 14.60.030 FOR CORRESPONDING**
7 **CIVIL FINES.**
8

9
10 **THE ANCHORAGE ASSEMBLY ORDAINS:**
11

12 **Section 1.** Anchorage Municipal Code section 10.80.010 is hereby amended to
13 read as follows (*the remainder of the section is not affected and therefore not set*
14 *out*):

15 **10.80.010 License restrictions.**

16 *** **

17 **F.** A licensed marijuana retail establishment may not allow on-site
18 consumption unless it has a current and valid municipal on-site
19 consumption endorsement.
20

21 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 1, 4-25-17; AO No.
22 2017-95(S) , § 1, 5-1-17)
23

24 **Section 2.** Anchorage Municipal Code section 10.80.020 is hereby amended to
25 read as follows:

26 **10.80.020 Application for new, renewal or transfer of license—State**
27 **application forms incorporated.**
28

29 An applicant for a new, renewal or transfer of a municipal marijuana
30 establishment license must have submitted [TO THE STATE MARIJUANA
31 CONTROL BOARD] a[N] state marijuana establishment license application
32 in accordance with 3 AAC 306.020 and that application must be deemed
33 complete[D] by the director of Alcohol & Marijuana Control Office [BOARD
34 FOR A STATE MARIJUANA ESTABLISHMENT LICENSE, AND MUST FILE
35 WITH THE MUNICIPAL CLERK A COPY OF ALL MATERIALS THE

1 APPLICANT SUBMITTED TO THE MARIJUANA CONTROL BOARD IN
2 ACCORDANCE WITH 3 AAC 306.020].

3
4 (AO No. 2016-16(S), § 1, 2-9-16)

5
6 **Section 3.** Anchorage Municipal Code section 10.80.021 is hereby amended to
7 read as follows (*the remainder of the section is not affected and therefore not set*
8 *out*):

9
10 **10.80.021 Application for new license-Supplemental municipal**
11 **marijuana establishment license application.**

12
13 In addition to confirmation from the state of a deemed complete
14 application as [THE MATERIALS] required by section 10.80.020, an
15 applicant for a new municipal marijuana establishment license must submit
16 to the planning department [MUNICIPAL CLERK] a municipal marijuana
17 establishment license application, which shall be submitted on a form
18 prescribed by the municipal clerk, and which shall provide the municipality
19 with all information necessary to ensure that the applicant complies with
20 supplemental standards contained in this chapter. Such information shall
21 include, without limitation:

22 *** **

23 (AO No. 2016-16(S), § 1, 2-9-16)

24
25 **Section 4.** Anchorage Municipal Code section 10.80.026 is hereby amended to
26 read as follows:

27
28 **10.80.026 Municipal application procedure for new license or**
29 **endorsement.**

- 30
31 A. An applicant must initiate a new marijuana establishment license
32 application only after submitting to the state Alcohol and Marijuana
33 Control Office [MARIJUANA CONTROL BOARD] a complete
34 application for a related state marijuana establishment license.
35
36 B. If an applicant for a new municipal marijuana retail store license or the
37 holder of a valid municipal marijuana retail store license is applying for
38 a municipal endorsement for on-site consumption, the application shall
39 contain the information required by section 10.80.306D.
40 [RESERVED].
41
42 C. The applicant must pay to the Municipality the application and
43 licensing fees set out in section 10.80.100.
44
45 D. New application: When [THE MUNICIPAL CLERK RECEIVES] an
46 application for a new marijuana establishment license and special land
47 use permit is received, the director of the planning department
48 [MUNICIPAL CLERK] shall determine if the application is complete. If
49 the director [MUNICIPAL CLERK] determines the application is

complete, the director [MUNICIPALITY] shall as soon as is practicable give written notice to:

1. The applicant; and
2. Reserved.
3. The community council in which the proposed licensed premises is located;
4. Reserved.

E. If an application for a marijuana establishment license is incomplete, the director of the planning department [MUNICIPAL CLERK] shall notify the applicant by electronic mail at the address provided by the applicant, and

1. Return an incomplete application in its entirety to the applicant; or
2. Request the applicant to provide additional identified items needed to complete the application.

F. When the director of the planning department [MUNICIPAL CLERK] informs an applicant that its application is incomplete as provided in subsection E., the applicant must complete the application not later than 90 days after the date of the director's [MUNICIPAL CLERK'S] notice. If an applicant fails to complete its application during the 90-day period after the director's [MUNICIPAL CLERK'S] notice, the applicant must file a new application.

(AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 3, 4-25-17)

Section 5. Anchorage Municipal Code section 10.80.036 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.036 Municipal application for renewal of license or endorsement; failure to timely renew results in potential closure; expiration results in termination of license, endorsement and special land use permit.

