

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 172  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB172-DNR-PMC-03-10-17  
Title: INDUSTRIAL HEMP PRODUCTION LICENSES  
Sponsor: DRUMMOND  
Requester: House Resources

Department: Department of Natural Resources  
Appropriation: Agriculture  
Allocation: North Latitude Plant Material Center  
OMB Component Number: 2204

## 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? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/18**

## Why this fiscal note differs from previous version:

Not applicable; initial version.

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Division: <u>Division of Agriculture</u>	Date: <u>03/10/2017 03:00 PM</u>
Approved By: <u>Andrew T. Mack, Commissioner</u>	Date: <u>03/10/17</u>
Agency: <u>Department of Natural Resources</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB 172

**Analysis**

This bill allows for the regulation and production of industrial hemp in Alaska.

The Department of Natural Resources (DNR), Division of Agriculture will adopt regulations and manage associated registrations through existing staff. The registration fee structure will be created that approximately equals the regulatory costs incurred by DNR.

The cost of administering the registration program will be determined after regulations are drafted. Those costs will be recovered by approximately 25 farms the department anticipates to register in the first year. Additionally, the department anticipates a 10 percent growth of interest from the Agricultural community each year after.