

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

February 6, 2025

11:02 a.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Bryce Edgmon, Vice Chair
Representative Rebecca Himschoot
Representative Chuck Kopp
Representative Bill Elam

MEMBERS ABSENT

Representative Kevin McCabe
Representative Sarah Vance

COMMITTEE CALENDAR

HOUSE BILL NO. 60

"An Act 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

HOUSE BILL NO. 31

"An Act relating to the registration of commercial vessels; and relating to the derelict vessel prevention program fund."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 60

SHORT TITLE: PROCURE PREF: AGRIC. & FISH PRODUCTS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

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|----------|-----|---------------------------------|
| 01/22/25 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/22/25 | (H) | FSH, L&C |
| 02/06/25 | (H) | FSH AT 11:00 AM GRUENBERG 120 |

BILL: HB 31

SHORT TITLE: VESSELS: REGISTRATION/DERELICT FUND

SPONSOR(s) : STUTES

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|----------|-----|---------------------------------|
| 01/22/25 | (H) | PREFILE RELEASED 1/10/25 |
| 01/22/25 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/22/25 | (H) | FSH, FIN |
| 02/06/25 | (H) | FSH AT 11:00 AM GRUENBERG 120 |

WITNESS REGISTER

PAULA VRANA, Commissioner
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Introduced HB 60 on behalf of the bill sponsor, House Rules by request of the governor.

ANNA LATHAM, Deputy Commissioner
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, House Rules by request of the governor, gave a short presentation describing HB 60 and current procurement operations.

MATT GRUENING, Staff
Representative Louise Stutes
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Stutes, prime sponsor, presented HB 31 and a background on vessel registration.

ACTION NARRATIVE

[11:02:53 AM](#)

[Due to technical difficulties, the start of the audio of this meeting was not recorded, but details were captured from the secretary's log notes. Audio begins at 11:05:28.]

CHAIR LOUISE STUTES called the House Special Committee on Fisheries meeting to order at 11:02 a.m. Representatives Himschoot, Edgmon, Vance, McCabe, Kopp and Stutes were present at the call to order. Representative Elam arrived as the meeting was in progress.

CHAIR STUTES reviewed the goals of the committee.

HB 60-PROCURE PREF: AGRIC. & FISH PRODUCTS

[11:06:35 AM](#)

CHAIR STUTES announced that the first order of business would be HOUSE BILL NO. 60, "An Act 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."

[11:07:10 AM](#)

PAULA VRANA, Commissioner, Department of Administration, introduced HB 60 on behalf of the bill sponsor, House Rules by request of the governor. She explained that HB 60 would strengthen Alaska's commitment to supporting local agriculture and fisheries industries by enhancing procurement preferences for state agencies, municipalities and school districts that receive state funding. This would be done by raising the required in-state purchase preference from 7 percent to 10 percent and expanding discretionary purchasing from 15 percent to 25 percent. This bill ensures that more Alaska grown products are prioritized in procurement decisions. She said that HB 60 aligns with the recommendations of the governor's Food Security and Independence Taskforce and has received broad support from industry stakeholders. By enabling more flexibility to support Alaska-grown products, the bill seeks to bolster the state economy, increase food security, and would ensure a more self-reliant Alaska.

[11:08:40 AM](#)

ANNA LATHAM, Deputy Commissioner, Department of Commerce, Community & Economic Development (DCCED), on behalf of the bill sponsor, House Rules by request of the governor, gave a short presentation describing HB 60 and current procurement operations. She noted that the pandemic caused supply-chain disruptions on the West Coast and impacted the delivery of food and essential goods to Alaska. She noted how slow supply-chain operations were during this time and how it limited available supplies in Alaska grocery outlets. She said that it forced the state to take a hard look at Alaska food security and how to improve it. She remarked that the 2022 establishment of Administrative Order 331 and the creation of the governors Food Security and Independence Taskforce was a response to food security concerns.

[11:09:41 AM](#)

MS. LATHAM remarked that one of the findings of the taskforce was that Alaska imports 95 percent of its food at a cost of around \$2 billion. She said that the taskforce has made many recommendations on how to bolster food production and harvesting in Alaska. She said this effort also aligns with Governor Dunleavy's Executive Order 136 which was introduced this session and would create a Department of Agriculture.

MS. LATHAM then proceeded to describe current procurement procedures for Alaska products. She noted that the current statutes require municipalities, school districts, and state agencies that receive state funds to procure Alaskan products within certain price thresholds. She explained that the current purchasing model is similar to mobile markets such as Full-Circle. She said vendors can select Alaska-grown products from everything that is displayed for purchase. Currently the main vendor for the Department of Administration (DOA) is U.S. Foods and any interested Alaska growers can apply to be a vendor with U.S. Foods. State agencies can select these Alaska-grown products from this vendor list.

MS. LATHAM noted that the DOA Chief Procurement Officer was available to answer any committee questions pertaining to vendor purchases. She echoed MS. VRANA's previous summary of HB 60 and that it would increase the price differentials currently in statute for preferential procurements.

[11:11:53 AM](#)

MS. LATHAM remarked that DOA conducted a survey in fall 2024 to assess how much was currently being purchased. The survey determined that out of the \$17 million dollars that the state spends on food, only \$236,000 is on Alaska-grown products. She noted that there was room for improvement and Alaska purchases constituted only .014 percent of current procurements. She reiterated that the intent of HB 60 is to bolster pre-existing markets and address food security in the state.

