

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HB 273
Fiscal Note Number:	2
(H) Publish Date:	2/28/2018

Identifier: HB273-DCCED-AMCO-02-16-2018
Title: EXTEND: MARIJUANA CONTROL BOARD
Sponsor: KITO
Requester: (H) FINANCE

Department: Department of Commerce, Community and
Economic Development
Appropriation: Alcohol and Marijuana Control Office
Allocation: Alcohol and Marijuana Control Office
OMB Component Number: 3119

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services		765.5	765.5	765.5	765.5	765.5	765.5
Travel		73.5	73.5	73.5	73.5	73.5	73.5
Services		750.0	750.0	750.0	750.0	750.0	750.0
Commodities		71.6	71.6	71.6	71.6	71.6	71.6
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6

Fund Source (Operating Only)

1004 Gen Fund (UGF)		532.8					
1005 GF/Prgm (DGF)		1,127.8	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6
Total	0.0	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6

Positions

Full-time		8.0	8.0	8.0	8.0	8.0	8.0
Part-time							
Temporary							

Change in Revenues

1005 GF/Prgm (DGF)		1,127.8	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6
1250 UGF Rev (UGF)		532.8					
Total	0.0	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated to correct operating expenditures and program receipts, and to expand the bill analysis.

Prepared By: Erika McConnell, Executive Director
Division: Alcohol and Marijuana Control Office
Approved By: Catherine Reardon, Director
Agency: Division of Administrative Services, DCCED

Phone: (907)269-0351
Date: 02/16/2018
Date: 02/16/18

**REPORTED OUT OF
HFC 02/27/2018**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB 273 extends statutory authorization for the existing Marijuana Control Board (MCB) through June 30, 2024.

With the establishment of the Marijuana Control Board (MCB) in 2015 through HB 123, the Alcohol and Marijuana Control Office was assigned to develop and oversee the regulatory requirements, licensing process, and enforcement of commercial marijuana establishments.

The Marijuana Control Board's mission is to control the the cultivation, manufacture, and sale of marijuana and marijuana products in the state. To date there are 174 licensed marijuana businesses operating within the state of Alaska. An additional 103 businesses have been approved by the board and are preparing to become operational. Operating licenses must be renewed annually.

The AMCO Executive Director supervises 20 positions in three units. The licensing unit is managed by a program coordinator and has one records and licensing supervisor, five licensing examiners, one administrative assistant, and one local government specialist. The enforcement unit is managed by a supervisor and has seven special investigators and one criminal justice technician. The administrative unit is overseen by an administrative officer and has one administrative assistant.

Should the Marijuana Control Board not be extended, AMCO staff would be reduced by eight positions: three investigators, two licensing examiners, the records and licensing supervisor position, the criminal justice technician, and an administrative assistant.

If the bill passes the following expenses will continue to be incurred:

Personal Services: \$765.5 (eight full-time agency staff: 3 Special Investigator I, Records and Licensing Supervisor, 2 Occupational Licensing Examiner, Administrative Assistant I, Criminal Justice Technician I)

Travel: \$73.5 (board members attend at least five board meetings per year; board is required to meet in each judicial district at least once per year; agency director and occasionally board chair or other agency management staff travel for conferences and/or training; enforcement staff travel throughout state for inspections and investigations)

Services: \$750.0 (includes information technology and department support for deleted positions; support from the Department of Law; hearing services; building leases; meeting advertising; meeting space rental; and other reimbursable services agreements with other agencies)

Commodities: \$71.6 (supplies including printing statute/regulation books; ammunition and other enforcement training supplies; office supplies)

The MCB's work is funded by a combination of general funds and program receipts from licensing fees in FY2019. In FY2020, marijuana regulation will be fully funded by licensing fees.