A. On or before May 1 of each year, the municipal clerk shall send notice that a marijuana establishment with a license in active and operating status must file a renewal application not later than June 30 of the current year. Renewal applications filed after that date are delinquent and subject the marijuana establishment to potential closure pending approval of the application as described in subsection G. Renewal applications for the next license period will be accepted by the municipal clerk's office only between May 1 and August 31, inclusive.

B. A marijuana establishment's renewal application must include:

1. Identification of the license sought to be renewed by license number, endorsement, license type, establishment name, and premises address;

1 G. Expiration. All marijuana establishment licenses and endorsements
 2 expire at 12:00 midnight on August 31 of each year, unless a different
 3 date is set in the assembly resolution approving the license or
 4 endorsement.

5 *** *** ***
 6 (AO No. 2016-16(S), § 1, 2-9-16 ; 2017-71(S) , § 4, 4-25-17; AO No. 2017-
 7 95(S) , § 2, 5-1-17)

8
 9 **Section 6.** Anchorage Municipal Code section 10.80.045 is hereby amended to
 10 read as follows (*the remainder of the section is not affected and therefore not set*
 11 *out*):

12
 13 **10.80.045 Application for License Transfer. Procedures for change in**
 14 **or transfer of a controlling interest in a license issued to**
 15 **non-natural persons, for a transfer of license, transfer of a**
 16 **license with an endorsement, and for temporary operation**
 17 **following the death of an individual.**

18
 19 A. *General provisions.* Except as otherwise provided in this section, a
 20 person may not receive or transfer a marijuana establishment license
 21 or controlling interest in a marijuana establishment license issued to a
 22 partnership, including a limited partnership, a limited liability company,
 23 or a corporation, without applying for the transfer and receiving the
 24 written consent of the assembly. Transfer of a controlling interest in a
 25 license includes a sale of all or part of the interest of an individual
 26 owner, and numerous separate transfers that in the aggregate amount
 27 to more than 50 percent of the ownership interest or the voting shares
 28 of a corporation.

29
 30 B. Exceptions.
 31
 32 1. A transfer of a license with or without any associated
 33 endorsement issued to an individual as a sole proprietor to a
 34 limited liability company or a corporation with a single member
 35 or shareholder whom is the same individual may be approved
 36 by the municipal clerk. Any procedure in this section for a public
 37 hearing or assembly consideration or action is not applicable.

38 *** *** ***

39
 40 C. *Procedure.* An application for transfer with or without any associated
 41 endorsement must be filed in writing on a form the municipal clerk
 42 prescribes within 10 days of the effective date of an agreement or
 43 contract for such a transfer, in compliance with the application
 44 procedure set out in section 10.80.026. Regardless of any private
 45 agreement terms, a transfer of the license or of a controlling interest
 46 in a license is not effective until after approval. The application must
 47 name the current holder(s) of the marijuana establishment license and
 48 the proposed transferee(s), including all persons listed in 3 AAC
 49 306.020 if a transferee is a partnership, limited liability company, or a
 50 corporation. The application must contain:

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2 *** *** ***
3 4. A municipal on-site consumption endorsement may only be
4 transferred to another person if the license for which the
5 endorsement was issued is also transferred to that person.

6
7 D. *Action by the municipal clerk.* When the municipal clerk receives a
8 complete application for a transfer of a license with or without any
9 associated endorsement to another person, the municipal clerk shall
10 immediately:

11 *** *** ***
12 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 6, 4-25-17; AO No.
13 2017-95(S) , § 3, 5-1 17; AO No. 2018-96(S), 11-7-18)

14
15 **Section 7.** Anchorage Municipal Code section 10.80.061 is hereby amended to
16 read as follows:

17
18 **10.80.061 Protest to State Marijuana Control Board by municipality.**

19
20 A. The municipal clerk shall protest a state marijuana establishment
21 license or endorsement application if:

- 22
23 1. The applicant proposes to operate a marijuana establishment
24 within the municipality, and
25
26 2. Does not possess all licenses, permits and approvals needed
27 to operate a marijuana establishment or endorsement activity
28 within the municipality.

29
30 B. The assembly may recommend that the State Marijuana Control
31 Board approve an application for a new state license, renewal of a
32 state license, [OR] transfer of a state license with or without an
33 associated endorsement to another person, or application for a new
34 endorsement subject to a condition or conditions. In such
35 circumstances, the municipal clerk shall request that a protest to the
36 State Marijuana Control Board be lifted upon fulfillment of such
37 condition or conditions.

38
39 (AO No. 2016-16(S), § 1, 2-9-16; AO No. 2018-96(S), 11-7-18)

40
41 **Section 8.** Anchorage Municipal Code section 10.80.065 is hereby amended to
42 read as follows:

43
44 **10.80.065 Public participation.**

45
46 A person may comment on an application for a new license, renewal
47 of a license, transfer of a license, [OR] transfer of a controlling interest in a
48 license with or without any associated endorsement, or application for a new
49 endorsement by submitting a written statement to the municipal clerk. If a

public hearing is held, a person may also give oral testimony at the public hearing held in accordance with section 10.80.071.

(AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 8, 4-25-17; AO No. 2018-96(S), 11-7-18)

Section 9. Anchorage Municipal Code section 10.80.071 is hereby amended to read as follows:

10.80.071 Public hearing.

A. The assembly will hold a hearing to ascertain the reaction of the public to a new application for a marijuana establishment. The hearing will be consolidated with the hearing required by section 21.03.105 on the applicant's associated application for a special land use permit.

B. The assembly may hold a hearing to ascertain the reaction of the public to an application for a renewal of a license, transfer of a license, or transfer of a controlling interest in a license. [THE MUNICIPALITY WILL SEND NOTICE OF A HEARING TO EACH COMMUNITY COUNCIL IN THE AREA OF THE PROPOSED PREMISES.]

C. The assembly will hold a hearing to ascertain the reaction of the public to a new application for an on-site consumption endorsement. The hearing may be consolidated with the hearing required for a new application for a marijuana establishment license under A. of this section. The assembly may hold a hearing to ascertain the reaction of the public to an application for renewal of an on-site consumption endorsement.

D. If a hearing is held pursuant to this section, the municipality shall send notice of a hearing to each community council within 1000 feet of the proposed premises.

(AO No. 2016-16(S), § 1, 2-9-16; AO No. 2018-96(S), 11-7-18)

Section 10. Anchorage Municipal Code section 10.80.076 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.076 Procedure for action on license or endorsement application; commencement of operations.

*** **

B. The assembly will consider any written objection, suggested condition, or petition, and any testimony received at a public hearing held under section 10.80.071 when it considers the application. The municipal clerk will retain the written objection, suggested condition, or petition as part of the record of the assembly's review of an application.

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1. On an application for renewal of a license or endorsement, the assembly may add, remove, or modify conditions of the license.
2. On an application for transfer of a license, with or without any associated endorsement, or transfer of a controlling interest in a license, the assembly may add, remove, or modify conditions of the license, including conditioning its grant of the transfer on satisfaction of any such conditions of the transfer or imposed on the transferees.

*** *** ***
 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 10, 4-25-17; AO No. 2017-95(S) , § 5, 5-1-17; AO No. 2018-96(S), 11-7-18)

Section 11. Anchorage Municipal Code section 10.80.080 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.080 Denial of [LICENSE] application.

- A. After review of the application, including the applicant's proposed operating plan and all relevant information, the assembly will deny an application for a new license or endorsement if the assembly finds that:
 1. The application is not complete as required under the applicable standards sections 10.80.020—10.80.056, or contains any false statement of material fact;
 2. The license or endorsement would violate any restriction in section 10.80.010 or 10.80.011 or 3 AAC 306;
 3. The license or endorsement would violate any restriction applicable to the particular license type authorized under this chapter;
 4. The license or endorsement is prohibited by municipal code;
 5. The assembly finds that the operating plan does not adequately demonstrate that the applicant will comply with applicable standards of this chapter; or
 6. Issuance of the license or endorsement will adversely impact the health, welfare or public safety of the neighborhood in which the marijuana establishment is proposed to be located, or otherwise would not be in the best interests of the public.
- *** *** ***
- D. If the assembly denies an application for a new license, renewal of a license, transfer of a license, transfer of a controlling interest in a license, or a new or renewal of an endorsement, the municipal clerk

1 will, not later than 15 days after the meeting at which the application
 2 was denied, furnish a written statement of issues to the applicant,
 3 explaining the reason for the denial in clear and concise language, and
 4 identifying any statute or regulation on which the denial is based. The
 5 notice of denial will inform the applicant of the right to appeal under
 6 section 10.80.095.
 7

8 (AO No. 2016-16(S), § 1, 2-9-16; AO No. 2018-96(S), 11-7-18)
 9

10 **Section 12.** Anchorage Municipal Code section 10.80.095 is hereby amended to
 11 read as follows:
 12

13 **10.80.095 Appeals.**
 14

15 An applicant or marijuana establishment license or endorsement
 16 holder aggrieved by a final decision of the assembly regarding an application
 17 for a new license, a license renewal, or a transfer may appeal to the superior
 18 court.
 19

20 (AO No. 2016-16(S), § 1, 2-9-16; AO No. 2018-96(S), 11-7-18)
 21

22 **Section 13.** Anchorage Municipal Code section 10.80.100 is hereby amended to
 23 read as follows (*the remainder of the section is not affected and therefore not set*
 24 *out*):
 25

26 **10.80.100 Fees; refund.**
 27

28 *** *** ***

29 D. The annual license operating fee to be paid with each application for
 30 a new marijuana establishment facility license and each license
 31 renewal application is \$0, except as further described in this
 32 subsection. If the state Marijuana Control Board fails to issue a timely
 33 response to an application as described in AS 17.38.210(f), and the
 34 municipality acts on the application, the applicant must pay an annual
 35 license operating fee to the municipality as follows:
 36

- 37 1. For a marijuana retailer license, \$0;
- 38 2. For an on-site consumption endorsement, \$0; [RESERVED]
- 39 3. For a marijuana cultivation facility license, \$0;
- 40 4. Reserved.
- 41 5. For a marijuana product manufacturing facility license, \$0;
- 42 6. For a marijuana testing facility license, \$0.

