

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

May 11, 2024
12:19 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Click Bishop, Vice Chair
Senator Kelly Merrick

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 251(L&C) AM

"An Act exempting certain foods and drinks prepared in an uninspected kitchen from state labeling, licensing, packaging, permitting, and inspection requirements; and permitting a person to acquire meat from a producer by way of an ownership share in an animal if certain conditions are met."

- MOVED SCS CSHB 251(L&C) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 189(L&C) AM

"An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

- MOVED SCS CSHB 189(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 251

SHORT TITLE: EXEMPTIONS FOR HOMEMADE FOODS

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

01/16/24	(H)	PREFILE RELEASED 1/12/24
01/16/24	(H)	READ THE FIRST TIME - REFERRALS
01/16/24	(H)	L&C, RES
02/02/24	(H)	L&C AT 3:15 PM BARNES 124
02/02/24	(H)	<Bill Hearing Rescheduled to 02/05/24>
02/05/24	(H)	L&C AT 3:15 PM BARNES 124

02/05/24 (H) Heard & Held
 02/05/24 (H) MINUTE(L&C)
 02/14/24 (H) L&C AT 3:15 PM BARNES 124
 02/14/24 (H) Scheduled but Not Heard
 02/21/24 (H) L&C AT 3:15 PM BARNES 124
 02/21/24 (H) -- MEETING CANCELED --
 03/15/24 (H) L&C AT 3:15 PM BARNES 124
 03/15/24 (H) -- MEETING CANCELED --
 03/27/24 (H) L&C AT 3:15 PM BARNES 124
 03/27/24 (H) Moved CSHB 251(L&C) Out of Committee
 03/27/24 (H) MINUTE(L&C)
 03/28/24 (H) L&C RPT CS(L&C) NEW TITLE 2DP 5NR
 03/28/24 (H) DP: RUFFRIDGE, SUMNER
 03/28/24 (H) NR: CARRICK, FIELDS, SADDLER, PRAX,
 WRIGHT
 04/08/24 (H) RES AT 1:00 PM BARNES 124
 04/08/24 (H) Heard & Held
 04/08/24 (H) MINUTE(RES)
 04/15/24 (H) RES AT 1:00 PM BARNES 124
 04/15/24 (H) Heard & Held
 04/15/24 (H) MINUTE(RES)
 04/17/24 (H) RES AT 1:00 PM BARNES 124
 04/17/24 (H) Moved CSHB 251(L&C) Out of Committee
 04/17/24 (H) MINUTE(RES)
 04/18/24 (H) RES RPT CS(L&C) NEW TITLE 9DP
 04/18/24 (H) DP: MEARS, ARMSTRONG, DIBERT, MCCABE,
 SADDLER, WRIGHT, BAKER, RAUSCHER, MCKAY
 05/06/24 (H) L&C CS ADOPTED Y37 N1 A2
 05/06/24 (H) TRANSMITTED TO (S)
 05/06/24 (H) VERSION: CSHB 251(L&C) AM
 05/07/24 (S) READ THE FIRST TIME - REFERRALS
 05/07/24 (S) L&C
 05/09/24 (S) L&C AT 5:15 PM BELTZ 105 (TSBldg)
 05/09/24 (S) Heard & Held
 05/09/24 (S) MINUTE(L&C)
 05/10/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 05/10/24 (S) Heard & Held
 05/10/24 (S) MINUTE(L&C)
 05/11/24 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)

BILL: HB 189

SHORT TITLE: SALE OF ALCOHOL

SPONSOR(s): LABOR & COMMERCE

05/03/23 (H) READ THE FIRST TIME - REFERRALS
 05/03/23 (H) L&C

03/06/24	(H)	L&C AT 3:15 PM BARNES 124
03/06/24	(H)	<Bill Hearing Rescheduled to 03/08/24>
03/08/24	(H)	L&C AT 3:15 PM BARNES 124
03/08/24	(H)	Scheduled but Not Heard
03/11/24	(H)	L&C AT 3:15 PM BARNES 124
03/11/24	(H)	Heard & Held
03/11/24	(H)	MINUTE(L&C)
03/22/24	(H)	L&C AT 3:15 PM BARNES 124
03/22/24	(H)	Moved CSHB 189(L&C) Out of Committee
03/22/24	(H)	MINUTE(L&C)
03/25/24	(H)	L&C RPT CS(L&C) 4DP 1NR
03/25/24	(H)	DP: CARRICK, PRAX, RUFFRIDGE, SUMNER
03/25/24	(H)	NR: SADDLER
03/27/24	(H)	FIN REFERRAL ADDED AFTER L&C
04/29/24	(H)	FIN REFERRAL REMOVED
05/06/24	(H)	TRANSMITTED TO (S)
05/06/24	(H)	VERSION: CSHB 189(L&C) AM
05/07/24	(S)	READ THE FIRST TIME - REFERRALS
05/07/24	(S)	L&C, FIN
05/08/24	(S)	FIN REFERRAL REMOVED
05/08/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
05/08/24	(S)	Heard & Held
05/08/24	(S)	MINUTE(L&C)
05/09/24	(S)	L&C AT 5:15 PM BELTZ 105 (TSBldg)
05/09/24	(S)	Moved SCS CSHB 189(L&C) Out of Committee
05/09/24	(S)	MINUTE(L&C)
05/10/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
05/10/24	(S)	Heard & Held
05/10/24	(S)	MINUTE(L&C)
05/11/24	(S)	L&C AT 9:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

