



**Northwest Arctic Borough  
Regulation & Taxation of Tobacco & Marijuana  
Meeting Minutes**  
Monday, August 22, 2016– 12:30 P.M.  
Assembly Chambers – Kotzebue, AK

**CALL TO ORDER**

Nathan Hadley Jr. called the meeting to order at 12:33 P.M.

**INVOCATION/MOMENT OF SILENCE**

Member Loon gave the invocation.

**ROLL CALL**

Members preset at the time of roll call:

Larry Westlake                  Hannah Loon                  Nathan Hadley Jr.

Assembly Members present:

Elmer Armstrong Jr.          Walter Sampson          Carl Weisner

Introduction of Staff and Guests:

Angie Sturm                  Jade Hill                  Matt Mead                  Scott Johnson, ACS  
Patrick Savok                  Eugene Smith                  Helena Hildreth                  Stella Atoruk  
*Clement Richards*

*(telephonic)*

**INVOCATION/MOMENT OF SILENCE**

Member Hannah Loon gave the invocation.

**APPROVAL OF AGENDA**

Agenda for August 22, 2016 presented for approval.

**Member Westlake motioned, Member Loon seconded to the agenda as presented. By**

**unanimous consent of the committee, the agenda was approved.**

## **APPROVAL OF MINUTES**

July 25, 2016 Regulation & Taxation of Tobacco & Marijuana present for approval.

**Member Westlake motioned, Member Loon seconded to approved the July 25, 2016 Regulation & Taxation of Tobacco & Marijuana meeting minutes as presented. By unanimous consent of the committee, the minutes were approved.**

## **OTHER BUSINESS**

### 1. Update on Alaska Marijuana Regulations

Mr. Matt Mead provided an overview of the State of Alaska's marijuana excise tax regulations. Mr. Mead reported that a lot of municipalities are in the wait and see mode and as retail stores get on line, more and more municipalities will adopt an excise tax. The Borough can adopt an excise tax now so as to be putting the cart before the horse. We want to make sure the Borough is capturing the revenue and putting the public on notice. Another note, there have a lot of talk on the business side with banking because of the substance.

Member Sampson asked if we can exclude marijuana at this time and deal with the tobacco tax itself. He also requested that we look at what the City of Kotzebue is doing in terms of the tobacco tax.

Member Westlake raised concern on reading material on marijuana law; can a village get interested in that by option law? The committee needs information to base questions on; or discuss as an Assembly to be prepared.

Member Loon recommend before having businesses in our villages we should be fully informed and continue to have material regarding marijuana regulations. She also request one more member for the committee.

President Weisner commented that we actually need an odd number on the committee to break a tie. President Weisner requested that we see what the North Slope Borough is doing in terms of the marijuana regulations and possibly add it as an item to the Joint Arctic Economic Summit agenda; possibly after next Election.

## 2. Tobacco Excise Tax

President Weisner also requested latest feedback from the retailers and adjustments that we may have to make in terms of the tobacco tax. Although, wouldn't request any drastic changes while going through the litigation with Teck is behind us considering taxation is integral in that discussion. He would like a level of taxation field.

Mr. Mead commented the North Slope Borough have not taken any legislative steps towards this process. Although, we are planning to require all retailers to register by January 2017 which will be adopted by code.

President Weisner suggested to Chairperson Hadley that they might not be much until January. Chairperson Hadley verified if there are any retailers that are following the tax code.

Mayor Richards requested everyone to speak into the microphones due to bad connections over the phone.

Mr. Smith asked what the difference is between sales and excise tax. Mr. Mead replied there is more flexibility with the excise tax versus the sales tax. Mr. Mead commented that the committee can be involved in being proactive with the marijuana authority, the Borough can register with the State as a local regulatory authority and the Borough will have some say when any applications come before this board and this is one process we can do in getting ahead. President Weisner raised concern to other options to have coupled with alcohol tax. Mr. Mead mentioned to be proactive with marijuana is to register through the State, any applications that come before the Board and the Borough would have a say; which is one way to be in the driver seat.

President Weisner asked what the reasoning to acquire to have more members to the committee. Member Loon requested to disregard her request to add more members to committee because of the odd number. She also agreed what we apply with the State so that we can be ahead of those in the region. President Weisner summarized the next steps to adding more members; would need a budget amendment, per committee request.

### **COMMITTEE COMMENTS**

Member Loon thanked Mr. Mead for his input and keeping the committee updated on the marijuana and tobacco taxation. Thank you, have a good afternoon.

Chairperson mentioned next committee meeting will in October.

## **AUDIENCE COMMENTS**

Mr. Smith commented that September is a very busy month in the clerks department and would request no committee meeting then.

Mr. Smith commented that tapping into the village sales tax and their opportunity to make revenue for their community is something to keep in mind. He added that we should also register with the State so that we can be a viable participant.

## **ADJOURNMENT**

Member Loon motioned, Member Sampson seconded to adjourn the meeting, the meeting adjourned at 1:10 P.M. with no objection.