43 *** *** ***
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45 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 11, 4-25-17; AO
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1 No. 2017-95(S) , § 6, 5-1-17)

2
3 **Section 14.** Anchorage Municipal Code section 10.80.305 is hereby amended to
4 read as follows:

5
6 **10.80.305 Retail marijuana store privileges.**

7
8 A. A licensed retail marijuana store is authorized to:

- 9
10 1. Sell marijuana purchased from a licensed marijuana cultivation
11 facility, packaged and labeled as required under section
12 10.80.345, 3 AAC 306.470, and 3 AAC 306.475, in an amount
13 not exceeding the limit set out in section 10.80.355, to an
14 individual on the licensed premises for consumption off the
15 licensed premises;
- 16
17 2. Sell a marijuana product purchased from a licensed marijuana
18 product manufacturing facility, packaged and labeled as
19 required under section 10.80.345, 3 AAC 306.565 and 3 AAC
20 306.570, in a quantity not exceeding the limit set out in section
21 10.80.355, to an individual on the licensed premises for
22 consumption off the licensed premises;
- 23
24 3. Store marijuana and marijuana products on the licensed
25 premises in a manner consistent with sections 10.80.710—
26 10.80.720;
- 27
28 4. Apply for an on-site consumption endorsement under section
29 10.80.306 [RESERVED FOR ON-SITE CONSUMPTION].

30
31 B. This section does not prohibit a licensed marijuana retail store from
32 refusing to sell marijuana or a marijuana product to a consumer.

33
34 (AO No. 2016-16(S), § 1, 2-9-16)

35
36 **Section 15.** Anchorage Municipal Code chapter 10.80 is hereby amended by
37 adding a new section 10.80.306 to read as follows:

38
39 **10.80.306 On-site consumption endorsement for retail marijuana**
40 **stores.**

41
42 A. Unless prohibited by local or state law, a freestanding licensed retail
43 marijuana store with an approved on-site consumption endorsement
44 is authorized to:

- 45
46 1. Sell marijuana and marijuana products, excluding marijuana
47 concentrates, to patrons for consumption on the licensed
48 premises at the time of purchase in compliance with this
49 section and sections 21.05.055 or 21.50.420, as applicable.
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2. Sell for consumption on the premises:
 - a. Reserved.
 - b. Edible marijuana products in quantities not to exceed 10 mg of THC to any one person per day.
 3. Sell food or beverages not containing marijuana or alcohol for consumption on the premises.
 4. Allow a person to remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided it is packaged in accordance with section 10.80.345.
- B. A licensed retail marijuana store with an approved on-site consumption endorsement may not:
1. Sell marijuana concentrate for consumption in the marijuana consumption area or allow marijuana concentrate to be consumed in the marijuana consumption area;
 2. Allow any licensee, employee, or agent of a licensee to consume marijuana or marijuana product, including marijuana concentrate, during the course of a work shift;
 3. Allow a person to consume tobacco or tobacco products in the marijuana consumption area;
 4. Allow a person to bring into or consume in the marijuana consumption area any marijuana or marijuana product that was not purchased at the licensed retail marijuana store;
 5. Sell, offer to sell, or deliver marijuana or marijuana product at a price less than the price regularly charged for the marijuana or marijuana product during the same calendar week;
 6. Sell, offer to sell, or deliver an unlimited amount of marijuana or marijuana product during a set period of time for a fixed price;
 7. Sell, offer to sell, or deliver marijuana or marijuana product on any one day at prices less than those charged the general public on that day;
 8. Encourage or permit an organized game or contest on the licensed premises that involves consuming marijuana or marijuana product or the awarding of marijuana or marijuana product as prizes; or

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9. Advertise or promote in any way, either on or off the premises, a practice prohibited under this section.
- C. A marijuana consumption area shall have the following characteristics:
1. The consumption area shall be isolated from the other areas of the retail marijuana store, separated by walls and a secure door, and shall have access only from the retail marijuana store;
 2. A smoke-free area for employees to monitor the marijuana consumption area; and
 3. If consumption by inhalation or smoking is to be permitted, a ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line.
- D. An applicant for an on-site consumption endorsement must file an application on a form prescribed by the municipal clerk, including the documents and endorsement fee set out in this section, which must include:
1. The applicant's operating plan, in a format the planning department prescribes, describing the retail marijuana store's plan for:
 - a. Security, in addition to what is required for a retail marijuana store, including:
 - i. Doors and locks;
 - ii. Windows;
 - iii. Measures to prevent diversion; and
 - iv. Measures to prohibit access to persons under the age of 21;
 - b. Ventilation, if consumption by inhalation or smoking is to be permitted, ventilation plans must be:
 - i. Signed and approved by a licensed mechanical engineer;