CRYSTAL KOENEMAN, Legislative Liaison
Office of the Commissioner
Department of Environmental Conservation
Juneau, Alaska

POSITION STATEMENT: Answered questions on changes to HB 251 version U.A to R.

RENA MILLER, Special Assistant
Office of the Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Provided a summary of changes for HB 251 version U.A to R and answered questions.

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced Amendment 3 (U.5) to HB 189.

JOAN WILSON, Director
Alcohol and Marijuana Control Office (AMCO)
Anchorage, Alaska

POSITION STATEMENT: Provided an overview of Amendment 3 (U.5) for HB 189.

ACTION NARRATIVE

[12:19:52 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 12:19 a.m. Present at the call to order were Senators Gray-Jackson, Dunbar, and Chair Bjorkman.

HB 251-EXEMPTIONS FOR HOMEMADE FOODS

[Contains discussion of SB 211]

[12:20:41 PM](#)

CHAIR BJORKMAN announced the consideration of CS FOR HOUSE BILL NO. 251(L&C) am "An Act exempting certain foods and drinks prepared in an uninspected kitchen from state labeling, licensing, packaging, permitting, and inspection requirements; and permitting a person to acquire meat from a producer by way of an ownership share in an animal if certain conditions are met."

CHAIR BJORKMAN noted that a Senate committee substitute for HB 251 which was the result of merging HB 251 with SB 211, also known as the crop act, was before the committee.

[12:21:06 PM](#)

CHAIR BJORKMAN solicited a motion.

[12:21:08 PM](#)

SENATOR GRAY-JACKSON moved to adopt the Senate committee substitute (SCS) for CSHB 251, work order 33-LS0888\R, as the working document.

[12:21:17 PM](#)

CHAIR BJORKMAN objected for purposes of explanation. He invited Ms. Miller and Ms. Koeneman to explain the changes to HB 251.

[12:21:48 PM](#)

CRYSTAL KOENEMAN, Legislative Liaison, Office of the Commissioner, Department of Environmental Conservation, Juneau, Alaska, introduced herself.

[12:21:58 PM](#)

RENA MILLER, Special Assistant, Office of the Commissioner, Department of Natural Resources, Anchorage, Alaska, introduced herself and presented a conceptual overview of changes to HB 251. She referred to SB 211, the Crop Act, and noted that the Senate Labor and Commerce Standing Committee reported SB 211 [April 29, 2024].

- Section one of SB 211 [which was included in HB 251] reduced the quorum requirement of the seven-member Board of Agriculture and Conservation from five to four. She said this would allow the board to conduct their business more effectively. She noted that a key function of the Board of Agriculture and Conservation business is making loans from the agricultural revolving loan fund.
- Section two of HB 251 would expand the types of things for which the Board of Agriculture [and Conservation] can approve loans. Under HB 251 the board could approve loans to individual residents, partnerships or corporations. She said specific activities added to HB 251 [for loan eligibility] were both transportation and manufacturing. HB 251 would also allow the board to use the [revolving loan] fund to refinance debt incurred through other borrowing tools.
- Section three [of HB 251] would increase the maximum amount of loans that any one individual can have at any one point in time, from \$1 million, which was set several decades ago, to \$3 million. HB 251 would adjust the cap for inflation to be proactive about future needs.

[12:23:34 PM](#)

- Section four would remove some statutory caps limiting short-term loans for certain activities, and instead, would ask the Board of Agriculture and Conservation to set those loans in regulation.
- Section five would increase the maximum farm product processing loan from \$250,000 to \$500,000. She noted this

limit was set decades ago and that the intent [of raising the cap] was to keep up with the modern environment.

- Section six would remove the statutory cap for loans related to clearing land and asks the board of agriculture to set those in regulation.
- Section eight would allow the Board of Agriculture and Conservation and DNR to adopt regulations for those provisions.
- Sections 9, 10 and 11 provide effective dates for the new provisions.

