

ALASKA STATE LEGISLATURE

House Labor & Commerce Committee



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HB 119: Cannabis Tax Sectional Analysis Version U

Section 1: Modifies AS 17.38.070(a) to clarify lawful activities for retail marijuana stores and their personnel, adding specifics about displaying and transporting marijuana.

Section 2: Changes renewal applications for marijuana establishments to be submitted 90 days before expiration and introduces mandatory background checks every six years.

Section 3: Amends AS 17.38.200(d) to change registration issuance from biennial to annual unless specific criteria are met.

Section 4: Local governments can establish annual operating, registration, and application fees for marijuana establishments, with restrictions.

Section 5: If the board doesn't issue a registration within 90 days or hasn't issued any by 15 months after February 24, 2015, applicants can resubmit to local authorities for an annual registration.

Section 6: Local authorities must issue registrations within 90 days or notify of non-compliance with local ordinances. Local government must notify the board of issued annual registrations.

Section 7: Subsequent or renewed registrations under local authority require resubmission of a new application to the board.

Section 8: Clarifies how registration of marijuana establishments is affected by prohibition votes and extends expiring registrations based on local option elections.

Section 9: Updates definition of "retail marijuana store" to include purchases from both cultivation and product manufacturing facilities.

Section 10: Reduces excise tax on marijuana sales from \$50 per ounce to \$12.50.

Section 11: Maintains 25% allocation of collected tax to marijuana education and treatment fund, but specifies at least 50% of the annual estimated balance for youth services within that program.

Section 12: Introduces a 6% sales tax on marijuana and marijuana products sold to consumers at retail stores.

Section 13: Changes reporting requirements for retail marijuana stores from quarterly to monthly, including new information about buyers and quantities.

Section 14: Revises enforcement provisions, applying penalties and registration revocation to retail stores instead of cultivation facilities for tax delinquencies.

Section 15 & 16: Repeals previous excise tax rates and schedules their sunset on January 1, 2025.

Section 17: Clarifies applicability of amended excise tax.

Section 18: Delays the implementation of sections 12-14 (sales tax and reporting changes) until January 1, 2025.

Section 19: Sets the main effective date of the Act as July 1, 2024.