



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Health

FINANCE AND MANAGEMENT SERVICES
Juneau Office

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January 31, 2023

The Honorable Bryce Edgmon
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 511
Juneau, AK 99801

The Honorable DeLena Johnson
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 505
Juneau, AK 99801

Dear Representatives Edgmon, Foster, and Johnson:

The Department of Health received the following question from the House Finance Committee meeting on January 26, 2023, about the federal tobacco law:

Representative Hannan: Have revenue reductions to the tobacco Master Settlement Agreement due to non-compliance with the federal minimum tobacco age been accounted for?

Non-compliance with the federal minimum age for tobacco use of 21 years (T21) would not affect the amount the state receives from the Master Settlement Agreement. Instead, it could potentially impact the Substance Abuse Block Grant for the Division of Behavioral Health.

Effective January 1, 2023, the state is required to use 21 as the minimum legal age to purchase tobacco and nicotine products for federally mandated compliance checks. For these compliance checks, the state must have a retailer violation rate under 20 percent or risk losing up to 10 percent of the Substance Abuse Block Grant.

Due to the difference in state and federal law around the legal age to purchase tobacco and nicotine products, some retailers may continue to sell these products at the state legal age. This may increase the state's retailer violation rate if not addressed before the end of the 2023 reporting period.

Under Alaska law, the state is not statutorily obligated to enforce the federal minimum age requirement, but retailers should comply with the federal minimum legal age to purchase tobacco and nicotine products. The state will continue to educate retailers about the change in federal age requirements.

If you have additional questions, please contact me at 907-465-1630.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Josephine Stern', followed by a long horizontal flourish.

Josephine Stern
Assistant Commissioner

cc: Valerie Rose, Fiscal Analyst, Legislative Finance
Laura Stidolph, Legislative Director, Office of the Governor
Torrey Jacobson, Office of Management and Budget
Heidi Hedberg, Commissioner
Anne Zink, Chief Medical Officer
Emily Ricci, Deputy Commissioner
Farina Brown, Acting Director of Division of Behavioral Health
Christy Lawton, Acting Director of Division of Public Health
Dustin Scown, Budget Manager
Courtney Enright, Legislative Liaison
Aimee Bushnell, Legislative Liaison for Department of Revenue

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