

# MARIJUANA CULTIVATING, TESTING, MANUFACTURING and RETAIL

The FOUR license types and the  
Protections provided in state regulations

There has been much concern since the legalization of regulated, taxed marijuana that it would have a very negative effect on our communities. One by one, many of the cities and municipalities around the state have opted-out, passed moratoriums, imposed even more restrictions, or zoned it out- despite the clear passage of AS 17.38, overwhelming public comment, and the desire of the people.

In order to understand the benefits that can be seen in a regulated marijuana industry, we must look to the regulations that provide very comprehensive safety measures to protect our communities while allowing the economic and job growth that a new industry will provide.

# What does the licensing process look like?

- A marijuana license applicant will begin the process by applying online with the state.
- The state will review the application, and upon receipt of a complete application will notify the appropriate municipality by means of a copy of the application and information provided by the applicant

- ⦿ Next, the municipality will be given 60 days to protest the approval. This allows time for the 30 days that any member of the community has to protest a marijuana establishment.
- ⦿ The local municipality marijuana regulatory authority, if there is one, will receive one-half the application fee or \$500. This is a non-refundable fee.
- ⦿ If 100 applications are submitted within the KP Borough, that would equal \$50,000 in application fees alone the Borough would now have at it's disposal.
- ⦿ Not all applications will be approved. However, the application fee is non-refundable.

- The State Marijuana Control Board has spent several months creating robust regulations that provide a safety measure for every facet of the Industry.
- A regulation requirement for general operations
- A requirement for a Seed-to-Sale Marijuana Tracking System
- Very strict video surveillance requirements
- Retail facilities are required to check identification and consumers must be 21 or older
- Other safety measures protect the public from unwanted odors or unwanted views of growing operations

# NOTIFICATION REQUIREMENTS

- **How will I know if an establishment is near me?**
- Safety measures found in 306.025 require strict notification requirements when applying for any marijuana establishment license, including instructions on how to protest:

Applicant must give notice by:

- - Posting at location for 10 days
- - Posting in another nearby conspicuous location for 10 days
- - Publishing an announcement in a newspaper of general circulation 2x per week for 3 consecutive weeks

# What will an Indoor Cultivation facility look like?



Large scale cultivation may take place in a warehouse facility, Limited cultivators could be in a garage or basement



The Limited Cultivators license was created specifically to provide the means and incentive for small, Black Market growers to become a part of the legal, regulated market. The limited cultivation facility is a prime example of a “Cottage Industry”

# CULTIVATION FACILITY REQUIREMENTS

- Safety measures found in 306.700 require:
  - - Security alarm systems/commercial locks (306.715)
  - - Strict video surveillance (306.720)
  - - Inspection of premises by state board (306.725)
  - - Seed to sale tracking system (306.730)
  - - Health and safety standards require inspections by local safety officials (306.735)
  - - A thorough operating plan (306.420)
  - - Marijuana cannot be observed by the public (306.430)
  - - Marijuana odor cannot be detectable by the public (306.430)
- A cultivation facility is not permitted to sell marijuana to the public. Only licensed manufacturers or retailers.



# Inside Cultivation

Clones or seedlings begin in propagation area. From this stage, at 8 inches tall, they would be entered into the Marijuana Tracking System...



# Inside Cultivation



Once clones are large enough they move into the Veg area. During the Vegetative stage of cannabis, plants grow and fill out. Drain trays allow collection of runoff water.

# Outdoor Cultivation



Hi Tunnels are a very popular, effective, and affordable means of farming used by outdoor agricultural enthusiasts and farmers.



The use of the Sun to generate an income with a smaller carbon footprint is something we can all appreciate!

