THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Administration
OFFICE OF ADMINISTRATIVE HEARINGS
550 W. 7th Avenue, Suite 1940
Anchorage, AK 99501
Main: 907.269.8170
Fax: 907.269.8172
www.doa.alaska.gov/oah

March 9, 2015

BY E-MAIL ATTACHMENT
The Honorable Shelley Hughes
Vice Chair, House Labor & Commerce Committee
State Capitol, Room 13
Juneau, Alaska 99801

Re: HB 123 (Establish Marijuana Control Board)

Dear Representative Hughes:

At the March 4, 2015 meeting of the House Labor & Commerce Committee, I testified on behalf of the Office of Administrative Hearings (OAH) in connection with House Bill 123. In the course of my testimony, I noted that the OAH fiscal note on this bill was likely quite conservative with respect to FY 16 and 17. You were kind enough to extend to me an opportunity to revise the fiscal note.

After discussing the matter with Department of Administration leadership, OAH has decided not to revise the fiscal note. When a new subject matter is regulated, the amount of litigation tends to be elevated in the first year or two while uncertainties are resolved. However, OAH currently has no reliable basis on which to project or quantify the degree to which this would occur in the field of marijuana regulation. In light of this uncertainty, OAH has elected to quantify only the anticipated baseline, long-term cost of conducting hearings relating to a marijuana licensing system at this time, which we estimate to be similar to the cost of conducting hearings relating to alcoholic beverage control.

We appreciate your willingness to consider a revision, but we elect to leave the fiscal note unchanged.

Very truly yours,

Christopher Kennedy

cc: Andy Mills