



A Summary of Measure 2, An Act to Tax and Regulate the Production, Sale, and use of Marijuana

Alaska's Marijuana Regulation Law

On Tuesday, November 4, Alaska voters ended decades of prohibition by voting 52-48 for a system that legalizes, regulates, and taxes the sales of limited amounts of marijuana to adults. Below is an overview of what the new law will do. This summary cannot capture all the details of the law; individuals interested in the specifics of [Measure 2](#) should read it in its entirety.

The law took effect on February 24.

What does this initiative do? Measure 2 removes penalties for adults 21 and older who possess, use, and grow a limited amount of marijuana. It tasks the Alcoholic Beverage Control Board with regulating and licensing marijuana producers, wholesalers, processors, and retailers. It also gives the legislature the authority to create a new Marijuana Control Board at any time to assume such power, duties, and responsibilities related to marijuana regulation.

What are the limits on how much an individual can possess, cultivate, or purchase? Adults are allowed to possess up to one ounce of marijuana and to grow up to six marijuana plants, three of which may be flowering, in their households. They may also to possess all of the marijuana grown from their plants at the location where the cannabis was grown. Individuals 21 and older may gift up to an ounce of marijuana and up to six immature plants to other individuals 21 and older. They cannot be compensated for these transactions. Adults 21 and older will also be allowed to purchase up to an ounce of marijuana from properly registered businesses.

What kinds of businesses will be allowed under this initiative? Measure 2 allows for four types of marijuana businesses. "Marijuana cultivation facilities" will grow marijuana for wholesale. "Marijuana product manufacturing facilities" will produce marijuana extracts and products. "Marijuana testing facilities" will test marijuana and marijuana products for quality control before being sold to consumers. And lastly, "marijuana retail stores" will be allowed to sell marijuana, marijuana products, and marijuana items to individuals 21 and older.

What is the timeline? Measure 2 took effect on February 24, 90 days after being certified by the lieutenant governor. Rules for marijuana establishments must be drafted within nine months after the effective date — in September 2015. Marijuana establishments should be approved in early 2016.

Who would have oversight of the marijuana industry? The Alcoholic Beverage Control Board has initial oversight and regulatory authority over activities licensed by Measure 2. However, the legislature may create a Marijuana Control Board at any time to take over.

What kinds of controls and regulations will the industry have to adhere to? Measure 2 requires the control board to enact regulations on the marijuana industry. While Alaska's rules are not yet drafted, they will include regulations governing security, product safety, labeling, and advertising,

similar to the rules in both Colorado and Washington.

What kinds of limitations must individual adults abide by? Adults are not allowed to consume marijuana in public. Doing so will carry a \$100 fine. Also, marijuana plants grown for personal use may not be visible to the public, and the grower must take reasonable steps to keep them secure.

Property owners — including schools, people, and corporations — may prohibit or regulate the use, cultivation, and possession of marijuana on their properties. In addition, the law does not require any employer to accommodate the use of marijuana, nor does it prevent them from having policies restricting employees' marijuana use. Laws prohibiting driving under the influence of marijuana remain unchanged.

How will marijuana sales be taxed? Measure 2 levies an excise tax of \$50 per ounce on all marijuana sold by marijuana cultivation facilities at wholesale. However, the Department of Revenue may exempt certain parts of the marijuana plant from the excise tax or may establish a lower tax rate for certain parts of the plant.

Will municipalities have any role? Measure 2 allows municipal governments to enact ordinances that will govern the time, place, manner, and number of marijuana businesses that can operate. Local governments may also ban licensed marijuana businesses altogether through the enactment of an ordinance or by voter initiative.

Where would the tax revenue go? Measure 2 does not allocate any of the tax revenue collected to any specific uses.