

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 6  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB006-DPS-LAB-02-03-17  
Title: INDUSTRIAL HEMP PRODUCTION  
Sponsor: HUGHES  
Requester: (S) RES

Department: Department of Public Safety  
Appropriation: Statewide Support  
Allocation: Laboratory Services  
OMB Component Number: 527

**Expenditures/Revenues**

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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)**

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>

**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 (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(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If yes, by what date are the regulations to be adopted, amended or repealed?

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

Not applicable, initial version.

Prepared By: <u>Kelly Howell</u>	Phone: <u>(907)465-4336</u>
Division: <u>Administrative Services</u>	Date: <u>02/03/2017 08:15 PM</u>
Approved By: <u>Walt Monegan</u>	Date: <u>02/03/17</u>
Agency: <u>Public Safety</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 6

**Analysis**

This legislation amends the controlled substances laws under AS 11.71.090 by adding a new paragraph defining "industrial hemp" and by adding a new section to provide an affirmative defense to a prosecution charging the manufacture, delivery, or possession of a schedule VIA controlled substance if the material is industrial hemp.

The Scientific Crime Detection Laboratory (crime lab) provides analysis of suspected controlled substances, issues reports, and provides expert testimony for the State of Alaska.

Under this legislation, industrial hemp is defined as the plant *Cannabis sativa* L. containing not more than 0.3 percent tetrahydrocannabinol (THC). The threshold amount of THC listed is very likely below the crime lab's detection limits, meaning the crime lab would need to do a threshold study to demonstrate their testing would not inadvertently identify something as marijuana that was actually industrial hemp. This threshold study can be accomplished within the lab's existing budget.

Passage of this legislation is not expected to result in a significant increase in the crime lab's controlled substance analysis workload. Therefore, no fiscal impact to the crime lab is anticipated.