[12:24:26 PM](#)

SENATOR GRAY-JACKSON asked for confirmation that the summary of changes Ms. Miller presented was the same content as the summary of changes presented [for SB 211].

[12:24:38 PM](#)

MS. MILLER said there was one minor modification. She referred to the committee substitute for HB 251, page 2. She explained that, when a previous committee added in-state manufacturing and costs of shipping [to allowable items for loans] they were added in an order that would not have allowed shipping in relation to manufacturing. She said the solution was to move manufacturing [to a position] above transportation in the list of things that can be loaned for so that shipping would apply to manufacturing and other provisions already [approved] in statute.

[12:25:31 PM](#)

SENATOR GRAY-JACKSON asked for confirmation that [the change to allow loan consideration for shipping] was the only deviation from the summary of changes presented [for SB 211].

[12:25:39 PM](#)

MS. MILLER confirmed that [the change to allow loan consideration for shipping] was the only modification.

[12:25:50 PM](#)

CHAIR BJORKMAN asked for an explanation of how SB 211 complemented and was incorporated into HB 251.

[12:26:04 PM](#)

MS. KOENEMAN answered that HB 251 provided for the sale of homemade food for personal consumption, either directly to a buyer or retail location through a third-party seller, as well as the sale of items from a farmers' market or a producer's home and from certain retail locations as well as online orders. She

explained the components that were added [to HB 251] from SB 211 were:

- reducing the quorum requirements for the purpose of facilitating board business.
- including approving loan applications directly related to production.
- recommending land designations for agricultural purposes.
- expanding the loan categories to include food manufacturing and shipping that may be used for third party sales, which ties into the homemade food producers.
- allowing for loans to be used to cover animal and feed production and processing, which, she said is related to the direct care and maintenance of animals for herd share purposes or for equipment to produce and then sell or ship homemade foods.

MS. KOENEMAN noted that the provisions from SB 211 that were included in HB 251 would give additional opportunities for home producers, as well as the animal share and herd sharing members to have access to these items. She also noted that none of the language was changed in HB 251 related to homemade products. She said there was an effective date of July, 1, 2024, added to section [10]. She also noted that there was no change to DEC's fiscal note because of the added language.

[12:28:19 PM](#)

CHAIR BJORKMAN removed his objection; found no further objection and SCS CS HB 251 was adopted as the working document.

[12:28:34 PM](#)

At ease

[12:29:46 PM](#)

CHAIR BJORKMAN reconvened the meeting and asked for an explanation of the fiscal notes for HB 251.

[12:30:13 PM](#)

MS. KOENEMAN said there was a zero fiscal note from the Department of Environmental Conservation, OMB Component Number 3202, dated January 26, 2024. She said Department of Environmental Conservation (DEC) did not anticipate additional workload or adjustments to their day-to-day operations as a result of HB 251.

[12:30:46 PM](#)

MS. MILLER noted the fiscal note for HB 251 from the Department of Natural Resources, OMB component number 455, dated May 10, 2024. She said Department of Natural Resources (DNR) anticipated the need to write regulations for some of the provisions of SB 211 incorporated into HB 251. However, she said DNR believed existing staff would be sufficient to cover any additional demand for loans. She noted that the expanded eligibility [for loans] may drive demand in a significant way as DNR hoped it would. She said, [in that case] DNR would come back and ask for additional resources in the future.

[12:31:38 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[12:31:42 PM](#)

SENATOR GRAY-JACKSON moved to report the SCS for CSHB 251, work order 33-LS0888\R, from committee with individual recommendations and attached fiscal note(s).

[12:31:57 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[12:32:00 PM](#)

CHAIR BJORKMAN expressed strong support for the agricultural revolving loan fund and emphasized its role in providing loans to small farmers. He said he believed that HB 251 would further encourage food production and support small farmers in the state and commended the work to develop the bill.

[12:33:08 PM](#)

CHAIR BJORKMAN removed his objection; found no further objection and SCS CSHB 251(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[12:33:23 PM](#)

At ease

HB 189-SALE OF ALCOHOL

[12:34:59 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 189(L&C) am "An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

[On May 10, 2024, the committee rescinded its action in reporting SCS CSHB 189 (L&C) out of committee, which brought working document SCS CSHB 189, work order 33-LS0697\U, as amended, before the committee.]

CHAIR BJORKMAN noted that the committee needed to address language in HB 189 concerning the permissible presence of minors in establishments possessing a large resort endorsement.

[12:35:31 PM](#)

CHAIR BJORKMAN solicited a motion.