# OUTDOOR CULTIVATION PROTECTIONS:

- Safety measures found in 306.430 include
  - - Fence height requirements of 6 ft.
  - - Rigid walls, roof, and doors unless otherwise approved by local government
  - - Must be included in proposed operating plan at time of application submittal

# TESTING LABORATORY

Testing Labs will test harvested cannabis for a variety of contaminants as well as a Cannabinoid profile, as required in safety measure 306.620



# TESTING LAB PROTECTIONS:

- - Safety measures found in 306.340, 306.455, and 306.550, require that all product be tested before permitted to be sold to a manufacturing or retail facility
- - 306.620 requires that each testing license applicant is competent and meets training requirements. Very strict requirements are in place for a lead Lab Director
- 306.605 requires any local public health, fire, building and safety codes are met prior to licensing
- - Must comply with video, alarm, and marijuana tracking system requirements as required for all establishments

# TESTING



Testing requirements and regulations apply to both small limited cultivators and large scale commercial cultivators

# MANUFACTURING



Commercial closed-loop extraction equipment and supercritical CO2 extraction equipment are most commonly used in a commercial setting.





# MANUFACTURING CONCERNS:

- Will it blow up?
- - Any equipment used commercially will conform to standards found in 306.555 that require a closed loop system to recover explosive gases.
- - Any user of the equipment must be fully trained.
- - Any manufacturing facility must meet health and safety standards, including inspection by local safety officials. (306.545).
- - Must comply with video, alarm, and marijuana tracking system requirements as required for all establishments.

# NEW METHODS OF EXTRACTION

- There has been continuous research on new extraction methods. A fairly new solventless extraction method involving a heat press uses heat and pressure to extract the oils. No explosive hydrocarbon based gases are used.



# WHAT WILL RETAIL FACILITIES LOOK LIKE?



# RETAIL FACILITIES

- **A retail facility will likely appear like any other business to eye of the passer-by. One concern among community members is will there be flashing neon signs advertising Retail facilities all over town?**
- - Retail facilities have strict guidelines that must be followed to remain open. They dictate the placement, number, and size of all signage and can be found in safety measure 306.360

# WHAT WILL THEY LOOK LIKE INSIDE?

A retail store will display products such as marijuana flower, concentrates, and edibles. All product is required to be kept in a “Restricted Access” area such as behind a counter or in a glass display case per safety measure 306.710



# Retail



# RETAIL FACILITY PROTECTIONS

- -Section 306.300 requires a retail facility to comply with each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises is located.
- -Every retail facility must comply with video, alarm, and marijuana tracking system requirements as required for all establishments

# What types of safety measures are there in the State regulations that keep our community safe?

- -Safety measures found in section 306.310 requires that a licensed retail marijuana store may not sell or distribute marijuana to any person under the age of 21.
- - No product is permitted to be sold that is not labeled and packaged as required in section 306.345
- -Product must be packaged in opaque, re-sealable, child-resistant packaging
- -The packaging must be designed or constructed to be significantly difficult for children under five years of age to open
- -The retail store shall affix a label to each package of marijuana or marijuana product that :
  - (1) identifies the marijuana retail store selling the product
  - (2) states the total estimated amount of THC in the labeled product, and
  - (3) contains the following warning statements:
    - "Marijuana has intoxicating effects and may be habit forming and addictive;"
    - "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"
    - "There are health risks associated with consumption of marijuana"
    - "For use only by adults twenty-one and older. Keep out of the reach of children;" and
    - "Marijuana should not be used by women who are pregnant or breast feeding



- Now that we have explored the Alaska State regulations that govern the Marijuana Industry Standards, let's take a look at some of the benefits we can expect to see...



# FACT

- The Colorado Department of Revenue just released November 2015 tax numbers for the state's marijuana shops, and the calculations show that Colorado stores sold \$894,865,100 of legal pot in the first 11 months of 2015.

