



THE STATE  
*of* **ALASKA**

GOVERNOR MICHAEL J. DUNLEAVY

DEPARTMENT OF COMMERCE, COMMUNITY AND  
ECONOMIC DEVELOPMENT

# ALCOHOL AND MARIJUANA CONTROL OFFICE

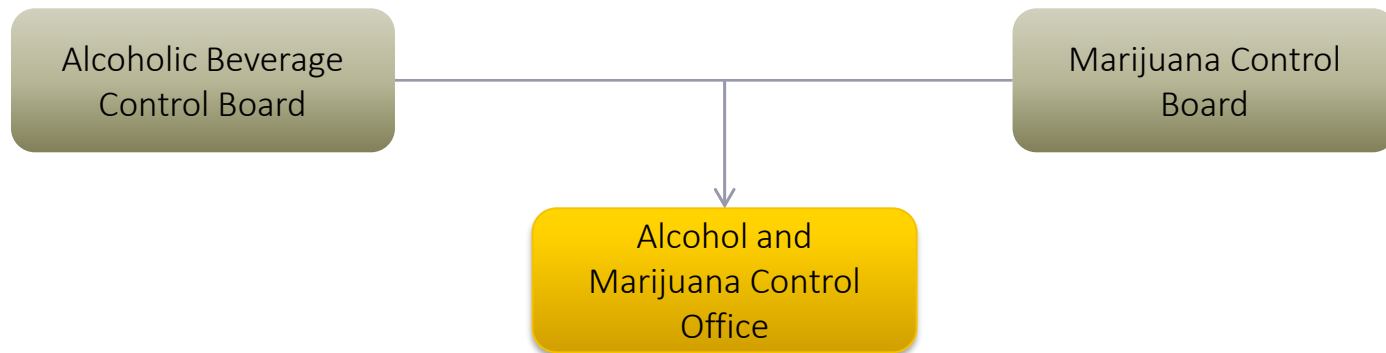
Erika McConnell, Director

February 25, 2019



# Alcohol and Marijuana Control Office

*Mission: Enforce alcohol and marijuana commerce laws and provide clear, consistent standards for licensure to protect the public from harm.*



The Alcohol and Marijuana Control Office serves both the Alcoholic Beverage Control Board and the Marijuana Control Board.



# Alcohol and Marijuana Control Office

## Alcoholic Beverage Control Board AS 04.06.090:

(a) The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties, and responsibilities necessary for the control of alcoholic beverages, including the power to propose and adopt regulations and to hear appeals from actions of the director, and from actions of officers and employees charged with enforcing the alcoholic beverage control laws and regulations of the board.

## Marijuana Control Board AS 17.38.121:

- (a) The board shall control the cultivation, manufacture, and sale of marijuana in the state.
- (b) The board shall
  - 1) propose and adopt regulations;
  - 2) establish by regulation the qualifications for licensure including fees and factors related to the applicant's experience, criminal justice history, and financial interests;
  - 3) review applications for licensure made under this chapter ... ; and
  - 4) hear appeals from actions of the director and from actions of officers and employees charged with enforcing this chapter and the regulations adopted under this chapter.

*(statute continues)*



# Alcohol and Marijuana Control Office

## Alcohol Licensing

- @1,920 licenses which renew biennially
- @1,350 permits issued per year
- Most license types are limited by population of local government area
- A few license types have no population restrictions, to promote and accommodate tourism
- Local governments may protest issuance, renewal, continued operation, or transfer of license
- A community may vote to prohibit the possession of alcohol, prohibit the sale of alcohol, or limit the sale to certain license types (local option)
- FY18 license/permit revenue: \$2,098,400



# Alcohol and Marijuana Control Office

## Marijuana Licensing

- @280 operating licenses which renew annually
- @5,540 handler permits issued
- No state limit on number of licenses
- Local governments may limit time, place, manner, and number; may protest issuance, renewal, or transfer of license
- A community may vote to ban sale or importation for sale, or operation of one or more license types
- FY18 license/handler permit revenue: \$1,524,600 (not including UGF)
- Marijuana program will not receive any UGF from FY20 forward
- Repayment of \$4.6 million UGF for program start-up over time



# Alcohol and Marijuana Control Office

## Enforcement

Duties: conduct statewide compliance checks and inspections of establishments licensed to sell liquor or marijuana and investigate violations of laws and regulations, including investigations of unlicensed operators

