

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 235
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB235-DEC-SPAR-03-19-26
Title: PFAS USE & REMEDIATION, WATER TESTING
Sponsor: HALL
Requester: (H) STATE AFFAIRS

Department: Department of Environmental Conservation
Appropriation: Spill Prevention and Response
Allocation: Spill Prevention and Response
OMB Component Number: 3094

Expenditures/Revenues

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

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services	578.0		578.0	578.0	578.0	578.0	578.0	578.0
Travel	22.5		22.5	22.5	22.5	22.5	22.5	22.5
Services	7,080.7		7,080.7	7,080.7	7,080.7	7,080.7	7,080.7	7,080.7
Commodities	30.0		2.0	2.0	2.0	2.0	2.0	2.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	7,711.2	0.0	7,683.2	7,683.2	7,683.2	7,683.2	7,683.2	7,683.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)	7,711.2		7,683.2	7,683.2	7,683.2	7,683.2	7,683.2	7,683.2
Total	7,711.2	0.0	7,683.2	7,683.2	7,683.2	7,683.2	7,683.2	7,683.2

Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 440,750.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? **01/01/27**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division: Spill Prevention and Response	Date: 03/20/2026
Approved By: Megan Kohler, Administrative Services Director	Date: 03/20/26
Agency: Environmental Conservation	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB235

Analysis

House Bill 235 would require the Department of Environmental Conservation (the department) to test drinking water from all public water systems in the state at least annually for per- and polyfluoroalkyl substances (PFAS). Additionally, the department must test groundwater sources when a PFAS release occurs in proximity to a drinking water supply. If PFAS concentrations meet or exceed the limits established by this bill, the department would be required to provide an alternative drinking water source to individuals who routinely use the affected water supply.

The bill further establishes liability for costs associated with drinking water testing and the provision of alternative water sources. The party responsible for a PFAS release would be liable for these costs if the release resulted from noncompliance with applicable laws, regulations, or manufacturer instructions. If the responsible party (RP) has complied with all necessary requirements, liability shifts to the manufacturer of the PFAS-containing product. Initial expenses will be paid for by the department to ensure expediency, while cost recovery is pursued from the RP or manufacturer.

Personal Services: The Division of Spill Prevention and Response would require four new positions.

Environmental Program Specialist 4; \$158.4: Responsible for management of sampling and review of soil treatment facilities.

Environmental Program Specialist 3 x 2; \$141.4 and \$139.1 (location dependent): Responsible for coordination of sampling and review of soil treatment facilities.

Accountant 3; \$139.1: To manage financial transactions and cost recovery efforts.

Travel: Outreach and Sampling, \$22.5 annually: Travel covers staff participation in public meetings, site visits, and sample collection activities estimated at 15 trips each year.

Contractual Services: Department of Law, \$540.0 annually: Legal services for regulations updates, policy changes, liability determinations, and cost recovery actions, including multi-district litigation against manufacturers requiring significant involvement with Department of Law.

Sampling of Private Wells, \$500.0 annually: Sampling of private wells would be conducted by a contractor for new and known releases where monitoring at edge of plume is needed. Estimated cost is based on 200 samples and includes sampling, analytical, travel, equipment, reporting, work plan, and communication with homeowners.

Provision of Alternative Water Sources for Public and Private Water Systems, \$6,000.0 annually: Provide bottled water to affected individuals at an estimated cost of \$0.7 per person/year plus shipping for remote locations and labor. Estimated cost based on past known costs scaled up. Annual costs remain until long-term solution is implemented which would be a minimum of 3-5 years out and funded by a capital project.

Other Contractual Costs, \$6.0 annually: Operating costs include increased building lease costs associated with additional positions, training, and allocated common costs.

Commodities: Office and Program Supplies, \$30.0 (FY27; \$2.0 annually thereafter): Supplies necessary to support new staff positions and general office supplies in subsequent years.

Funding Source: The program would be funded by Undesignated General Funds, including ongoing operating and one-time capital funds.

Revenue: The amount of revenue anticipated from cost recovery efforts against RPs or manufactures is indeterminate. The bill provides relief to RPs who have complied with all requirements and any recovery from manufacturers would occur

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Analysis

Capital Costs: Capital appropriations from the General Fund would be needed for multiple projects:

Sampling and Long-Term Alternative Water Sources and Solutions for Public and Private Water Systems, \$440,750.0:
The department would assume work currently conducted by the Air Force in the North Pole and Eielson area, including sampling of private wells and implementation of long-term alternative water solutions where contamination exceeds applicable limits. Costs reflect implementation of long-term alternative water sources or treatment systems for impacted public and private water systems exceeding PFAS limits statewide, and future sites that may be identified. Cost estimates include engineering, treatment system installation, development of new water sources where necessary, and provision of alternative drinking water during system transition.