

ALASKA STATE LEGISLATURE

House Labor & Commerce Committee



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Explanation of Changes HB119 Ver A to Ver U.

Marijuana Regulation:

- Registration: Draft 1: Biennial registrations issued by the Board (Sections 3 & 4).
- Draft 2: Annual registrations issued by the Board (Sections 3 & 4).
- Local governments can issue annual registrations if the Board doesn't act within timelines (Sections 4 & 5 in Draft 1; not present in Draft 2).
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- Background checks: Draft 1: Renewal period for background checks is every six years (Section 2).
- Draft 2: No change to background check renewal period.
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Marijuana Taxation:

- Excise tax: Draft 1: \$50 per ounce excise tax on transfers from cultivation facilities (Section 10).
- Draft 2: \$12.50 per ounce excise tax on transfers from cultivation facilities (Section 1).
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- Sales tax: Draft 1: 6% sales tax on retail sales to consumers, effective January 1, 2025 (Sections 12 & 13).
- Draft 2: 3% sales tax on retail sales to consumers, effective July 1, 2028 (Sections 4 & 8).
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- Tax allocation: Draft 1: 50% of marijuana tax revenue allocated to youth marijuana misuse prevention program, with minimum allocations increased for education and treatment (Section 11).
- Draft 2: 33% of tax revenue allocated to each of education, treatment, and the general fund (Section 3).
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- Reporting and payment: Draft 1: Quarterly reporting and tax payments from retail stores (Section 14).
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Draft 2: Monthly reporting and tax payments from retail stores (Section 5).

Other:

- **Definition of "retail marijuana store":** Draft 1 updates the definition to reflect new sales capabilities (Section 9).

Effective dates: Draft 1: Most changes effective July 1, 2024, with sales tax and related provisions effective January 1, 2025 (Sections 19 & 18).

Draft 2: Most changes effective July 1, 2028, with excise tax and related provisions effective on their respective accrual dates (Sections 9 & 8).