

**CITY OF CRAIG  
ORDINANCE NO. 678**

**ADDING SECTION 5.10 TO THE CRAIG MUNICIPAL CODE PROVIDING FOR THE  
REGULATION OF COMMERCIAL RETAIL SALE, COMMERCIAL CULTIVATION,  
COMMERCIAL MANUFACTURE AND PROCESSING, AND COMMERCIAL  
TESTING OF MARIJUANA AND MARIJUANA PRODUCTS, AND ESTABLISHING A  
PENALTY FOR VIOLATION; AND ADDING SECTION 9.91 TO THE CRAIG  
MUNICIPAL CODE PROHIBITING PRODUCTION OF MARIJUANA  
CONCENTRATES**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. The Craig City Council finds the following:

**WHEREAS**, Ballot Measure 2 – An Act to Tax and Regulate the Production, Sale and Use of Marijuana, and codified as Alaska Statutes 17.38, providing for the legalization of marijuana, was approved by Alaska voters on November 4, 2014, and certified on November 28, 2014 by the State of Alaska, Division of Elections; and

**WHEREAS**, Alaska Statutes 17.38 was amended by statute by the Twenty Ninth Alaska Legislature with the adoption of House Bill 123; and,

**WHEREAS**, newly enacted AS 17.38.110(a) states “A local government may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by a voter initiative”; and,

**WHEREAS**, newly enacted AS 17.38.110 (b) states “A local government may enact ordinances or regulations not in conflict with this chapter or with regulations enacted pursuant to this chapter, governing the time, place, manner and number of marijuana establishment operations”; and,

**WHEREAS**, the City of Craig held a municipal election on October 6, 2015 at which Craig voters cast ballots addressing advisory questions regarding regulation of the four commercial marijuana license types created by the adoption of Ballot Measure 2; and,

**WHEREAS**, voters advised at the October 6, 2015 municipal election that two commercial marijuana license types be prohibited in the City of Craig, and one commercial license type be permitted; and,

**WHEREAS**, Craig voters cast an equal amount of “yes” and “no” ballots on the fourth license type; and,

**WHEREAS**, media reports, peer reviewed studies and other research demonstrates that use of marijuana can have long-term detrimental effects on adults and youth alike; and,

**WHEREAS**, regulations adopted by the Alaska Marijuana Control Board, with authority derived from statutory language in Ballot Measure 2, require warning labels be placed on packaging containing marijuana and marijuana products that promulgate the deleterious effects of marijuana use; and,

**WHEREAS**, THC-bearing marijuana edibles, concentrates, and extractions pose a public health hazard meriting prohibition of their production, transport, and sale in Craig; and,

**WHEREAS**, in adopting this ordinance, it is neither the City of Craig’s intent nor desire to regulate, restrict, or prohibit licensed marijuana establishments outside the municipal boundaries of the City of Craig; and,

**WHEREAS**, the City of Craig exercises its authority under Alaska Statutes 29.25, AS 29.35, AS 29.40, and other relevant statutes; and AS 17.38.110(a) and (b) to prohibit and regulate commercial marijuana, by adding a new section to the Craig Municipal Code, Section 05.10, as follows:

5.10 Marijuana Establishments

5.10.010 Local Regulatory Authority

5.10.020 Marijuana Establishments Prohibited.

5.10.025 Registration Required

5.10.030 Limits on Number of Marijuana Establishments

5.10.035 Hours of Operation

5.10.040 Identification requirement to prevent sale to person under 21

5.10.050 Production of Marijuana Concentrates Prohibited

5.10.055 Prohibition on On-Site Consumption of Marijuana

5.10.060 Enforcement and Inspection

5.10.800 Definitions

5.10.900 Penalties for Violation

**5.10.010 Local Regulatory Authority**

A. The Craig City Council shall be the local regulating authority responsible for processing applications submitted for a registration to operate a marijuana establishment within the boundaries of the local government under AS 17.38.110(c).

B. Complete copies of applications required by the Marijuana Control Board for new licenses, license renewals, changes of ownership, and transfer of licenses shall be submitted by

the license applicant to the Craig City Clerk on or before the same day that applications are submitted to the Marijuana Control Board. The City Clerk will provide for city council and city staff review of the application and comment to the Marijuana Control Board within the time limits set by the board.

C. License applications shall be reviewed by the Craig Building Official to ensure compliance with local zoning code, distances from facilities provided for in 3 AAC 306.010(a), and related municipal ordinances. The Craig Building Official will forward comments on each application to the city clerk for city council review.

