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SUPPORTING LOCATION TRANSFERS FOR MARIJUANA LICENSES IN ANCHORAGE

Alignment with State Regulations under 3 AAC 306.046

ISSUE SUMMARY

Under State of Alaska regulations (3 AAC 306.046), marijuana establishments are permitted to apply for a transfer of location for an existing license – subject to approval by the Marijuana Control Board (MCB) and local governments.

However, Anchorage Municipal Code (AMC 10.80.015(C)) currently prohibits the transfer of a marijuana license to a new physical location, regardless of the circumstances or MCB approval. This creates a critical policy misalignment that restricts business flexibility and undermines state-level regulatory intent. "10.80.015(C) The Municipality will issue each license for a specific location identified on the license as the licensed premises. A marijuana establishment must have a right to possession of its licensed premises at all times, and may not lease its licensed premises to another person for any reason. Modifications to the size of a licensed premises are allowed in accordance with sections 10.80.705 and 21.03.105. A marijuana establishment may not relocate its licensed premises to a different place without obtaining a license for the new premises as required under section 10.80.050."

LEGAL FRAMEWORK COMPARISON

State Law (3 AAC 306.046): Allowed with AMCO and local approval Anchorage Municipal Code (AMC 10.80): Not allowed under any condition

Process:

- State: Applicant submits location transfer to MCB → Municipality may protest or approve
- Anchorage: No path for transfer exists—must apply for new license and Special Land Use Permit

Intent:

- State: Designed to accommodate business transitions, land use changes and to give Licensees the ability to move their business and protect it against unreasonable landlords or extremely high lease rates.
- Anchorage: Restrictive and inflexible

PROBLEMS WITH ANCHORAGE'S PROHIBITION

1. Unfair Economic Burden:

Operators facing lease terminations, zoning shifts, outrageous rent, or development conflicts must surrender their license and restart the process.

2. Duplicative Licensing Costs & Delays:

Requires new applications, fees, permits, and months, if not years, of delays.

3. Stifled Market Flexibility:

Discourages relocation from residential areas or into better commercial zones.

BENEFITS OF ALLOWING LOCATION TRANSFERS

- 1. Consistency with State Policy
- 2. Economic Stability for Local Businesses
- 3. Supports Responsible Relocation
- 4. Protects the Integrity of the Local Licensing Process
- 5. Provides the ability for an existing licensee to move to a location that housed a marijuana license therefore, the residents of Anchorage would not think another license was opening its doors, instead, one license would replace the other, not increasing the number of licenses.
- 6. Allows licensees to have control over their business and not end a business' life cycle if you run into disputes with landlords or unreasonable renewal terms
- 7. Landlords have unequal bargaining power currently in Anchorage because a marijuana tenant cannot relocate their business
- 8. A state transfer fee is only \$1,000 vs \$6,000 for new retail and license review fee
- 9. New license requires new Metrc account, new package, plant, and retail tags and labels a business needs hundreds of these tags on hand at a time and each tag costs money and cannot be reused or renumbered for a new license number
- 10. The public perception and push back on new licenses vs. recollecting an existing business makes it more stressful and difficult to go through community engagement for a relocating license vs. new.

PROPOSED POLICY CHANGE

Amend Anchorage Municipal Code Title 10 and 21.03.105 to:

- Permit marijuana licensees to apply for a transfer of location and transfer of a Special Land Use Permit if the proposed location previously held a Special Land Use Permit. If no Special Land Use Permit was issued to the proposed location, a new permit application would be required.
- Require public notice, zoning review, and Assembly approval
- Maintain the Assembly's right to approve, deny, or conditionally approve

CALL TO ACTION

We urge the Anchorage Assembly to consider a code amendment that allows for the controlled, reviewable transfer of location for marijuana licensees and Special Land Use Permits. Doing so aligns municipal policy with state law, supports legitimate local businesses, and modernizes Anchorage's cannabis regulatory environment.

Truly and Sincerely Yours,

Jana D. Weltzin, Esq.