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- ii. Designed so there is no visible smoke in the retail area or at the lot line; and
 - iii. Consistent with all applicable building codes and ordinances.
 - c. If any of the marijuana consumption area is outdoors, compliance with sections 21.05.055 or 21.50.420, as applicable.
 - d. Monitoring overconsumption;
 - e. Controlling unconsumed marijuana, by disposal or by packaging in accordance with section 10.80.345; and
 - f. Preventing introduction into the marijuana consumption area of marijuana or marijuana products not sold by the retail marijuana store, and marijuana or marijuana products not sold specifically for on-site consumption.
- E. The retail marijuana store holding an on-site consumption endorsement under this chapter shall:
1. Destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with the operating plan and section 10.80.740;
 2. Monitor patrons in the marijuana consumption area at all times, including for overconsumption;
 3. Display all warning signs required under sections 10.80.360 and 10.80.365 within the marijuana consumption area, visible to all consumers;
 4. Provide written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the marijuana consumption area at no cost to patrons;
 5. Package and label all marijuana or marijuana product sold for consumption on the premises as required in section 10.80.345; and
 6. Comply with any conditions imposed by the assembly or placed on the endorsement by the State Marijuana Control Board.

- 1 F. The holder of an on-site consumption endorsement must apply for
2 renewal annually at the time of renewal of the underlying retail
3 marijuana store license.
4

5 **Section 16.** Anchorage Municipal Code section 10.80.310 is hereby amended to
6 read as follows (*the remainder of the section is not affected and therefore not set*
7 *out*):

8 **10.80.310 Acts prohibited at retail marijuana store.**

9 *** **

- 10 B. A licensed retail marijuana store may not:

- 11
- 12 1. Conduct business on or allow a consumer to access the retail
13 marijuana store's licensed premises during times prohibited by
14 title 21;
- 15
- 16 2. Allow a person to consume marijuana or a marijuana product
17 on the retail marijuana store's licensed premises except as
18 authorized by a municipal endorsement;
- 19
- 20 3. Allow overconsumption of marijuana or marijuana product in an
21 authorized on-site consumption area;
- 22
- 23 4. Offer or deliver to a consumer, as a marketing promotion or for
24 any other reason,
- 25
- 26 a. Free marijuana or marijuana product, including a
27 sample; or
- 28
- 29 b. Alcoholic beverages, free or for compensation; or [.]
- 30
- 31 5. Allow intoxicated or drunken persons to enter the licensed
32 premises.

33
34 (AO No. 2016-16(S), § 1, 2-9-16)

35
36 **Section 17.** Anchorage Municipal Code section 10.80.355 is hereby amended to
37 read as follows:

38 **10.80.355 Limit on quantity sold.**

- 39 A. A retail marijuana store may not sell to any one person per day [IN A
40 SINGLE TRANSACTION]:
- 41
- 42 1. More than one ounce of usable marijuana;
- 43
- 44 2. More than seven grams of marijuana concentrate for inhalation;
45 or
- 46
- 47 3. Marijuana or marijuana products, if the total amount of
48 marijuana, marijuana products, or both marijuana and
49
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marijuana products sold contains more than 5,600 milligrams of THC.

B. These limits include marijuana or marijuana product sold for on-site consumption under section 10.80.306A.2.

(AO No. 2016-16(S), § 1, 2-9-16)

Section 18. Anchorage Municipal Code section 10.80.805 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.805 Report or notice of violation.

A. The municipal clerk, a sworn Peace Officer, a Code Enforcement Officer, or a Health Department Officer may issue an inspection report, an advisory report, or a notice of violation before taking action to initiate suspension or revocation of a marijuana establishment license or endorsement.

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(AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 19, 4-25-17)

Section 19. Anchorage Municipal Code section 10.80.810 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.810 Suspension or revocation of license or endorsement, certain civil fines.

A. The municipal clerk will suspend or revoke a marijuana establishment license or endorsement issued under this chapter if any licensee is convicted of violating any provision of law listed in section 10.80.010D.2., or if the municipal clerk becomes aware that a licensee did not disclose a previous such conviction.

B. The assembly may, in addition to other provisions of this chapter setting forth grounds for such action, suspend, revoke, or otherwise restrict a license or endorsement issued under this chapter for the reasons set forth in this section.