- 8 Special Investigators
- All hold police certifications from Alaska or other states
- Combined 142.5 years of law enforcement experience
- Hold special commissions from the Director of the Department of Public Safety

“... the persons employed for the administration and enforcement of this title may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board. Powers granted by the board under this section may be exercised only when necessary for the enforcement of the criminally punishable provisions of this title, regulations of the board, and other criminally punishable laws and regulations...” AS 04.06.110



# Alcohol and Marijuana Control Office

## Enforcement Priorities

- health and safety of Alaskans
- preventing access to alcohol and marijuana by underage persons
- diversion and introduction
- inspections
- complaints

--adopted by the Alcoholic Beverage Control Board and the Marijuana Control Board in October 2018



# Alcohol and Marijuana Control Office

## FY2020 Component Budget

Expenditures	FY2019 Mgmt Plan	FY2020 Gov	Change
Personal Services	2,220.6	2,220.6	0.0
Travel	183.7	135.0	-48.7
Services	1,320.5	1,320.5	0.0
Commodities	115.7	115.7	0.0
Capital Outlay	0.0	0.0	0.0
<b>Total</b>	<b>3,840.5</b>	<b>3,791.8</b>	<b>-48.7</b>

Revenues	FY2019 Mgmt Plan	FY2020 Gov	Change
1004 General Fund (UGF)	538.3	0.0	-538.3
1005 Program Receipts (DGF)	3,278.5	3,768.1	489.6
1007 I/A Receipts (Other)	23.7	23.7	0.0
<b>Total</b>	<b>3,840.5</b>	<b>3,791.8</b>	<b>-48.7</b>





# Alcohol and Marijuana Control Office

## Budget History and Projection

Does not include inter-agency receipts, which are not allocated to either program.

Budget	FY2016*		FY2017		FY2018		FY2019**		FY2020**	
Expenditure Authority	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana
License Fees	1,747.2	-	1,917.5	100.0	1,975.5	756.6	1,986.9	1,291.6	1,962.5	1,805.6
Unrestricted General Funds	-	2,360.1	-	1,472.9	-	1,052.5	-	538.3	-	-
<b>Total</b>	<b>1,747.2</b>	<b>2,360.1</b>	<b>1,917.5</b>	<b>1,572.9</b>	<b>1,975.5</b>	<b>1,809.1</b>	<b>1,986.9</b>	<b>1,829.9</b>	<b>1,962.5</b>	<b>1,805.6</b>
Division Total	4,107.3		3,490.4		3,784.6		3,816.8		3,768.1	

Positions	17	18	21	21	21
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Actuals	FY2016*		FY2017		FY2018		FY2019**		FY2020**	
Expenditures ( <i>italic estimated</i> )	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana	Alcohol	Marijuana
License Fees	1,711.0	-	1,624.0	-	1,473.8	587.1	1,986.9	1,291.6	1,962.5	1,805.6
Unrestricted General Funds	-	1,735.8	-	1,238.5	-	1,047.9	-	538.3	-	-
<b>Total</b>	<b>1,711.0</b>	<b>1,735.8</b>	<b>1,624.0</b>	<b>1,238.5</b>	<b>1,473.8</b>	<b>1,635.0</b>	<b>1,986.9</b>	<b>1,829.9</b>	<b>1,962.5</b>	<b>1,805.6</b>
Division Total	3,446.8		2,862.5		3,108.8		3,816.8		3,768.1	

Receipt Revenue (annual, <i>italic estimated</i> )	1,996.7	341.5	1,898.6	1,346.0	2,098.4	1,524.6	2,098.4	1,524.6	2,098.4	1,524.6
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Carryforward ( <i>italic estimated</i> )	341.5		1,687.5		2,625.0		1,805.6			
Lapse to General Fund (revenue, fines, and fees) ( <i>italic estimated</i> )	285.7		274.6 10.4		625.3 31.7		111.5 1,052.4			

\* FY2016 appropriation for marijuana was a multi-year appropriation to cover FY2015 and FY2016. All budget and expenditures are shown in FY2016 in this table.

\*\* FY2019 and FY2020 are projected at budgeted totals.



# Alcohol and Marijuana Control Office

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