

MEMORANDUM

(Open Session Report)

State of Alaska
Department of Law

to: Board of Agriculture and
Conservation

Division of Agriculture,
Department of Natural Resources

DATE: February 8, 2016

FILE NO.: BAC general

TEL. NO.: (907) 269-3039

SUBJECT: AAG report for
February 18, 2016 BAC
meeting

FROM: Bob McFarlane
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Anchorage

PART 1: NON-CONFIDENTIAL MATTERS FOR OPEN MEETING SESSION

1. New Environmental Regulations that could affect Mat Maid Property: The Department of Environmental Conservation has proposed new environmental cleanup regulations that are significantly more stringent than the existing regulations. The comment period for these regulations has closed. DEC was in the process of considering the comments before moving forward with adoption of the regulations, but on January 28, 2016, a joint regulations review committee met and listened to testimony highly critical of the proposed regulations. It was the consensus of the committee to make a recommendation to DEC to give more consideration to the concerns of environmental industry professionals, and then to go back to the drawing board to revise those regulations. I assume that DEC will take that advice, but as of the date of this memo I don't know for sure that they will. I am bringing issue up to underscore the importance of selling the Mat Maid property. Holding this property is only going to get more expensive and the price is not likely to go up anytime soon given the current economic environment.

2. SB 8 – Industrial Hemp Production: SB 8 relating to industrial hemp production is still up for discussion this session. The testimony last session was unanimously in favor of the bill, and I expect the same positive note to carry over to this session. So far there have been no hearings scheduled, but I will continue to monitor the bill and keep the board informed of any developments.

3. Update on Marijuana Establishment Licensing: On January 22, 2016, Lieutenant Governor Byron Mallott filed the marijuana establishment regulations, and the effective date of the regulations is February 21, 2016. The website for the Alcohol and Marijuana

Control Office indicates that The Marijuana Control Board has not yet approved the application form but will do so at its meeting on **February 11, 2016**. Once the application form has been approved applicants will be able to initiate the application process by filling out an online form that will be available by **February 24, 2016**. Licenses must be issued within 90 days of receipt of a completed application. Whether and when the issuance of these licenses will translate into applications for agricultural loans is impossible to say. But I think it's only a matter of time before that first application comes in.

PART 2: CONFIDENTIAL MATTERS FOR EXECUTIVE SESSION

Open Meetings Act – A.S. 44.62.310(b)¹
Attorney Client Privilege - Alaska Evidence Code §503(b)²
Board of Agriculture and Conservation Statutes³
ARLF Regulations⁴

No confidential legal matters for this this meeting

¹ 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).

² 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...”

³ AS §03.09.040 authorizes the board to classify some loan and marketing information confidential.

⁴ ARLF Regulations at 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.