[12:35:35 PM](#)

SENATOR GRAY-JACKSON moved to adopt Amendment 3 (U.5) for HB 189.

33-LS0697\U.5
C. Radford
5/11/24

AMENDMENT 3

OFFERED IN THE SENATE BY SENATOR BJORKMAN
TO: SCS CSHB 189(L&C), Draft Version "U"

Page 4, line 25, through page 5, line 12:

Delete all material and insert:

"* **Sec. 9.** AS 04.16.049(h) is amended to read:

(h) Notwithstanding any other provision in this section, a person under 21 years of age may be present

(1) on the licensed premises of a

(A) common carrier dispensary, destination resort, or outdoor recreation lodge for the purpose of travel, travel lodging, or outdoor recreation activities provided by the licensee if the person is

(i) [(1)] at least 16 years of age; or

(ii) [(2)] under 16 years of age and a parent or legal guardian of the underaged person consents;

(B) theater if the person is

(i) at least 16 years of age; or

(ii) under 16 years of age, is accompanied by a person who is at least 21 years of age, and a parent or legal guardian of the underaged person consents;

(2) in the areas of a licensed premises covered by a large resort endorsement, but excluding the areas of the premises originally covered by the licensee's beverage dispensary or beverage dispensary tourism license where alcohol is being served, for the purpose of travel, travel lodging, or outdoor recreation activities provided by the large resort if the person is
(A) at least 16 years of age; or
(B) under 16 years of age and a parent or legal guardian of the underaged person consents."

[12:35:40 PM](#)

CHAIR BJORKMAN objected for purposes of explanation.

[12:35:53 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, introduced Amendment 3 (U.5). He said Amendment 3 (U.5) sought to deal with an oversight in the drafting of the rewrite of AS 04 regarding establishments who hold a large resort endorsement. He said Amendment 3 (U.5) started on SCS CSHB 189, version U, page 4, line 25 through page 5, line 12 and deleted all of section 9. He said a new section 9 that's slightly rewritten was inserted and the crux of the change to that section is found on line 18 of the amendment, following number 2. He read the following added language: "in the areas of a licensed premises covered by a large resort endorsement, but excluding the areas of the premises originally covered by the licensees' beverage dispensary or beverage dispensary tourism license where alcohol is being served, for the purpose of travel, travel lodging, or outdoor recreation activities provided by the large resort, if the person is". He explained that this language would allow for children to traverse the hallways, the rooms, and the other similar common areas of a large resort. He noted that Ms. Wilson of the Alcohol and Marijuana Control Office (AMCO) was available to answer questions.

[12:37:56 PM](#)

CHAIR BJORKMAN asked Ms. Wilson to comment on Amendment 3 (U.5).

[12:38:32 PM](#) 12:38:05

JOAN WILSON, Director, Alcohol and Marijuana Control Office (AMCO), Anchorage, Alaska, provided further explanation of Amendment 3 (U.5) for HB 189. She noted that an endorsement is defined in AS 04.09.400 and does one of two things. It expands

the boundaries of a licensed premises, or it expands the authorized activities of a licensed premises. She noted that the applicant for an endorsement must demonstrate that the holder of the license has the authority over and will exercise control over conduct in all areas of a licensed premises, including premises newly licensed by the endorsement. She emphasized that the Alaska Alcoholic Beverage Control (ABC) board takes very seriously expansions of licensed premises and will look to things like making sure licensees like hotel Alyeska have security plans and additional employees in place to make sure children in common areas are not accessing alcohol that might be, for example, left in a hallway. She said the other key thing about Amendment 3 (U.5) is that it required that if a child was going to be in a common area, they're there for the purpose of travel, travel lodging or an outdoor recreation entity. She acknowledged that one would not find a kid in a bar for any of those purposes, but Amendment 3 (U.5) makes very clear that, as long as the child is there running down the hallway or has their skis on their back and is trying to get to the tram, it's absolutely fine [and would be allowed]. She said the licensee themselves would ensure that those children don't accidentally or purposefully, on the child's part, access alcohol. She expressed confidence that Amendment 3 (U.5) cured the defect [in AS 04], which was difficult (or impossible) to enforce.

[12:40:20 PM](#)

CHAIR BJORKMAN removed his objection; found no further objection and announced that Amendment 3 (U.5) was adopted.

[12:40:36 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[12:40:40 PM](#)

SENATOR GRAY-JACKSON moved to report Senate committee substitute (SCS) for CSHB 189, work order 33-LS0697\U, from committee with individual recommendations and attached fiscal note(s).

[12:40:54 PM](#)

CHAIR BJORKMAN found no objection and SCS CSHB 189(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[12:41:29 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 12:41 p.m.