

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 12, 2024

2:24 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Elvi Gray-Jackson  
Senator Kelly Merrick  
Senator Forrest Dunbar

**MEMBERS ABSENT**

Senator Click Bishop, Vice Chair

**COMMITTEE CALENDAR**

SENATE BILL NO. 239

"An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects."

- MOVED SB 239 OUT OF COMMITTEE

SENATE BILL NO. 211

"An Act relating to the powers of the board of agriculture and conservation; relating to loans and limitations under the Alaska Agricultural Loan Act; relating to federal crop insurance contributions; relating to municipal and state procurement preferences for agricultural products harvested in the state and fisheries products harvested or processed in the state; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 239

SHORT TITLE: AIDEA WORKFORCE HOUSING DEVELOPMENT

SPONSOR(S): SENATOR(S) DUNBAR

02/19/24	(S)	READ THE FIRST TIME - REFERRALS
02/19/24	(S)	L&C, FIN
02/21/24	(S)	FIN REFERRAL REMOVED
03/27/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

03/27/24 (S) Heard & Held  
03/27/24 (S) MINUTE(L&C)  
04/12/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 211

SHORT TITLE: AGRICULTURAL PRODUCTS/LOANS/SALES

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/26/24 (S) READ THE FIRST TIME - REFERRALS  
01/26/24 (S) L&C, FIN  
03/01/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/01/24 (S) Heard & Held  
03/01/24 (S) MINUTE(L&C)  
04/12/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

BRENT GOODRUM, Deputy Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a recap of SB 211.

SCOTT DAHLMAN, Director  
State Government Affairs - Western Region, Crop Life America,  
Priest River, Idaho.

**POSITION STATEMENT:** Testified in support of the intent of SB 211.

RENA MILLER, Special Assistant  
Commissioner's Office  
Department of Natural Resources (DNR)

**POSITION STATEMENT:** Provided the summary of changes for SB 211.

**ACTION NARRATIVE**

2:24:19 PM

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 2:24 p.m. Present at the call to order were Senators Gray-Jackson, Merrick, Dunbar, and Chair Bjorkman.

**SB 239-AIDEA WORKFORCE HOUSING DEVELOPMENT**

2:25:11 PM

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 239 "An Act relating to the Alaska Industrial Development and

Export Authority; and relating to workforce housing development projects."

[2:25:34 PM](#)

SENATOR DUNBAR, sponsor of SB 239, provided a brief recap of the bill. He said SB 239 would change the specified tasks for Alaska Industrial Development and Export Authority (AIDEA) to include workforce housing development. He noted that a scheduled testifier, an economist from the University of Alaska, was called away just prior to this meeting, but would be submitting written testimony that would accompany this bill.

SENATOR DUNBAR said the bill was developed with a number of organizations, including AIDEA and Alaska Housing Finance Corporation (AHFC). He said SB 239 is relatively narrow and targeted at five [housing] units and above with a definition of workforce housing based on income.

[2:27:08 PM](#)

CHAIR BJORKMAN opened public testimony on SB 239; finding none, he closed public testimony.

[2:27:42 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[2:27:45 PM](#)

SENATOR GRAY-JACKSON moved to report SB 239, work order 33-LS1072\A, from committee with individual recommendations and attached fiscal note(s).

[2:28:01 PM](#)

At ease

[2:28:39 PM](#)

CHAIR BJORKMAN reconvened the meeting and requested that the motion be restated.

[2:28:49 PM](#)

SENATOR GRAY-JACKSON moved to report SB 239, work order 33-LS1072\B, from committee with individual recommendations and attached fiscal note(s).

[2:29:12 PM](#)

CHAIR BJORKMAN found no objection and SB 239 was reported from the Senate Labor and Commerce Standing Committee.

[2:29:29 PM](#)

At ease

**SB 211-AGRICULTURAL PRODUCTS/LOANS/SALES**

[2:31:08 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 211 "An Act relating to the powers of the board of agriculture and conservation; relating to loans and limitations under the Alaska Agricultural Loan Act; relating to federal crop insurance contributions; relating to municipal and state procurement preferences for agricultural products harvested in the state and fisheries products harvested or processed in the state; and providing for an effective date."

[2:31:44 PM](#)

BRENT GOODRUM, Deputy Commissioner, Department of Natural Resources, Anchorage, Alaska, gave a brief recap of SB 211. He said SB 211 was a series of immediate steps boosting state policies already in statute. These steps are working on short, medium and long-term recommendations and actions with regard to food security with the overall goal of reaching food security within the State of Alaska and to expand and grow Alaska's agriculture sector. He said there are essentially four components within the bill. First would change the quorum for the Board of Agriculture from five members to four, statutorily. Second, it would expand various types of activities the agricultural revolving loan fund could issue loans for as well as replace some statutory loan caps which would be set by regulation by the board. [Third], He said it institutes a state contribution towards farmers' federal crop insurance premiums and would allow the Division of Agriculture to write regulations for contributions to that program. Lastly, he said it would put forth a reporting provision to allow gathering data with regard to the state's institutional buying power for agricultural and fish products.

