

# Fiscal Note

State of Alaska  
2023 Legislative Session

Bill Version: HB 119  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB119-DOA-DOF-3-20-23  
Title: MARIJUANA TAX  
Sponsor: RLS BY REQUEST  
Requester: (H) LABOR & COMMERCE

Department: Department of Administration  
Appropriation: Centralized Administrative Services  
Allocation: Finance  
OMB Component Number: 59

## Expenditures/Revenues

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

(Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2023) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2024) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** Yes  
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version

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Phone: (907)465-8464  
Date: 03/22/2023  
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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2023 LEGISLATIVE SESSION

BILL NO. HB 119

### Analysis

HB 119 reduces the tax on marijuana to \$12.50 an ounce at the marijuana cultivation facility and allows the Department of Revenue to reduce or exempt the tax on certain parts of the marijuana plant to less than \$12.50. On July 1, 2028, the marijuana tax at the cultivation facility will be repealed and replaced with a 3 percent tax on retail marijuana sales. The bill creates a framework for how monthly sales tax payments will be made and penalties for not paying the tax.

It also requires the Department of Administration, Division of Finance to deposit all of the collected marijuana tax revenue in the marijuana education and treatment fund, and the interest earned from the fund into the general fund. The bill repeals the recidivism reduction fund.

Additionally, the bill allows the legislature to appropriate 33 percent of the estimated tax revenue to each of following: the comprehensive marijuana use education and treatment program, the Department of Commerce, Community, and Economic Development to support administrative tasks relating to the marijuana industry and the general fund.

The Division of Finance manages funds in the state's accounting system as one of their duties and does not anticipate this bill having a meaningful effect on workload. The division is submitting a zero fiscal note.