

February 1, 2022

Via email to: Representative.Grier.Hopkins@akleg.gov



Subject: Support for HB 289 Alaska Marijuana Industry Task Force

Dear Representative Hopkins:

The Alaska Marijuana Industry Association (AMIA) would like to offer our **support** for HB 289.

The excise tax on Alaskan marijuana cultivation has set a static price floor for marijuana and marijuana products. This static price floor is creating instability in our industry and resulting in an inequitable taxation burden imposed on the cannabis industry. For example, the excise tax of \$800/lb of cannabis flower in Alaska is similar to the *total wholesale price* in states like Oregon. The problem is evident, the impacts are negative, and a solution is needed. The solution will only be found if we have a comprehensive task force with the right tools and the right folks to dig in and find a solution to better the industry and protect consumers. The AMIA has been analyzing the current scheme against potential new tax structures, however, without access to state experts and data we are just shooting darts at the wall with blindfolds on. We are hopeful that with the passage of this legislation we will be able to see robust, smart, and data driven conversation occur between industry, regulators, and tax experts, as well as municipal stakeholders and the legislature.

We are grateful to be named in the bill regarding the selection of qualified industry representatives. We understand that while we do not represent the entire industry, the AMIA is the only statewide industry trade group that exists, so we therefore feel it is appropriate language. We promise to send forward our best and brightest and take this responsibility very seriously.

The bright goal for the AMIA is to help identify a sustainable, enforceable, and above all else, fair tax structure. This tax structure should allow for growth, not hardship and should provide a path to compliance without subjective review or punitive action wherever possible.

We are grateful to be considered a valuable industry, job provider, taxpayer, and general business community asset to Alaska. We see a bright future and are hopeful that this task force will come to fruition, and we can move forward together.

Respectfully,

Lacy Wilcox, President
Alaska Marijuana Industry Association

The Alaska Marijuana Industry Association is Alaska's only statewide cannabis industry trade group. Our mission is to promote and advocate for a vibrant and reasonably regulated Alaska-based marijuana industry. The AMIA serves to strengthen and enhance a network of connected, independent, informed, regionally and community directed Alaska marijuana organizations.
www.alaskamia.org



Jana D. Weltzin
Licensed in Alaska & Arizona
901 Photo Ave, Second Floor
Anchorage, Alaska 99503
Phone 907-231-3750
JDW, LLC
jana@jdwcounsel.com

March 2, 2022

VIA EMAIL Representative.Grier.Hopkins@akleg.gov

Representative Grier Hopkins
State Capitol Office

RE: Support for HB 289 Alaska Marijuana Industry Task Force

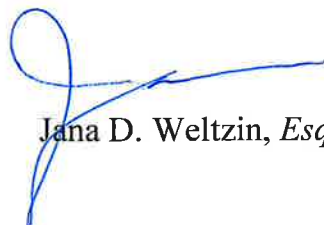
Dear Representative Hopkins,

Since 2014, the year that recreational Marijuana use and possession was legalized in the State of Alaska, many locally-owned businesses have opened their doors far across the state within the Cannabis industry. So many, in fact, that Alaska has the highest number of Retail Marijuana shops per capita of any of the western states, the biggest market share among the 29 states that have some form of legalized Marijuana. That total is approximately between 140-150 Retail shops as of 2022.

While many businesses thrived initially by creating jobs for Alaskans, generating revenues for state and local governments, and bringing a previously unregulated market out of the shadows, and into the public light. Seven years later, inflexible fiscal terms relative to taxation of these businesses, a limited scope of enforcement powers within a wide, varied, scope and size of local businesses competing in Alaska's uncapped Marijuana market has left too many of these businesses falling short of regulations and violation enforcements, taxation costs, and struggling to maintain a profit, or in some cases failing to keep their doors open and stay afloat.

JDW Counsel is in full support of HB 289; the establishment of the Alaska Marijuana Industry Task Force, with the goal in funding solutions in stabilizing the Marijuana business model, maintaining revenue streams for state and local governments, and identify a sustainable, enforceable, and fair tax structure, so that these new, current, and future locally-owned Marijuana businesses not only remain open, but thrive.

Truly and Sincerely Yours,



Jana D. Weltzin, Esq.



February 10, 2022

Via email to: joe.hardenbrook@akleg.gov and rep.grier.hopkins@akleg.gov

Subject: Support for HB 289 Alaska Marijuana Industry Task Force

Dear Representative Hopkins,

I am writing in my role as General Manager for GOOD Cannabis to communicate our support of HB 289.

The cannabis industry has faced many growing pains since its inception, and we have done our best to work through many of the issues that have hampered our new industry. However, the state excise tax structure has been a challenging hurdle that has caused artificially high prices in the wholesale market. Those prices are passed through to the retail market and to the consumer. The current tax structure has also created an unfair playing field through a lack of clear enforcement on companies that are not meeting their tax obligations.

Marijuana tax is a complex issue that likely has multiple viable solutions to consider, directly involves multiple state agencies, and must be thought through carefully in the context of impending Federal legalization and other future changes in the market. We believe that the creation of a "Task Force" is a sensible approach to such a difficult issue. We applaud you for proposing to include industry representatives, including members of the Alaska Marijuana Industry Association (of which GOOD Cannabis is a member). Industry representation in this Task Force will be key to its success.

Alaska is currently the most expensive state to operate a legal recreational cannabis business. Thus, it is imperative that Alaska has an efficient and prudent tax structure in order to maintain a strong cannabis industry moving forward. We hope that the Task Force will develop a tax structure that will ensure the health of our industry into the future, and Alaska will continue to be a cannabis industry leader and an example for other states. We commend all those who had a hand in bringing HB 289 to this point and hope that this legislation will receive broad support.

Sincerely,

A handwritten signature in black ink, appearing to read "T Haynes", with a stylized flourish at the end.

Trevor Haynes
General Manager, GOOD Cannabis
907-888-3367

356 Old Steese Hwy
Fairbanks, Alaska 99701
907-452-KIND (5463)



goodalaska.com
@goodakcannabis
info@goodalaska.com