

CS FOR HOUSE BILL NO. 91(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/12/25

Referred: Finance

Sponsor(s): REPRESENTATIVE CARRICK

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the lawful operation of retail marijuana stores; relating to**
2 **marijuana cultivation; relating to the registration of marijuana establishments; relating**
3 **to marijuana taxes; relating to the duties of the Department of Revenue; and providing**
4 **for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 17.38.070(a) is amended to read:

7 (a) Notwithstanding any other provision of law, the following acts, when
8 performed by a retail marijuana store with a current, valid registration, or a person 21
9 years of age or older who is acting in the person's capacity as an owner, employee, or
10 agent of a retail marijuana store, are lawful and are not an offense under state law or a
11 basis for seizure or forfeiture of assets under state law:

12 (1) possessing, displaying, storing, or transporting marijuana or
13 marijuana products, except that marijuana and marijuana products may not be
14 displayed in a manner that is visible to the general public from a public right-of-way;

1 (2) delivering or transferring marijuana or marijuana products to a
2 marijuana testing facility;

3 (3) receiving marijuana or marijuana products from a marijuana testing
4 facility;

5 (4) purchasing marijuana from a marijuana cultivation facility;

6 (5) purchasing marijuana or marijuana products from a marijuana
7 product manufacturing facility; and

8 (6) delivering, distributing, or selling marijuana or marijuana products
9 to **a consumer, a marijuana cultivation facility, or a marijuana product**
10 **manufacturing facility** [CONSUMERS].

11 * **Sec. 2.** AS 17.38 is amended by adding a new section to read:

12 **Sec. 17.38.075. Marijuana inventory tracking at marijuana cultivation**
13 **facilities.** A marijuana cultivation facility shall assign a tracking number to each crop
14 of marijuana plants when the height of one or more plants exceeds eight inches. The
15 board may not require a marijuana cultivation facility to assign an individual tracking
16 number to each plant propagated, grown, or cultivated on the marijuana cultivation
17 facility's premises.

18 * **Sec. 3.** AS 17.38.200(a) is amended to read:

19 (a) Each application or renewal application for a registration to operate a
20 marijuana establishment shall be submitted to the board. A renewal application may be
21 submitted up to 90 days before the expiration of the marijuana establishment's
22 registration. When filing an application for a new registration under this subsection,
23 the applicant shall submit the applicant's fingerprints and the fees required by the
24 Department of Public Safety under AS 12.62.160 for criminal justice information and
25 a national criminal history record check. When filing an application for renewal of
26 registration, an applicant shall submit the applicant's fingerprints and the fees required
27 by the Department of Public Safety under AS 12.62.160 for criminal justice
28 information and a national criminal history record check every **six** [FIVE] years. The
29 board shall forward the fingerprints and fees to the Department of Public Safety to
30 obtain a report of criminal justice information under AS 12.62 and a national criminal
31 history record check under AS 12.62.400.

1 * **Sec. 4.** AS 17.38.200(d) is amended to read:

2 (d) Within 45 to 90 days after receiving an application or renewal application,
3 the board shall issue **a biennial** [AN ANNUAL] registration to the applicant unless
4 the board finds the applicant is not in compliance with regulations enacted **under**
5 [PURSUANT TO] AS 17.38.190 or the board is notified by the relevant local
6 government that the applicant is not in compliance with ordinances and regulations
7 made **under** [PURSUANT TO] AS 17.38.210 and in effect at the time of application.

8 * **Sec. 5.** AS 17.38.210(e) is amended to read:

9 (e) A local government may establish a schedule of **biennial** [ANNUAL]
10 operating, registration, and application fees for marijuana establishments, provided
11 that the local government may charge the

12 (1) application fee only if an application is submitted to the local
13 government in accordance with (f) of this section; and

14 (2) registration fee only if a registration is issued by the local
15 government in accordance with (f) of this section.

