

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version:	CSHB 325(L&C)
Fiscal Note Number:	1
(H) Publish Date:	5/4/2026

Identifier: HB325-DNR-DAG-4-17-26
 Title: INDUSTRIAL HEMP
 Sponsor: MCCABE
 Requester: (H)Labor & Commerce

Department: Department of Agriculture
 Appropriation: Agriculture
 Allocation: North Latitude Plant Material Center
 OMB Component Number: 3585

Expenditures/Revenues

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

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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2027) cost: 0.0 *(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 If yes, by what date are the regulations to be adopted, amended or repealed? 1/1/2028

Why this fiscal note differs from previous version/comments:

Not applicable, initial version

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Division:	Agriculture	Date:	04/17/2026
Approved By:	Shannon Miller, Administrative Services Director	Date:	04/17/2026
Agency:	Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

Analysis

This bill revises AS 03.05.010, AS 03.05.076, AS 03.05.079 and AS 03.05.100, the Alaska statutes that provide guidelines for the issuance of industrial hemp registrations in the state. The bill will take effect on July 1, 2026 if passed.

The legislation reaffirms the authority of the Commissioner of the Department of Natural Resources to oversee hemp production statewide, though certain flexibility or discretion in decision-making may be reduced. It provides new language for the commissioner to approve specific sources and varieties of hemp seed and propagation materials that are certified by globally-recognized seed certification programs for production of hempseed and grain, stalks and branches (fiber), or flowers and leaves (floral material) and to implement a risk-based, tiered sampling system. Consistent with the performance-based sampling framework outlined in 7 CFR 990, testing frequency may be adjusted based on crop type—such as fiber, grain, or microgreen/low-risk cultivars—and a producer’s compliance history. This approach allows regulators to focus oversight on higher-risk operations while reducing unnecessary testing burdens on compliant growers. All THC testing must be conducted by independently accredited laboratories and samplers to ensure accuracy and regulatory integrity.

To expand participation in the hemp industry, the bill introduces a tiered registration system for producers, including a new “micro-grower” category designed specifically for small-scale operators. This structure lowers barriers to entry, supports small agricultural businesses, and encourages broader participation in the hemp market.

It also streamlines in-state transportation requirements by eliminating certain permit requirements between registered parties, provided shipments are accompanied by a certificate of analysis or other approved documentation.

Enforcement provisions emphasize compliance and corrective action over punitive measures, particularly for minor or first-time violations. Producers will have the opportunity to address deficiencies through corrective-action plans before facing stronger penalties. However, repeated or knowing violations must be reported to the appropriate authorities, Marijuana Control Board and the Department of Public Safety.

The Department does not foresee any costs or changes in revenue associated with HB 325; therefore, no fiscal impact is noted.