*** **

(AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 20, 4-25-17)

Section 20. Anchorage Municipal Code section 10.80.815 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

10.80.815 Suspension or revocation based on act of employee.

- 1 A. If, in a proceeding to suspend or revoke a marijuana establishment
 2 license under sections 10.80.810 and 10.80.820, or an endorsement,
 3 evidence shows that an employee or agent of a licensed marijuana
 4 establishment was responsible for an act that would justify suspension
 5 or revocation of the marijuana establishment's license if committed by
 6 a licensee, the Administrative Hearings Officer may find that licensee
 7 knowingly allowed the act if:

8
 9 *** *** ***
 10 (AO No. 2016-16(S), § 1, 2-9-16)

11
 12 **Section 21.** Anchorage Municipal Code section 10.80.821 is hereby amended to
 13 read as follows:

14 **10.80.821 Procedure for action on license or endorsement**
 15 **suspension or revocation.**

16
 17 Except for the municipal clerk's action set forth in subsection
 18 10.80.810A. or section 10.80.825, a proceeding to suspend or revoke a
 19 license or endorsement must be initiated by service of an accusation on the
 20 marijuana establishment in compliance with section 3.60.025 and conducted
 21 in accordance with chapter 3.60 of the Anchorage Municipal Code.

22
 23 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 21, 4-25-17)

24
 25 **Section 22.** Anchorage Municipal Code section 10.80.825 is hereby amended to
 26 read as follows (*the remainder of the section is not affected and therefore not set*
 27 *out*):

28 **10.80.825 Summary suspension to protect public health, safety, or**
 29 **welfare.**

- 30
 31 A. If the municipal clerk finds that a person holding a marijuana
 32 establishment license or endorsement has acted and appears to be
 33 continuing to act in a way that constitutes an immediate threat to the
 34 public health, safety or welfare, the municipal clerk may issue an order
 35 immediately suspending the license of that person, and ordering an
 36 immediate stop to the activity that constitutes the threat to the public
 37 health, safety, or welfare.

38 *** *** ***
 39 (AO No. 2016-16(S), § 1, 2-9-16)

40
 41 **Section 23.** Anchorage Municipal Code section 10.80.846 is hereby amended to
 42 read as follows:

43
 44 **10.80.846 Appeal.**

45
 46 A person aggrieved by a final decision of the Assembly suspending,
 47 revoking, or restricting a license or endorsement under this chapter, or
 48 imposing a civil fine, may appeal to the superior court.

49
 50 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-71(S) , § 23, 4-25-17)

1
2 **Section 24.** Anchorage Municipal Code section 10.80.850 is hereby amended to
3 read as follows:
4

5 **10.80.850 Surrender or destruction of license or endorsement.**
6

7 A license or endorsement issued under this chapter must be
8 surrendered to the municipal clerk, sworn Peace Officer, Code Enforcement
9 Officer, or Health Department Officer if the municipal clerk or Administrative
10 Hearings Officer so orders. A license or endorsement issued under this
11 chapter must be surrendered not later than ten days after the marijuana
12 establishment loses or vacates the licensed premises. If a license is
13 destroyed, the marijuana establishment shall promptly notify the municipal
14 clerk.
15

16 (AO No. 2016-16(S), § 1, 2-9-16)
17

18 **Section 25.** Anchorage Municipal Code section 10.80.990 is hereby amended to
19 add the following definitions (*the remainder of the section is not affected and*
20 *therefore not set out*) [NOTE to Code Revisor: remove numbering of each defined
21 term in this section, and add the following new definitions inserted in alphabetical
22 order]:
23

24 **10.80.990 Definitions.**
25

26 *** *** ***

27 B. In this chapter, unless the context requires otherwise:
28

29 *** *** ***

30 "consumption" has the meaning given in AS 17.38.900(3);

31 "drunken person" has the meaning given in AS 04.21.080(b)(9);

32 "freestanding" has the meaning given in AS 18.35.301(i)(1);

33 "intoxicated" has the meaning given in AS 11.81.900(b)(35);
34

35 "marijuana consumption area" means a designated area within the licensed
36 premises of a retail marijuana store that holds a valid on-site consumption
37 endorsement, where marijuana and marijuana products, excluding
38 marijuana concentrates, may be consumed.
39

40 "overconsumption" means, in relation to consumption of marijuana or
41 marijuana product, (1) more than the amount allowed for on-site
42 consumption under section 10.80.306A.2., or (2) consumption of an amount
43 that results in the person being affected by marijuana or marijuana products
44 to the point where the person's physical or mental conduct is substantially
45 impaired.
46

47 "retail marijuana store premises" means an area encompassing both the
48 retail marijuana store and any marijuana consumption area.
49
50

*** *** ***
 (AO No. 2016-16(S), § 1, 2-9-16 ; AO No. 2017-95(S), § 8, 5-1-17; AO No. 2017-150 , § 2, 10-11-17)

Section 26. Anchorage Municipal Code section 14.60.030 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

14.60.030 - Fine schedule.

