

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 91
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB091-DOH-CDPHP-02-14-25
Title: MARIJUANA: TAX/RETAIL
STORES/REGISTRATION
Sponsor: CARRICK
Requester: (H) STA

Department: Department of Health
Appropriation: Public Health
Allocation: Chronic Disease Prevention and Health Promotion
OMB Component Number: 2818

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	905.0		693.6	637.9	597.1	552.6	508.1
1254 MET Fund (DGF)	(905.0)		(693.6)	(637.9)	(597.1)	(552.6)	(508.1)
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Lindsey Kato, Division Director	Phone: (907)744-6010
Division: Public Health	Date: 02/14/2025
Approved By: Pam Halloran, Assistant Commissioner	Date: 02/14/25
Agency: Department of Health	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB091

Analysis

HB091 proposes to change the excise tax on marijuana cultivation from \$50 per ounce to \$12.50 per ounce on July 1, 2025. It will eliminate the excise tax and implement a 6% retail sales tax on January 1, 2026. Tracking numbers will be assigned to crops of plants rather than individual plants. It extends the period of marijuana establishment licenses from annual to biennial. The Department of Health may use at least 50 percent of the annual estimated balance of the fund to make appropriations to the youth services grant program.

If the gross taxes collected as a result of these changes are not revenue neutral, there will be fiscal impacts to Department of Health programs such as grants to afterschool programs, reentry and recidivism reduction programs, and substance use treatment programs.

Based on projections from the Department of Revenue, changing the rate from \$50 per ounce to \$12.50 per ounce would reduce projected revenue in FY2026. Combining that change with a 6% sales tax mid-way through the fiscal year would create an estimated revenue reduction of \$9.9 million in FY2026, including \$2.5 million general fund, \$4.9 million recidivism reduction, and \$2.4 million marijuana education and treatment funds. (The numbers do not add up to \$9.9 million due to rounding.) The Department of Revenue estimates that the revenue reduction will decrease slightly in future years due to inflation and market growth.

The reduced revenues will result in lower dollar amounts appropriated to the Department of Health for the comprehensive marijuana use education and treatment program and recidivism reduction program. Additional general fund appropriations will be necessary to maintain grants.