# FACT

- Colorado hauled in \$76.2 million from taxes on marijuana sales and license fees in 2014. That windfall leaped nearly 71 percent – to about \$130 million – in 2015
- Colorado has designated 10% of the marijuana excise tax revenue to go directly to schools...That's \$13 Million in 2015, \$7.6 Million in 2014

# Revenue Stats



## FIRST WEEK LEGAL POT SALES

**\$11**  
MILLION



**\$5**  
MILLION



UNDER  
**\$1**  
MILLION  
(\$2M AFTER 1 MONTH)



**\$0**  
(SALES HAVEN'T STARTED)



# Job Growth

A [recent report by the Marijuana Industry Group](#) indicates that since January 2014, Colorado's new-found recreational pot trade has created upwards of 10,000 new jobs in the first year, an astounding total of **16,000** since legalization, this doesn't include jobs created by marijuana sales.

Read more:

<http://naturalsociety.com/colorados-marijuana-legalization-creates-10000-new-jobs/#ixzz3oOqtNVTo>

- These numbers would mean, per capita, Alaska can see somewhere around 2200 new jobs directly involved with the Cannabis Industry, if allowed to flourish.

# FACT



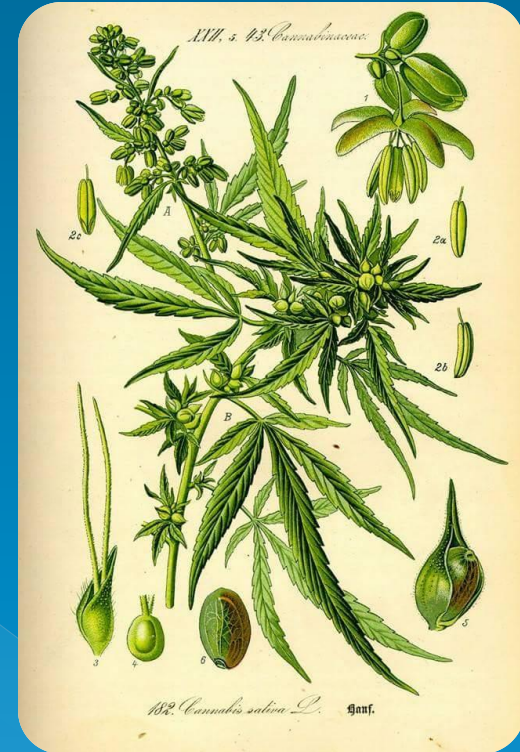
**DID YOU KNOW...  
THE US GOVERNMENT  
OWNS PATENT 6630507  
CANNABANOIDS  
AS ANTIOXIDANTS AND  
NEUROPROTECTANTS**

The U.S. Government owns a medical patent on the cannabinoids found in Cannabis. This is very contradictory - by definition as a Federally illegal Schedule one drug, it means it has no accepted medical use in the United States.

NEUROPROTECTANTS

# Medical Use

From 1850 to 1937, cannabis was used as the prime medicine for more than 100 separate illnesses or diseases in U.S. Pharmacopoeia.



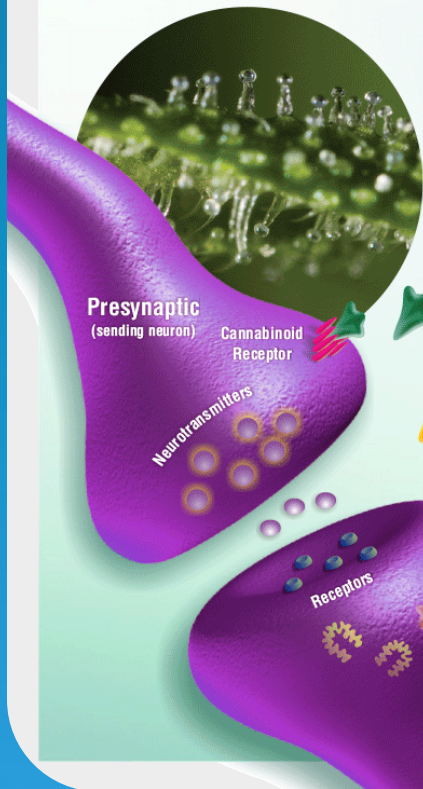
**CANNABIS RATED THE BEST TREATMENT FOR FIBROMYALGIA**



# Endocannabinoid system

## The Human Endocannabinoid System

CBD, CBN and THC fit like a lock and key into existing human receptors. These receptors are part of the endocannabinoid system which impact physiological processes affecting pain modulation, memory, and appetite plus anti-inflammatory effects and other immune system responses. The endocannabinoid system comprises two types of receptors, CB1 and CB2, which serve distinct functions in human health and well-being.