The fine schedule under this chapter is as follows:

Code Section	Offense	Penalty/Fine
*** *** ***		
<u>10.80.306B.</u>	<u>Violate prohibitions for on-site marijuana consumption areas</u>	<u>300.00</u>
<u>10.80.306E.</u>	<u>Required on-site operating requirements</u>	<u>300.00</u>
*** *** ***		
10.80.310B.2.	Allow consumption on retail premises <u>with no endorsement</u>	500.00
<u>10.80.310B.3.</u>	<u>Allow overconsumption while in on-site consumption area</u>	<u>300.00</u>
10.80.310B.4[3].	Offer/deliver alcohol or free marijuana	100.00
<u>10.80.310B.5.</u>	<u>Allow drunken or intoxicated person to enter premises</u>	<u>300.00</u>
*** *** ***		

(AO No. 93-167(S-1), § 1, 4-13-94; AO No. 94-108, § 1, 10-5-94; AO No. 94-134, § 2, 9-8-94; AO No. 95-42, § 2, 3-23-95; AO No. 95-67(S), § 9, 7-1-95; AO No. 95-102, § 1, 4-26-95; AO No. 95-118, § 3, 9-1-95; AO No. 95-163(S), § 21, 8-8-95; AO No. 95-195(S-1), 1-1-96; AO No. 96-51(S-1), § 2, 8-1-96; AO No. 96-96(S-1), § 2, 2-1-97; AO No. 96-126(S), § 3, 10-1-96; AO No. 96-137(S), § 9, 1-2-97; AO No. 97-88, § 3, 6-3-97; AO No. 97-107, § 3, 11-17-97; AO No. 97-133(S), § 1, 11-11-97; AO No. 98-27(S-1), § 2, 11-11-97; AO No. 98-160, § 2, 12-8-98; AO No. 99-13(S), 2-9-99; AO No. 99-91(S), § 4, 7-13-99; AO No. 2000-64, § 1, 4-18-00; AO No. 2000-116(S), § 4, 7-18-00; AO No. 2000-127(S), § 2, 10-14-00; AO No. 2000-129(S), § 26, 11-21-00; AO

1 No. 2001-48, § 1, 3-13-01; AO No. 2001-74(S), § 2, 4-17-01; AO No. 2001-
 2 4, § 2, 2-6-01; AO No. 2001-145(S-1), § 11, 12-11-01; AO No. 2003-68, § 1,
 3 9-30-03; AO No. 2003-97, § 4, 9-30-03; AO No. 2003-117, § 2, 1-28-03; AO
 4 No. 2003-130, § 8, 10-7-03; AO No. 2003-152S, § 10, 1-1-04; AO No. 2004-
 5 1, § 2, 1-1-03; AO No. 2004-99, § 2, 6-22-04; AO No. 2004-100(S-1), § 6, 1-
 6 1-05; AO No. 2004-171, § 1, 1-11-05; AO No. 2005-160, § 9, 11-1-05; AO
 7 No. 2005-84(S), § 3, 1-1-06; AO No. 2005-185(S), § 35, 2-28-06; AO No.
 8 2005-124(S-1A), § 33, 4-18-06; AO No. 2006-39, § 6, 4-11-06; AO No. 2006-
 9 54, § 1, 5-2-06; AO No. 2006-80, § 1, 6-6-06; AO No. 2007-50, § 4, 4-10-07;
 10 AO No. 2007-60, § 4, 11-1-07; AO No. 2007-70, § 3, 5-15-07; AO No. 2008-
 11 84(S), § 5, 7-15-08; AO No. 2009-61, § 3, 7-7-09; AO No. 2009-82, § 5, 7-7-
 12 09; AO No. 2009-40(S), § 3, 7-21-09; AO No. 2009-112, § 4, 10-13-09; AO
 13 No. 2009-122, § 2, 12-17-09; AO-2010-35(S), § 7, 5-11-10; AO No. 2010-39,
 14 § 2, 5-11-10; AO No. 2010-87(S), § 3, 12-7-10; AO No. 2011-46, § 4, 4-12-
 15 11; AO No. 2011-59, § 10, 5-24-11; AO No. 2011-106(S), § 3, 11-8-11; AO
 16 No. 2011-112, § 4, 11-22-11, eff. 12-22-11; AO No. 2012-10, § 1, 1-31-12;
 17 AO No. 2012-77, § 29, 8-7-12; AO No. 2013-109(S-1), § 5, 12-3-13; AO No.
 18 2013-130(S-1), § 1, 1-14-14; AO No. 2014-42, § 31, 6-21-14; AO No. 2014-
 19 85, § 4, 8-5-14; AO No. 2014-110(S), § 2, 9-9-14; AO No. 2014-137(S), § 3,
 20 11-18-14; AO No. 2015-23(S), § 20, 3-24-15; AO No. 2015-48, § 16, 5-14-
 21 15 ; AO No. 2015-54, § 1, 5-26-15 ; AO No. 2015-65, § 4, 6-9-15 ; AO No.
 22 2015-111(S-1), § 2, 1-1-16 ; AO No. 2016-16(S), § 4, 2-9-16 ; AO No. 2016-
 23 76(S), § 7, 7-12-16 ; AO No. 2016-81(S), § 4, 8-25-16 ; AO No. 2016-83(S),
 24 § 9, 7-26-16 ; AO No. 2016-82 , § 3, 8-9-16; AO No. 2016-116 , § 2, 10-18-
 25 16; AO No. 2016-115(S) , § 2, 11-15-16; AO No. 2016-124(S) , § 11, 12-20-
 26 16; AO No. 2017-26 , § 2, 5-1-17; AO No. 2017-29(S) , § 61, 6-1-17; AO No.
 27 2017-30 , § 3, 3-21-17; AO No. 2017-31(S) , § 5, 5-26-17; AO No. 2017-
 28 119(S) , § 4, 11-9-17; AO No. 2017-101 , § 2, 2-5-18; AO No. 2017-161(S) ,
 29 § 3, 2-27-18)