D. License applications shall be reviewed by the Craig Police Department and comments will be sent to the city clerk for city council review.

**5.10.020 Marijuana Establishments Prohibited.**

Commercial marijuana cultivation, commercial marijuana manufacturing, and commercial marijuana testing facilities, as defined, licensed, or regulated by the Alaska Marijuana Control Board, are prohibited.

**5.10.025 Registration Required**

A. All marijuana establishments shall be registered with the city as required by Craig Municipal Code 3.08.170, and be compliant with the Title 18 of the Craig Municipal Code. A registration may be issued only when:

1. a valid license has been issued by the Alaska Marijuana Control Board; and,
2. the Craig Building Official certifies that the proposed marijuana establishment complies with Title 18 of the Craig Municipal Code.

**5.10.030 Limits on Number of Marijuana Establishments**

A. There shall be a limit on the number of licensed retail marijuana stores located within the municipal boundaries of the City of Craig as follows:

1. No more than two licensed retail marijuana stores.

**5.10.035 Hours of Operation**

A licensed retail marijuana store may not conduct any business on, or allow any consumer to access, the retail marijuana store's licensed premises between the hours of 3:00 a.m. and 8:00 a.m. each day.

**5.10.040 Identification requirement to prevent sale to person under 21.**

A. A licensed retail marijuana store shall refuse entry into the licensed premises to any person failing to produce a form of valid photo identification showing that person is 21 years of age or older. A valid form of identification includes:

1. an unexpired, unaltered passport;
2. an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada;
3. an identification card issued by a federal or state agency authorized to issue a driver's license or identification card.

B. A licensed retail marijuana store shall refuse to sell marijuana or a marijuana product to any person who does not produce a form of valid photo identification showing that person is 21 years of age or older.

#### **5.10.050 Production of Marijuana Concentrates Prohibited**

A. No person may produce solvent based marijuana concentrate using the hydrocarbons N-butane, isobutene, propane, or heptane or other explosive or corrosive chemicals, solvents, or gases.

B. Any violation of this chapter is an infraction and shall be punished by the fine established in Craig Municipal Code 1.16.040 for violation of 9.90.010 of the Code.

C. Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such hereunder.

D. In this section, “concentrate”, “marijuana concentrate”, and “marijuana” have the meaning given in 3 AAC 306.990.

#### **5.10.055 Prohibition on On-Site Consumption of Marijuana**

No licensed retail marijuana store shall permit consumption of marijuana or a marijuana product on the licensed premises within the city limits of Craig. A licensed retail marijuana stores is considered “public place” as the term is used at Craig Municipal Code 9.90.040.

#### **5.10.060 Enforcement and Inspection**

A. The Code Enforcement Officer shall be responsible for ensuring compliance, including all conditions of approval applied by state and local regulatory authorities, for marijuana establishments within the municipal boundaries of the City of Craig. The Craig Police Department shall assist the city’s code enforcement officer in the course of inspecting marijuana establishments, ensuring compliance with conditions of approval, and issuing citations for non-compliance of ordinances, regulations, and imposed license, zoning, and registration conditions.

B. It is unlawful for any licensee or employee of licensee to refuse a law enforcement officer, or Code Enforcement Officer, access to and inspection of all areas of a licensed premises.

#### **5.10.800 Definitions**

In this section,

- (1) “concentrate” or “marijuana concentrate” has the meaning given in 3 AAC 306.990;
- (2) “marijuana” and “marijuana products” has the meaning given in Alaska Statutes 17.38.900;
- (3) “marijuana establishment” and “licensed premises” means a commercial marijuana retail, cultivation, product manufacturing, or testing facility licensed by the State of Alaska under AS 17.38 and 3 AAC 306.
- (4) “THC” has the meaning given in 3 AAC 306.990.
- (5) “THC-bearing” means any product containing an amount equal to or greater than 0.01 milligrams of THC per gram of product, or 0.001% THC concentrate.


#### **5.10.900 Penalties for Violation**

A. Any violation of this chapter is an infraction and shall be punished by the fine established in Craig Municipal Code 1.16.040 for violation of 9.90.010 of the Code.

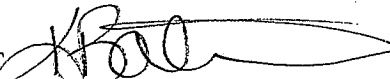
B. Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as a separate offense.

C. Each sale in violation of Craig Municipal Code 5.10.035 shall constitute a separate offense and shall be punishable as a separate offense.

APPROVED this 3<sup>rd</sup> day of March, 2016.

  
\_\_\_\_\_  
Mayor Dennis Watson



  
\_\_\_\_\_  
Kassj Bateman, City Clerk