16 * **Sec. 6.** AS 17.38.210(f) is amended to read:

17 (f) If the board does not issue a registration to an applicant within 90 days
18 **after receiving** [OF RECEIPT OF] the application filed in accordance with
19 AS 17.38.200 and does not notify the applicant of the specific, permissible reason for
20 its denial, in writing and within **that** [SUCH] time period, or if the board has adopted
21 regulations **under** [PURSUANT TO] AS 17.38.190 and has accepted applications
22 **under** [PURSUANT TO] AS 17.38.200 but has not issued any registrations by 15
23 months after February 24, 2015, the applicant may resubmit its application directly to
24 the local regulatory authority, **under** [PURSUANT TO] (c) of this section, and the
25 local regulatory authority may issue **a biennial** [AN ANNUAL] registration to the
26 applicant. If an application is submitted to a local regulatory authority under this
27 subsection, the board shall forward to the local regulatory authority the application fee
28 paid by the applicant to the board upon request by the local regulatory authority.

29 * **Sec. 7.** AS 17.38.210(h) is amended to read:

30 (h) A local regulatory authority issuing a registration to an applicant shall do
31 so within 90 days **after receiving** [OF RECEIPT OF] the submitted or resubmitted

1 application unless the local regulatory authority finds and notifies the applicant that
 2 the applicant is not in compliance with ordinances and regulations made **under**
 3 [PURSUANT TO] (b) of this section in effect at the time the application is submitted
 4 to the local regulatory authority. The local government shall notify the board if **a**
 5 **biennial** [AN ANNUAL] registration has been issued to the applicant.

6 * **Sec. 8.** AS 17.38.210(j) is amended to read:

7 (j) A subsequent or renewed registration may be issued under (f) of this
 8 section on **a biennial** [AN ANNUAL] basis only upon resubmission to the local
 9 government of a new application submitted to the board **under** [PURSUANT TO]
 10 AS 17.38.200.

11 * **Sec. 9.** AS 17.38.320 is amended to read:

12 **Sec. 17.38.320. Effect on registrations of prohibition of marijuana**
 13 **establishments.** If a majority of voters vote to prohibit the operation of marijuana
 14 establishments under AS 17.38.300, the board may not issue, renew, or transfer,
 15 between persons or locations, a registration for a marijuana establishment located
 16 within the perimeter of the established village. A registration that may not be renewed
 17 because of a local option election held under AS 17.38.300 is void 90 days after the
 18 results of the election are certified. A registration that expires during the 90 days after
 19 the results of a local option election are certified may be extended, until it is void
 20 under this section, by payment of a prorated portion of the **biennial** [ANNUAL]
 21 registration fee.

22 * **Sec. 10.** AS 17.38.900(18) is amended to read:

23 (18) "retail marijuana store" means an entity registered to purchase
 24 marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana
 25 products from marijuana product manufacturing facilities, and to sell marijuana and
 26 marijuana products to consumers, **marijuana cultivation facilities, and marijuana**
 27 **product manufacturing facilities;**

28 * **Sec. 11.** AS 43.61.010(a) is amended to read:

29 (a) An excise tax is imposed on the sale or transfer of marijuana from a
 30 marijuana cultivation facility to a retail marijuana store or marijuana product
 31 manufacturing facility. Every marijuana cultivation facility shall pay an excise tax at

1 the rate of \$12.50 an [\$50 PER] ounce, or proportionate part thereof, on marijuana
 2 that is sold or transferred from a marijuana cultivation facility to a retail marijuana
 3 store or marijuana product manufacturing facility.

4 * **Sec. 12.** AS 43.61.010(f) is amended to read:

5 (f) The marijuana education and treatment fund is established in the general
 6 fund. In addition to the accounting under (c) of this section, the Department of
 7 Administration shall separately account for 25 percent of the tax collected under this
 8 section and deposit it into the marijuana education and treatment fund. The
 9 Department of Administration shall deposit interest earned on the fund into the general
 10 fund. Money in the fund does not lapse. The legislature may use the annual estimated
 11 balance in the fund to make appropriations to the Department of Health for the
 12 comprehensive marijuana use education and treatment program established under
 13 AS 44.29.020(a)(14) and may use at least 50 percent of the annual estimated
 14 balance in the fund to make appropriations to the youth services grant program
 15 within the community-based marijuana misuse prevention component of that
 16 program.

