

MATANUSKA-SUSITNA BOROUGH

350 E. Dahlia Ave., Palmer, Alaska 99645

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REVISED - MARIJUANA ADVISORY COMMITTEE AGENDA

ASSEMBLY CHAMBERS

350 EAST DAHLIA AVENUE, PALMER

SPECIAL MEETING

6 P.M.

APRIL 11, 2016

- I. CALL TO ORDER; ROLL CALL
- II. APPROVAL OF AGENDA
- III. APPROVAL OF MINUTES
- IV. AUDIENCE PARTICIPATION (Three minutes per person)
- V. ITEMS OF BUSINESS
 - A. Presentation Regarding Planning Commission's Recommendations For Ordinance Serial No. 16-003
- VI. UNFINISHED ITEMS OF BUSINESS
 - A. Possible Resolution to the Assembly Regarding a Marijuana Tax
- VII. COMMITTEE AND STAFF COMMENTS
- VIII. ADJOURNMENT

TO PROVIDE EMAIL COMMENT REGARDING AGENDA ITEMS

PLEASE EMAIL: Brenda.henry@matsugov.us

Action:

**MATANUSKA-SUSITNA BOROUGH
MARIJUANA ADVISORY COMMITTEE
RESOLUTION SERIAL NO. 16-01**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH MARIJUANA ADVISORY COMMITTEE RECOMMENDING THAT THE ASSEMBLY ENACT A MARIJUANA EXCISE TAX.

WHEREAS, on November 4, 2014, Ballot Measure 2 was approved by the voters of Alaska; and

WHEREAS, Ballot Measure 2 generally legalized marijuana and provided the framework for municipalities to exercise local control options; and

WHEREAS, the Matanuska-Susitna Borough Marijuana Advisory Committee (MAC) was created by Assembly Resolution Serial No. 15-007; and

WHEREAS, the purpose of the MAC was to advise the Assembly on the implementation of Ballot Measure 2; and

WHEREAS, the MAC has recommended that the Assembly adopt land use regulations for marijuana related facilities; and

WHEREAS, the MAC has recommended that the Assembly adopt a marijuana related facilities license referral process;

WHEREAS, the MAC recognizes the positive impact that a marijuana excise tax could have upon the Borough's budget;

WHEREAS, it is not the recommendation of the MAC that the Assembly adopt an excise tax in such an excessive amount as to

encourage the black market;

WHEREAS, there is a citizens' initiative petition on the ballot of the October 4, 2016, Borough election could ban commercial marijuana within the Borough; and

WHEREAS, due to the initiative petition, there is a lot of uncertainty about the future of commercial marijuana in the Borough; and

WHEREAS, it is the intent of the MAC to support the public process and provide for governmental transparency.

NOW, THEREFORE, BE IT RESOLVED, that the MAC hereby recommends an excise tax not be adopted until after the outcome of the vote on the citizens' initiative petition slated to be on the ballot of the October 4, 2016, general Borough election.

BE IT FURTHER RESOLVED, that the MAC recommends that whatever excise tax is adopted, not be excessive so as to encourage the black market.

ADOPTED by the Marijuana Advisory Committee this ___ day of
February, 2016.

SARA WILLIAMS, MAC Chair

ATTEST:

BRENDA J. HENRY, CMC, Assistant Clerk

DRAFT ONLY



KETCHIKAN GATEWAY BOROUGH

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DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Provided by
Rebecca Rein
3-7-16

MEMORANDUM

TO: KETCHIKAN GATEWAY BOROUGH ASSEMBLY
THROUGH: BOROUGH MANAGER
FROM: CHRIS FRENCH, AICP, PLANNING DIRECTOR
SUBJECT: LOCAL MARIJUANA EXCISE TAX
DATE: 11/12/2015

INTRODUCTION

The Borough Clerk's Office received a request for Assembly action on a \$10 per ounce marijuana excise tax. The proposed excise tax would dedicate a portion of the proceeds for student activity related travel expenses and substance abuse education and prevention programs. The request also proposes to designate a portion of any Borough received excise tax proceeds from the State of Alaska to these activities as well. The proposed action has been scheduled for review by the Assembly at its November 23 meeting.

STATE OF ALASKA EXCISE TAX

In accordance with AS 43.61.010(a), a \$50 per ounce excise tax will be imposed on any sale of marijuana from a licensed marijuana cultivator to a licensed marijuana retailer or marijuana product manufacturer. Staff asked the Alaska Department of Revenue (ADOR) whether any of this excise tax would be slated for local revenue sharing. ADOR staff responded that the current excise tax would go directly to the State General Fund, unless the Alaska State Legislature by law designated specific allocations to specific activities, or local government revenue sharing.

PROJECTED REVENUE FROM EXCISE TAX

ADOR has estimated tax revenue in the range of \$118,847 to \$316,926 for Ketchikan, based on the State excise tax. It's a wide range based on an assumption of the percentage of current Ketchikan marijuana users who will become retail marijuana customers, with a projected range of 30% to 80%. The numbers of marijuana users in Ketchikan is based on the 2012-13 National Survey on Drug Use and Health. Based on these numbers the projected excise tax revenue range for a \$10 local tax would be \$23,769 to \$63,385. These numbers cover a broad range, and like the other states that have estimated revenue; the actual figure will be different, typically higher than the most conservative number and less than the most optimistic number.

AD HOC MARIJUANA ADVISORY COMMITTEE

The Ad Hoc Marijuana Advisory Committee met on November 10, 2015, to discuss multiple topics, one topic was the \$10 per ounce local excise tax. The committee did not make a recommendation on the excise tax, but the discussion focused on the merits of the tax, which the majority of the committee agreed that an excise tax seemed appropriate. However, there was some disagreement on whether the tax should be levied now or after a time period in which businesses are up and running.

The committee also discussed the need to share revenue among the three jurisdictions and that the funds should be designated to education, treatment and prevention; however, no recommendation was given during the meeting. The committee set its next meeting for December 14 and added the excise tax on the agenda for further discussion.