**THC**  
Tetrahydrocannabinol



**CBD**  
Cannabidiol



**CBN**  
Cannabinol

CB1 receptors are primarily found in the brain and central nervous system, and to a lesser extent in other tissues.

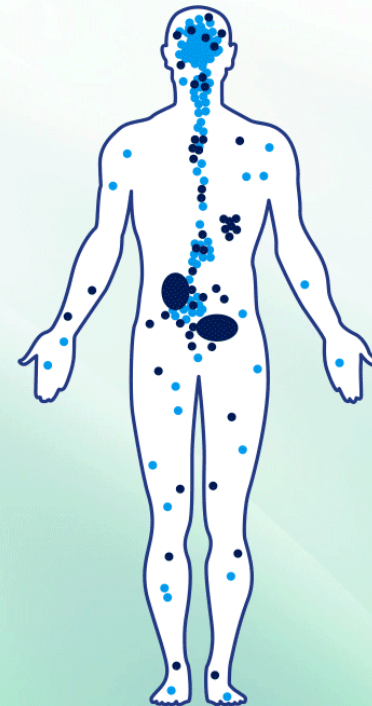


CBD does not directly "fit" CB1 or CB2 receptors but has powerful indirect effects still being studied.



CB2 receptors are mostly in the peripheral organs especially cells associated with the immune system.

Receptors are found on cell surfaces





# FACT

- ⦿ All fresh cannabis contains only non-psychoactive THC-A (acid). It only becomes psychoactive THC when heated over 240 degrees. This process is called decarboxylation.
- ⦿ Neither touching, nor smelling, nor eating fresh cannabis can get you “high”.


# Charlotte-Epilepsy



**6 YR OLD  
CHARLOTTE  
FIGI STOPS  
300 SEIZURES  
PER WEEK WITH  
MARIJUANA**

 HealthyHolisticLiving.com



 HealthyHolisticLiving.com

MARIJUANA

# Recent Study Results

Many credible institutions around the world are finding surprising results during the course of the study of cannabis. Just to name a few,

Journal of Clinical investigation

American Journal of Physiology

British Journal of Pharmacology

University of San Diego-Center for Medicinal Cannabis Research

National Institute of Health

In fact, Over 100 new study results are posted on the National Cancer Institute website [www.ncbi.nlm.gov](http://www.ncbi.nlm.gov) and are too numerous to list but are available for viewing

# WHO SHOULD OUR COMMUNITY SUPPORT???

## ⦿ **BLACK MARKET**

- ⦿ -Not regulated
- ⦿ -No safety inspections
- ⦿ -Sells to any age
- ⦿ -Does not provide testing for marijuana products
- ⦿ -Does not pay any tax
- ⦿ -Does not pay any licensing fees to the State
- ⦿ -Can offer other harder drugs at time of purchase
- ⦿ -Does not encourage job growth in the community

## **LEGAL CANNABIS ESTABLISHMENTS**

- Highly regulated
- Must comply with state local safety inspections and building codes
- Sell only to those over 21
- Required to test ALL product prior to sale
- Pays all tax monthly
- Required to pay a license fee annually to the State, either \$1000 or \$5000 depending on license type
- Products sold must be approved by the state
- Will create new jobs directly and indirectly in a variety of ways

# FINAL THOUGHTS

- It is important that we consider the many benefits of supporting a legal, regulated industry. Additional fees and restrictions beyond what is required in state regulations will effectively harm this new industry.
- If we do not provide an avenue that is reasonable for new marijuana establishments to become legal entities then we have only ourselves to blame for a thriving Black Market