

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version:	SB 73
Fiscal Note Number:	2
(S) Publish Date:	2/12/2025

Identifier: SB73-DOC-CRC-02-01-2025  
 Title: MARIJUANA: TAX/REGISTRATION; INCOME TAX  
 Sponsor: CLAMAN  
 Requester: Senate Labor and Commerce

Department: Department of Corrections  
 Appropriation: Community Residential Centers  
 Allocation: Community Residential Centers  
 OMB Component Number: 2244

**Expenditures/Revenues**

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

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

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	3,136.7		3,018.8	2,981.2	2,992.0	3,002.7	3,013.4
1246 RcdvsmFund (DGF)	(3,136.7)		(3,018.8)	(2,981.2)	(2,992.0)	(3,002.7)	(3,013.4)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version/comments:**

Initial version.

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Division:	Administrative Services	Date:	02/01/2025
Approved By:	April Wilkerson	Date:	02/01/25
Agency:	Corrections		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION**Analysis**

This bill modifies the marijuana tax structure, providing for a reduction on the excise tax from \$50 per ounce to \$12 per ounce.

Based on the projections from the Department of Revenue, reducing the rate from \$50 per ounce to \$12 per ounce would reduce projected revenue in FY2026. The revenue reduction will decrease slightly in future years due to inflation, market growth, and population growth.

The reduced revenues will result in lower dollar amounts appropriated to the Department of Corrections from the Recidivism Fund. Reductions will be made to budgets that are proportional to the amounts requested in the FY2026 Governor's Budget. The Department of Corrections proportionate share of the reduction equates to 53.6% of the FY2026 Governor's Budget to allocate the reduction across all departments impacted.

The Department of Corrections allocation from this fund is used to support successful reentry efforts within the Community Residential Centers. Without replacement funding, these efforts would be severely impacted, if not eliminated. To maintain these efforts, undesignated general funds would be necessary to offset a \$3,136.7 loss of recidivism reduction funds in FY2026.