

# MEMORANDUM

(Open Session Report)

State of Alaska

Department of Law

TO: Board of Agriculture and Conservation  
Division of Agriculture,  
Department of Natural Resources

DATE: April 18, 2017

FILE NO.: AN2017100137

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Section

SUBJECT: AAG Report for Apr. 27,  
2017 BAC Meeting

## **PART ONE: NON-CONFIDENTIAL MATTERS FOR OPEN MEETING SESSION**

### **A. PROPERTY DISPOSITION**

**2. Mt. McKinley Meat and Sausage Plant.** The status of the sale will be addressed during the loan officer's presentation. A negotiation of the extension of the due diligence period is currently proceeding.

### **A. LEGISLATION OVERVIEW**

**1. House Bill 63: An Act Transferring Duties Among Department in the Executive Branch of State Government, Relating To Duties of Departments and Commissioners in the Executive Branch; Relating to State Boards and Commissions; and Providing an Effective Date.**

Representative Pruitt sponsors HB 63. The proposed legislation expands Department of Revenue (DOR) duties to (1) make grants to communities for bulk fuel storage facilities, (2) enforce state laws regarding banking and insurance; and (3) administer economic development programs. Most important, it moves the Agriculture Revolving Loan Fund (ARLF) and the Board of Agriculture and Conservation (BAC) from the Department of Natural Resources (DNR) to the DOR. The legislation further provides that the DOR Commissioner shall serve as the director of the BAC. This bill has not yet had a hearing.

**2. House Bill 76: An Act Relating to the Mariculture Revolving Loan Fund; and Providing For an Effective Date.**

Representative Ortiz sponsors HB 76. The proposed legislature expands the Department of Commerce administered Mariculture Revolving Loan Fund to allow it to make loans to eligible applicants for the planning, construction, and operations of mariculture business or a hatchery that artificially propagates aquatic plants and shellfish for sale to aquatic farms. “Aquatic plants” are defined at AS 16.40.199(3) as plants “indigenous to state water or that is authorized to be imported into the state under a permit issued by the [Department of Commerce] Commissioner. This bill has currently advanced to House Finance.

**3. House Bill 172: Industrial Hemp Production Licenses.**

This is a companion bill to Senate Bill 6 discussed below. Since Senate Bill 6 has advanced out of the Senate, this will be the bill to monitor. Both SB 6 and HB 172 are currently before House Finance.

**4. House Bill 197: Community Seed Libraries.**

Sponsored by Representative Johnston, House Bill 197 would revise Title 3 to expressly provide for the development of community seed libraries for noncommercial purposes. The bill has had its first hearing before House Resources. A second hearing is scheduled for Wednesday, April 19, 2017.

**5. House Bill 217: Raw Milk Sales, Food Exempt from Regulations**

Sponsored by Representative Tarr, House Bill 217 looks to promote the sale of raw milk and local agricultural products in Alaska. The bill had its first hearing before House Resources on April 17, 2017. There, the sponsor stated that the bill would stay in committee and be reviewed and developed during the interim.

**6. House Bill 218: State Veterinarian**

Sponsored by Representative Tarr, House Bill 218 would move the state veterinarian position from the Department of Environmental Conservation to the Department of Natural Resources. The bill had its first hearing before House Resources on April 17, 2017. There, the sponsor stated that the bill would stay in committee and be reviewed and developed during the interim.

**7. Senate Bill 6: An Act Relating to the Regulation and Production of Industrial Hemp: Relating to Industrial Hemp Pilot Programs; And Relating to Controlled Substances.**

Senator Hughes sponsors SB 6 to establish industrial hemp as an agricultural product. As of this writing, the bill has passed the Senate unanimously. It has one referral to House Finance. Currently, no hearing has been scheduled.

**PART TWO: CONFIDENTIAL MATTERS FOR EXECUTIVE SESSION**

Open Meetings Act – AS 44.62.310(b)<sup>1</sup>

Attorney-Client Privilege – Alaska Evidence Code 503(b)<sup>2</sup>

Board of Agriculture and Conservation Statutes<sup>3</sup>

ARLF Regulations<sup>4</sup>

See executive session report for this Board meeting.

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<sup>1</sup> A motion to convene in executive session must clearly and with specificity describe the subject of the proposed executive session. AS 44.62.310(b).

<sup>2</sup> Section 503(b) of the Alaska Evidence Code states in relevant part: “A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of facilitating the rendition of professional legal services to the client.

<sup>3</sup> AS 03.09.040 authorizes the board to classify some loan and marketing information as confidential.

<sup>4</sup> 11 AAC 39.061 makes most loan information confidential and 11 AAC 39.031(f) authorizes the board to meet in executive session to consider loan applications.