

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSSB 6(JUD)
Fiscal Note Number:	8
(S) Publish Date:	3/22/2017

Identifier: SB006CS(JUD)-DPS-LAB-03-13-17
 Title: INDUSTRIAL HEMP PRODUCTION
 Sponsor: HUGHES
 Requester: (S) JUD

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
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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 (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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

This version is updated to reflect changes made in the committee substitute which include removing the affirmative defense to a prosecution charging the manufacture, delivery, or possession of a schedule VIA controlled substance if the material is industrial hemp; and adding a new violation relating to the THC content of industrial hemp.

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Agency:	Public Safety		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation amends statutes under AS 03 dealing with agriculture, animals, and food by adding new sections relating to the regulation, production, and transportation of industrial hemp. Specifically, it adds a new section under AS 03.05 making it a violation to produce industrial hemp with a tetrahydrocannabinol content between 0.3 percent and one percent, and adds a new paragraph under AS 03.05.100 defining "industrial hemp". The legislation also amends the definitions of "marijuana" under AS 11.71.900(14) and AS 17.38.900(10) to specifically exclude 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, and to also confirm the THC content of the industrial hemp for purposes of law enforcement's determination of whether a violation has occurred. 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.