31 **Section 27.** This ordinance shall be effective immediately upon passage and
 32 approval by the Assembly.

33
 34 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
 35 _____, 2019.

36
 37
 38
 39
 40 _____
 Chair

41 ATTEST:
 42
 43
 44 _____
 45 Municipal Clerk
 46



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 343-2019

Meeting Date: May 7, 2019

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
4 MAKING TECHNICAL CORRECTIONS TO MUNICIPAL
5 MARIJUANA LICENSING AND ALLOWING ON-SITE
6 CONSUMPTION OF EDIBLE MARIJUANA PRODUCTS AT
7 LICENSED, FREESTANDING RETAIL MARIJUANA STORES
8 THAT HAVE A MUNICIPAL ENDORSEMENT BY AMENDING
9 ANCHORAGE MUNICIPAL CODE CHAPTER 10.80 AND
10 AMENDING SECTION 14.60.030 FOR CORRESPONDING CIVIL
11 FINES.
12

13 On March 12, 2019, the State of Alaska filed permanent regulations for regulating
14 Marijuana On-site Consumption effective April 11, 2019. (Specifically new section
15 3 AAC 306.370, and conforming amendments to existing regulations.) This
16 ordinance proposes to adopt many of the State's Marijuana On-site Consumption
17 regulations, as well as make technical corrections to current Anchorage Municipal
18 Code contained within AMC chapter 10.80.
19

20 A team of personnel from the Municipal Clerk's Office, Office of Economic and
21 Community Development, Planning Department, Department of Law, and
22 Assembly Counsel's Office worked collaboratively to produce this ordinance,
23 including revisions after presenting it to the Assembly's Community and Economic
24 Development Committee at three separate meetings.
25

26 This ordinance proposes to adopt marijuana on-site consumption regulations only
27 for the consumption of edible marijuana products. Consumption by inhalation or
28 smoking is not included at this time, and will remain prohibited until such time as
29 the Assembly decides to allow consumption by inhalation or smoking in the future.
30

31 However, this ordinance does include some provisions that would be applicable to
32 onsite consumption by inhalation or smoking, such as requirements about the
33 ventilation system in marijuana consumption areas if inhalation or smoking is to be
34 permitted in the future. (See new AMC subsections 10.80.306C.3. (p. 11 line 4),
35 and 10.80.306D.1.b. (p. 11 line 32).) This ordinance includes provisions that would
36 be applicable to onsite consumption by inhalation or smoking now so that the
37 public and licensees can foresee how it will be reviewed and regulated within the
38 Chapter 10.80 framework.
39

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This ordinance proposes:

- Establishing a municipal on-site consumption endorsement option for licensed retail marijuana store establishments;
- Adds the endorsement to the relevant code provisions throughout AMC ch. 10.80 that are related to new applications, renewals or transfers, public hearings, modifications, revocations, or expirations of marijuana licenses;
- Defines prohibited activities for on-site consumption;
- Defines the required characteristics of on-site consumption areas;
- Details the requirements for the on-site consumption endorsement application, operating plan, and annual renewal;
- Prohibits overconsumption of marijuana product in authorized on-site consumption areas, and limits the quantity to be sold; and
- Establishes new fines for violations of this chapter.

Additionally, this ordinance proposes a number of technical corrections to existing code, including amendments to the application process that reflect current practices; assigning intake and review responsibilities from the Clerk’s Office to the Planning Department for licenses; and updates to key definitions.

Finally, because administering on-site consumption endorsements will be absorbed by current staffing levels, and revenues are not expected to increase, a summary of economic effects is not included.

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by:	Christopher M. Schutte, Director, Office of Economic & Community Development
Concur:	Lance Wilber, Director, Office of Management and Budget
Concur:	Alexander Slivka, CFO
Concur:	Deitra L. Ennis, Acting Municipal Attorney
Concur:	William D. Falsey, Municipal Manager
Respectfully submitted:	Ethan A. Berkowitz, Mayor Felix Rivera, Assembly Chair Pete Petersen, Assembly Member-District 5