[2:33:50 PM](#)

CHAIR BJORKMAN opened public testimony on SB 211.

[2:34:17 PM](#)

SCOTT DAHLMAN, Director, State Government Affairs, Crop Life America - Western Region, Priest River, Idaho, said Crop Life America is a national association representing the manufacturers and distributors of pesticides and other agricultural chemicals. He offered support for SB 211 and was enthusiastic about the Governor's transmittal letter to the senate stating the intent of the bill: to grow and support Alaska's agricultural sector and to strengthen overall food security in the state. He said

Crop Life America is supportive of growing agriculture industry within Alaska and a key thing to remember as Alaska grows its agriculture economy is for growers to have a stable regulatory environment. He noted existing language in HB 113 currently under consideration in Alaska's house of representatives which he advocated adopting for SB 211 to provide regulatory stability for growers seeking to expand their operations.

[2:36:15 PM](#)

CHAIR BJORKMAN closed public testimony on SB 211.

[2:36:42 PM](#)

CHAIR BJORKMAN solicited a motion.

[2:36:51 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 211 work order 33-GS 2386\B, as the working document.

[2:37:04 PM](#)

CHAIR BJORKMAN objected for purposes of explanation.

[2:37:20 PM](#)

RENA MILLER, Special Assistant, Commissioner's Office, Department of Natural Resources (DNR), explained the changes to SB 211. She said overall this version B was identical to the version that passed out from the House Resources Committee. She said DNR supported the changes made and appreciated consideration by Senate Labor and Commerce Standing Committee. She said version B adopts revisions recommended by legislative legal services to conform the bill with their drafting standards as is typical when the administration first drafts a bill. Significantly, the CS removes 13 sections that deal with the expanded procurement preference for in-state agricultural products and fisheries products. Originally a five-year pilot was proposed to expand that preference. She said the response from that had been that legislators would like to see rationale and data to make that expanded procurement preference, so those sections have been removed, but the recording requirement remains so that the Department of Administration and the Department of Community and Economic Development will prepare a report for the legislature at the beginning of next session reviewing the procurement preference that is in statute today and making recommendations on how that might be adapted to better serve the needs of growing the agricultural sector and increasing food security. She said DNR would stand by to assist those departments as they prepare that report.

[2:38:57 PM](#)

MS. MILLER referred to SB 211, version B, page 2, lines 9, 10 and lines 23,24, and noted that, added to the activities that Agricultural Revolving Loan Fund (ARLF) can loan for is: in-state manufacturing of food or production of animal feed. She said this was included in specific support of increasing food security of the state and should enable people that are looking to manufacture and add value to things grown in the state and turn them into an additional product, to be eligible for ARLF loans for that activity. She said the other significant changes were on page 3. The original version suggested removing the \$1 million cap on the maximum ARLF loans that can go out to any one buyer at a time and letting the Board of Agriculture set that limit in regulation going forward. The House version and SB 211, Version B increase that \$1 million to a \$3 million limit for any one borrower and then also adds an adjustment so that amount will increase annually based on inflation. She said DNR is pleased with that revision and noted that it brings it up to current standards and allows for continued growth as needed.

[2:40:20 PM](#)

MS. MILLER said the original version of SB 211 advocated requiring a first priority security for ARLF loans. She said there had been feedback and discussion that the requirement could conflict with other agricultural lenders' needs and could also be an additional hurdle for some of the borrowers. Therefore, the provision was removed.

[Original punctuation included.]

#### Summary of Changes

From SB211 \A to CS for SB211(L&C) \B

The Senate Labor & Commerce Committee changes as reflected in version \B are:

**Overall:**

Adopts revisions recommended by Legislative Legal Services to conform the bill with legislative drafting standards; additional conforming changes accommodate substantive CS changes.

**Removed:**

Removes a significant bill component expanding the procurement preference for in-state agricultural and fisheries products bought by state agencies and by school districts and

municipalities that receive state funding. This change removes 13 sections as the original bill expanded the preference for 5 years, reverting to current statute at the end of that period.

**New:**

**Section 2, page 2, lines 9-10 and 23-24:** Includes in-state manufacturing of food or animal feed to the activities eligible for Agriculture Revolving Loan Fund loans.

**Section 3, page 3, lines 15-19:** Instead of eliminating the statutory maximum in loans to one person and having the Board of Agriculture and Conservation set a limit in regulation, increases the statutory cap from \$1 million to \$3 million and enables annual inflation adjustments to the cap. Removes a requirement for a first priority security for certain loans, reverting to current statute requiring first priority security only for certain loans.

[2:41:34 PM](#)

At ease.

[2:41:50 PM](#)

CHAIR BJORKMAN reconvened the meeting; He removed his objection; found no further objection and CSSB 211 was adopted as the working document.

[2:42:07 PM](#)

[CHAIR BJORKMAN held SB 211 in committee.]

[2:42:33 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:42 p.m.