17 * **Sec. 13.** AS 43.61.010 is amended by adding new subsections to read:

18 (g) In addition to the accounting under (c) and (f) of this section, the
 19 Department of Administration shall separately account for 25 percent of the tax
 20 collected under this section and deposit it into the public education fund.

21 (h) A sales tax is imposed on the sale of marijuana and marijuana products
 22 from a retail marijuana store to a consumer. Every consumer shall pay a six percent
 23 sales tax at a retail marijuana store for all marijuana and marijuana products intended
 24 for human consumption.

25 * **Sec. 14.** AS 43.61.020 is amended to read:

26 **Sec. 43.61.020. Quarterly statements [MONTHLY STATEMENT] and**
 27 **payments.** (a) Each retail marijuana store [CULTIVATION FACILITY] shall send a
 28 statement by mail or electronically to the department on or before the last day of each
 29 quarter [CALENDAR MONTH]. The statement must contain an account of the
 30 amount of marijuana sold to consumers [OR TRANSFERRED TO RETAIL
 31 MARIJUANA STORES AND MARIJUANA PRODUCT MANUFACTURING

1 FACILITIES IN THE STATE] during the preceding **quarter** [MONTH], setting out
 2 [(1)] the total number of ounces, including fractional ounces, sold **and**
 3 **the total value of the marijuana sold** [OR TRANSFERRED];

4 (2) THE NAMES AND ALASKA ADDRESS OF EACH BUYER
 5 AND TRANSFEREE; AND

6 (3) THE WEIGHT OF MARIJUANA SOLD OR TRANSFERRED
 7 TO THE RESPECTIVE BUYERS OR TRANSFEREES].

8 (b) The **retail** marijuana **store** [CULTIVATION FACILITY] shall pay
 9 **quarterly** [MONTHLY] to the department [,] all taxes, computed at the rates
 10 prescribed in this chapter, on the respective total quantities of the marijuana sold [OR
 11 TRANSFERRED] during the preceding **quarter** [MONTH]. The **quarterly**
 12 [MONTHLY] return shall be filed and the tax paid on or before the last day of each
 13 **quarter** [MONTH] to cover the preceding **quarter** [MONTH].

14 * **Sec. 15.** AS 43.61.030 is amended to read:

15 **Sec. 43.61.030. Administration and enforcement of tax.** (a) Delinquent
 16 payments under this chapter shall subject the **retail** marijuana **store** [CULTIVATION
 17 FACILITY] to civil penalties under AS 43.05.220.

18 (b) If a **retail** marijuana **store** [CULTIVATION FACILITY] fails to pay the
 19 tax to the state, the **retail** marijuana **store's** [CULTIVATION FACILITY'S]
 20 registration may be revoked in accordance with procedures established under
 21 AS 17.38.190(a)(1).

22 * **Sec. 16.** AS 44.25.020 is amended to read:

23 **Sec. 44.25.020. Duties of department.** The Department of Revenue shall

24 (1) enforce the tax laws of the state;

25 (2) collect, account for, have custody of, invest, and manage all state
 26 funds and all revenues of the state except revenues incidental to a program of licensing
 27 and regulation carried on by another state department, funds managed and invested by
 28 the Alaska Retirement Management Board, and as otherwise provided by law;

29 (3) invest and manage the balance of the power development fund in
 30 accordance with AS 44.83.386;

31 (4) administer the surety bond program for licensure as a fish

1 processor or primary fish buyer;

2 (5) provide reasonable assistance to the Alaska Industrial Development
3 and Export Authority under AS 44.88.850(c);

4 **(6) establish at least one facility in each judicial district to collect**
5 **monthly statements and payments from retail marijuana stores under**
6 **AS 43.61.020.**

7 * **Sec. 17.** AS 43.61.010(b) is repealed.

8 * **Sec. 18.** AS 43.61.010(a) is repealed January 1, 2026.

9 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 APPLICABILITY. AS 43.61.010(a), as amended by sec. 11 of this Act, applies to
12 taxes accrued on or after the effective date of sec. 11 of this Act.

13 * **Sec. 20.** Sections 13 - 16 of this Act take effect January 1, 2026.

14 * **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect July 1, 2025.