

30-LS0593\J
Wayne
2/6/18

CS FOR HOUSE BILL NO. 217()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES TARR, Neuman, Drummond

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the state and municipal procurement preferences for agricultural**
2 **products harvested in the state and fisheries products harvested or processed in the**
3 **state; relating to merchandise sold and certain fees charged or collected by the**
4 **Department of Natural Resources; relating to the Alaska Food, Drug, and Cosmetic Act;**
5 **and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
8 to read:

9 **SHORT TITLE.** This Act may be known as the Alaska Food Freedom Act.

10 *** Sec. 2.** AS 03.05.010 is amended by adding a new subsection to read:

11 (c) The commissioner of natural resources may sell promotional merchandise
12 related to the "Alaska Grown" trademark and may charge or collect a fee for the sale
13 of promotional merchandise related to the "Alaska Grown" trademark. The

commissioner may issue a license and charge a license fee for the sale of promotional merchandise related to the "Alaska Grown" trademark. The commissioner shall price merchandise sold by the commissioner under this subsection in a manner that ensures a reasonable monetary return to the state. To the extent practicable, the commissioner shall sell only merchandise produced or manufactured in the United States that, subject to AS 36.30, is procured from either an Alaska bidder or a person that employs prisoners under AS 33.30.191(b).

* **Sec. 3.** AS 17.20 is amended by adding a new section to article 7 to read:

Sec. 17.20.335. Exemptions for certain in-state food production. (a) Except as otherwise provided under this section, the licensing, permitting, certification, packaging, and inspection requirements under this chapter or regulations adopted under this chapter do not apply to

(1) a food that is sold directly by the producer to the end consumer;

(2) a food that is only for home consumption;

(3) a food that is sold in the state;

(4) a food that is not involved in interstate commerce;

(5) a food that is part of a gross sale of \$25,000 or less; and

(6) the sale of meat products, except for

(A) poultry and poultry products;

(B) live animals intended for slaughter;

(C) portions of animals for future delivery if the purchaser, or a processing facility licensed by the state or a federal agency, processes the animals.

(b) If food exempt under (a) of this section is not processed, prepared, or packaged in a permitted, approved, or inspected facility, the producer of the food shall conspicuously display to consumers the statement "THIS PRODUCT WAS MADE IN A PRIVATE FACILITY THAT IS NOT SUBJECT TO STATE OR MUNICIPAL REGULATION"; to comply with this subsection, the statement must be

(1) set out on a card, placard, or sign that is conspicuously posted at the point of sale; or

(2) conspicuously displayed on the label of food that is packaged.

(c) Notwithstanding an exemption under (a) of this section, the Department of Environmental Conservation may inspect or investigate food when investigating a food-borne illness.

(d) Food exempt under (a) of this section is subject to AS 17.20.044 - 17.20.048.

(e) The seller of food exempt under (a) of this section may sell it on an Internet website so long as the seller delivers the food to the buyer at the farm from which the food was produced, or, if identified and designated by the seller on the seller's Internet website, the seller may deliver the food to the buyer

(1) at a farmers' market; or

(2) through a person representing the seller.

(f) In this section, "farmers' market" means a physical place where two or more farmers sell food directly to end consumers of the food.

* **Sec. 4.** AS 29.71.040(a) is repealed and reenacted to read:

(a) If a municipality that receives state money seeks to purchase an agricultural product and an agricultural product harvested in the state is available that is of like quality compared with a similar agricultural product harvested outside the state, the municipality

(1) shall purchase the product harvested in the state if the product is priced not more than seven percent above the similar product harvested outside the state;

(2) may purchase the product harvested in the state only if the product is priced not more than 15 percent above the similar product harvested outside the state.

* **Sec. 5.** AS 29.71.040(b) is repealed and reenacted to read:

(b) If a municipality that receives state money seeks to purchase a fisheries product and a fisheries product harvested or processed within the jurisdiction of the state is available that is of like quality compared with a similar fisheries product harvested or processed outside the jurisdiction of the state, the municipality

(1) shall purchase the product harvested or processed within the jurisdiction of the state if the product is priced not more than seven percent above the

similar product harvested or processed outside the jurisdiction of the state;

(2) may purchase the product harvested or processed in the jurisdiction of the state only if the product is priced not more than 15 percent above the product harvested or processed outside the jurisdiction of the state.

* **Sec. 6.** AS 29.71.040(c) is amended to read:

(c) A solicitation by a municipality for the purchase of agricultural or fisheries products **must include written notice of the purchase requirements and limitations under (a) and (b) of this section and** [SHALL] specify [THE REQUIREMENT] that **agricultural** products harvested in the state **and fisheries products harvested or processed within the jurisdiction of the state will** [SHALL] be used where possible, **subject to the limitations under (a) and (b) of this section**. If a municipality that receives state money purchases agricultural **products harvested outside the state** or fisheries products harvested **or processed** outside the **jurisdiction of the** state, the municipal officer responsible for the purchase shall certify in writing the reasons that **agricultural** products harvested in the state **or fisheries products harvested or processed within the jurisdiction of the state** were not purchased.

* **Sec. 7.** AS 36.15.050(a) is amended to read:

(a) When agricultural products are purchased by the state or by a school district that receives state money, a [SEVEN PERCENT] preference **not less than seven percent nor more than 15 percent** shall be applied to the price of [THE] products harvested in the state.

* **Sec. 8.** AS 36.15.050(b) is amended to read:

(b) When fisheries products are purchased by the state or by a school district that receives state money, a [SEVEN PERCENT] preference **not less than seven percent nor more than 15 percent** shall be applied to the price of [THE] products harvested or processed within the jurisdiction of the state.

* **Sec. 9.** AS 36.15.050(c) is amended to read:

(c) A solicitation for the purchase of agricultural or fisheries products **must include written notice of the preferences under (a) and (b) of this section and** [SHALL] specify [THE REQUIREMENT] that **agricultural** products harvested in the state **and fisheries products harvested or processed within the jurisdiction of the**

1 **state will** [SHALL] be used where possible. If the state or a school district that
2 receives state money purchases agricultural **products harvested outside the state** or
3 fisheries products harvested **or processed** outside the **jurisdiction of the** state, the
4 officer responsible for the purchase shall certify in writing the reasons that
5 **agricultural** products harvested in the state **or fisheries products harvested or**
6 **processed within the jurisdiction of the state** were not purchased.

7 * **Sec. 10.** AS 37.05.146(c) is amended by adding a new paragraph to read:

8 (90) fees collected by the Department of Natural Resources under
9 AS 03.05.010(c).

10 * **Sec. 11.** This Act takes effect July 1, 2019.