



Governor Mike Dunleavy STATE OF ALASKA

ADMINISTRATIVE ORDER NO. 339

I, Mike Dunleavy, Governor of the State of Alaska, under the authority of Article III, Section 1 of the Alaska Constitution, and in accordance with AS 44.19.145(c), hereby establish the Governor's Advisory Task Force on Recreational Marijuana.

BACKGROUND

The November 4, 2014 General Election allowed Alaskans to vote on Ballot Measure No. 2 – an initiative bill to tax and regulate the production, sale, and use of marijuana. The bill included provisions that imposed a \$50 per ounce (or proportionate) excise tax on the sale or transfer of marijuana from a cultivation facility to a retail store or marijuana product manufacturing facility. Under the bill, the Department could exempt certain parts of the marijuana plant from the tax or establish a tax rate lower than \$50 per ounce for certain parts of the plant. Ballot Measure No. 2 was approved by the voters, certified by the Lt. Governor, and took effect on February 24, 2015. With seven years having now passed since implementation of Ballot Measure No. 2, it is an appropriate time to evaluate its provisions including those provisions now codified at AS 43.61.

PURPOSE

The purpose of the Task Force is to review current marijuana tax and fee structures, and regulations applicable to marijuana operators, and provide recommendations for improvement to the Office of the Governor.

COMPOSITION

The Task Force will consist of 13 voting members who are appointed by and serve at the pleasure of the Governor. The Governor shall select a Chair and Vice Chair from the members. The membership shall consist of:

Three voting members who are State of Alaska officials identified as follows:

- The Commissioner of the Department of Revenue or the Commissioner's designee.
- The Commissioner of the Department of Commerce, Community and Economic Development or the Commissioner's designee.
- The Director of the Department of Natural Resources, Division of Agriculture.

Ten voting members, who are not state officials, identified as follows:

- One member who sits on the Alaska Marijuana Control Board.
- One member who represents a city, borough, or municipality that allows recreational marijuana businesses within its jurisdictional boundaries.
- One member that is a standard licensed marijuana cultivator in the State.
- One member that is a limited licensed marijuana cultivator in the State.
- One member that is a licensed marijuana product or concentrate manufacturer in the State.
- One member that is a licensed marijuana retailer in the State.
- Three licensed marijuana operators from any segment of the industry.
- One public member.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Task Force include:

- Modeling potential changes to the existing tax structure applicable to recreational marijuana businesses and noting:
 - potential revenue impacts to state and local governments; and
 - potential impacts to recreational marijuana businesses;
- Identifying opportunities to foster collaboration between recreational marijuana businesses and State government.
- Analyzing the recreational marijuana program and the industrial hemp program for purposes of providing recommendations to enhance public safety.
- Providing to the Governor by January 13, 2023, a report and summary of findings and recommendations, including what administrative and statutory changes would be needed to implement Task Force recommendations. The Chair of the Task Force shall report regularly to the Office of the Governor on activities conducted and issues that arise under this Order.

ADMINISTRATIVE SUPPORT

The Task Force is assigned to the Department of Commerce, Community, and Economic Development for administrative support.

GENERAL PROVISIONS

Task Force members receive no compensation or other remuneration from the State. Members of the Task Force who are not state or federal employees are entitled to per diem and travel expenses in the same manner permitted for members of state boards and commissions. Per diem and travel expenses for members of the Task Force who are a representative of a state or federal agency are the responsibility of that agency.

The Task Force may create advisory-only subcommittees.

The Task Force will meet monthly, at a minimum. Additional meetings may be called by the Chair. A majority of the members of the Task Force constitutes a quorum for conducting business.

The Task Force and its subcommittees will use teleconferencing and other electronic means, to the extent practicable, in order to gain maximum public participation at minimum cost.

At times and locations to be determined by the Chair, the Task Force may convene public meetings to present information and receive comments.

Meetings of the Task Force shall be conducted in accordance with AS 44.62.310 – 44.62.319 (Open Meetings Act).

The Task Force has access to public records as provided under the Alaska Public Records Act (AS 40.25.100 – 40.25.295). Records of the Task Force, and all subcommittees, are subject to inspection and copying as provided under the Alaska Public Records Act (AS 40.25.110 – 40.25.295).

DURATION

This Order takes effect immediately and will terminate on May 30, 2023.

Dated this 21st day of September 2022.



Mike Dunleavy
Governor