



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

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Transmitted via email
Senate.Labor.And.Commerce@akleg.gov

February 10, 2025

The Honorable Jesse Bjorkman
And members of the Senate Labor and Commerce Committee
Alaska State Senate
Alaska State Capitol
120 4th Street Juneau, Alaska 99801

Re: Advisory Opinion SB 73

Dear Senators:

I am writing to convey the Marijuana Control Board's ("MCB" or "Board") resolution in support of SB 73, which addresses the registration frequency of marijuana establishments, provides a tax exemption for small businesses, and reduces marijuana taxes. We reached this opinion by a unanimous vote at our most recent board meeting on February 6, 2025, in Juneau, Alaska.

First, we thank Senator Claman for sponsoring this bill. The Board regularly discusses the challenges facing marijuana licensees, especially the cost of maintaining a small business in this industry. Licensees have dutifully paid the excise tax required when the program was implemented. Since that time, the program has repaid the state loan it received to cover startup costs through its annual renewal fees and has since found that such a high long-term tax rate is not viable for Alaska businesses. The Governor's Task Force on Recreational Marijuana recommended in 2023 that a reasonable reduction in the tax rate would continue to support Alaska's tax base without jeopardizing the industry as a whole. This bill makes significant progress toward this goal by amending AS 43.61.010(a) from a \$50 per ounce tax to a \$12 per ounce rate.

Additionally, the bill creates a tax exemption for qualified small businesses under U.S. Code.

The MCB also values streamlined and efficient government operations. Moving from an annual to a biennial registration period will relieve businesses from unnecessary paperwork, freeing staff to work on time-sensitive license applications while maintaining appropriate oversight of the program.

Thank you for the opportunity to express both our support and suggestions for amendments to SB 73. On behalf of the Board, I look forward to further dialogue with this Committee and to answering any questions you might have.

Respectfully,

A handwritten signature in black ink, appearing to read "Bailey Stuart", written in a cursive style.

/s. Bailey Stuart/

Bailey Stuart

Marijuana Control Board Chair

cc: Kevin Richard, AMCO Director
Lizzie Kubitz, Special Assistant and Legislative Liaison
Julie Sande, Commissioner, Department of Commerce, Community, and Economic
Development