

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SCS CSHB 123(FIN)
Fiscal Note Number:	5
(S) Publish Date:	4/18/2015

Identifier: HB123-SFC-04-17-15  
 Title: ESTABLISH MARIJUANA CONTROL BOARD  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Senate Finance

Department: Department of Administration  
 Appropriation: Centralized Administrative Services  
 Allocation: Office of Administrative Hearings  
 OMB Component Number: 2771

## Expenditures/Revenues

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

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services			20.0	20.0	20.0	20.0	20.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

## Fund Source (Operating Only)

1007 I/A Rcpts			20.0	20.0	20.0	20.0	20.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
 (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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Senate Finance zeroed out the \$10.0 I/A receipts requested in FY16. Budgeted I/A funding is unnecessary in FY16.

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 Senate Finance Committee  
 Senator MacKinnon  
 Senate Finance Committee

Phone: (907)465-3709  
 Date: 04/17/2015

REPORTED OUT OF  
SFC 04/17/2015

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION**Analysis**

This bill would create a Marijuana Control Board housed within the Alcoholic Beverage Control Board agency. The board would be appointed by the Governor and would have the authority to regulate marijuana cultivation, transportation, production, and sale.

Section 3 of the bill provides that the board shall hear appeals from actions of its director and actions of officers and employees charged with enforcing AS 17.38 and the board's regulations. Although the bill is not specific in this regard, the Office of Administrative Hearings (OAH) is informed that the intent is that OAH would conduct these hearings, as it does for many other regulatory boards including the Alcoholic Beverage Control Board.

OAH estimates that the cost of conducting these hearings would be approximately equivalent to the present cost of conducting the hearings relating to alcoholic beverage licenses as directed in AS 44.64.030(a)(1). In FY 16, that cost has been \$5.0 per quarter. Since these costs are estimates, it is the intent of the Senate Finance committee that budgeted I/A receipts are unnecessary in FY16.

OAH is presently operating at or beyond capacity. The additional hearing load of this work alone would not support the creation of a new full-time administrative law judge position. In the absence of a new PCN, OAH will instead contract out hearing responsibilities to contractors as appropriate