**HB 123 – Establish Marijuana Control Board**

**Financial Details**

**FY 2016**

1. Personal Costs $610.5
   * Adds 4 FTE positions (3 enforcement, 1 licensing,) in FY 2016, funds 2 FTEs from FY 2015
   * Reduced from $847.0 original cost estimate for personal service costs published with Ballot Measure 2. Personal services cost was trimmed before creation of the fiscal note for this bill
   * Enforcement officers necessary before licenses issued to educate public and enforce on illegal marijuana operations and prepare for issuance of new licenses
2. Services $756.4
   * Includes $500.0 for a database to track licenses and actual marijuana from seed to sale
   * Additional services costs are legal services, employee support costs, vehicles for enforcement, educational materials, and signage
3. Commodities $134.5
   * Costs for physical space, furniture, moving expenses, equipment purchases (current physical location of ABC board in Anchorage will not accommodate additional staff)
4. Travel $73.0
   * Costs of travel to legalized marijuana states to meet with regulators and learn new duties
   * Costs of enforcement travel to locations in Alaska for compliance, inspection and enforcement
   * Costs of travel to locations in Alaska for education and local government assistance
   * Costs of travel for board members to conduct meetings across state to increase access of all Alaskans to board meetings

**Public Safety Implications of Regulations**

1. DPS supports the bill for the following reasons:
   * Having clear regulatory framework will address enforcement issues and clarify rules
   * ABC/MCB enforcement officers funded by bill can shut down illegal operations as they crop up
   * DPS has to prioritize this type of enforcement on a matrix that includes violent crimes like homicide and sexual assault, which could result in little to no enforcement

**Effect on Alcohol Regulation**

1. The Alcoholic Beverage Control Board is busy with alcohol:
   * 1875 active liquor licenses
   * Inspection and enforcement efforts on licensees
   * Underage drinking prevention and education efforts
   * Regulations relating to alcohol licensing
   * Title 4 revisions (Senate Bill 99) is being held over interim necessitating additional meetings
2. Without this bill, ABC must divide its attention between alcohol and marijuana:
   * Board would be distracted from alcohol work to complete marijuana regulations on time
   * 5 member volunteer board would have to learn entire new industry
   * Time commitment for 5 volunteer board members appointed to ABC board would double or triple due to short time frames in AS 17.38 to implement initiative