[11:12:41 AM](#)

MS. LATHAM, at the request of committee members provided elaboration of some current purchases involved in food procurement. She noted that currently the Alaska Seafood and Marketing Institute (ASMI) spends \$117,000 on seafood, canned food and scallops for nutritional testing and display. The Department of Corrections (DOC) purchases primarily potatoes for

use at correction facilities. The Department of Labor and Workforce Development (DLWD) and its culinary program at the vocational training school in Seward spent \$7 on sprouts. The Department of Transportation and Public Facilities (DOT&PF) spent \$1,000 on food for the state ferries. She noted that these were small amounts, and DCCED hopes to see increases with HB 60.

[11:13:36 AM](#)

REPRESENTATIVE KOPP mentioned large nonprofits that receive state funding, he inquired whether these entities would be impacted by HB 60.

MS. LATHAM responded that at this time, the proposed bill would apply only to government units.

[11:14:21 AM](#)

REPRESENTATIVE ELAM asked about anticipated impact on municipalities, specifically when looking at the amount of additional revenues needed to support procurement changes.

MS. LATHAM responded to Representative Elam that the Alaska Municipal League was contacted prior to the hearing and would prepare an impact statement. The league remarked that the main consumers would be the nine municipal owned hospitals in the state as well as the jails.

REPRESENTATIVE ELAM asked whether HB 60 would impact facilities owned by municipalities but have private incorporations.

MS. LATHAM said that she would have to get back to him regarding that question.

[11:15:52 AM](#)

CHAIR STUTES asked about the capacity of money allocations to DOT&PF.

MS. LATHAM responded that it was for food purchases on the M/V Aurora and M/V Tustumena ferries and included sprouts and potatoes.

[11:16:37 AM](#)

REPRESENTATIVE HIMSCHOOT asked for an example of what a political sub-division could be.

MS. LATHAM responded that this could include school districts and things of this sort.

[11:17:07 AM](#)

REPRESENTATIVE ELAM mentioned small school districts that get state funding but are not technically within a municipality. He asked whether HB 60 would pertain to these entities.

MS. LATHAM responded that if they are not in a municipality, then they would not be impacted.

[11:17:48 AM](#)

REPRESENTATIVE KOPP asked whether HB 60 would apply to the Alaska Railroad Corporation (ARRC).

MS. Latham responded that she did not believe it would apply to AARC but would get back with an answer following the committee meeting.

REPRESENTATIVE KOPP mentioned the large amounts of tourists associated with the railroad and the sizeable portions of food purchased by them.

[11:18:36 AM](#)

REPRESENTATIVE EDGMON asked about any opposition regarding the addition of tribes to the list of bodies required to expand procurement purchases. He asked why the state would not want to do this and whether it was a procurement issue.

MS. LATHAM responded that if it were the will of the committee, it could be considered. She remarked, however, that HB 60 consisted of minor changes to pre-existing statutes when it was drafted and was not focused on large procurement expansions.

REPRESENTATIVE EDGMON asked about looking at any downstream impacts from including tribes under the bill and said he would like a follow-up much like Representative Kopps inquiry about railroad procurements.

[11:20:24 AM](#)

CHAIR STUTES opened public testimony on HB 60. After ascertaining that no one wished to testify, she closed public testimony. She noted that any written testimonies could be sent to house.fisheries@akleg.gov.

[11:21:57 AM](#)

CHAIR STUTES announced that HB 60 was held over.

HB 31-VESSELS: REGISTRATION/DERELICT FUND

[11:22:06 AM](#)

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 31, "An Act relating to the registration of commercial vessels; and relating to the derelict vessel prevention program fund."

[11:23:00 AM](#)

MATT GRUENING, Staff, Representative Louise Stutes, on behalf of Representative Stutes, prime sponsor, presented HB 31 and a background on vessel registration. He began by describing that vessel documentation is a national form of vessel registration through the U.S. Coast Guard (USCG) and is one of the oldest functions of the Federal Government. He noted that there is an informative brochure in the committee file and on the Bill Action and Status Inquiry System (BASIS) that helps explain what USCG documentation is. He explained that the documentation pertains to boats that have under five net tons of displacement. He clarified that the terms "documented" and "undocumented" in his presentation were with reference to boats with or without USCG registration.

[11:24:00 AM](#)

MR. GRUENING explained that HB 31 would exempt certain commercial fishing vessels from duplicative registration requirements that were created by the passage of Senate Bill 92 during the Thirtieth Alaska State Legislature. This bill would specifically remove the requirement for USCG documented vessels with a current Commercial Fisheries Entry Commission (CFEC) license to register every three years with the Division of Motor Vehicles (DMV).

MR. GRUENING explained that prior to the passage of Senate Bill 92, USCG documented vessels were exempt from DMV registration

and that exemption was repealed under Senate Bill 92. As a result, larger vessels fell under DMV's purview. The rationale behind Senate Bill 92 was to provide the state and local municipalities with a state-maintained database regarding vessel ownership and operation, and vessel contact details.

MR. GRUENING noted that vessel licensure with CFEC already requires annual renewal, and it provides necessary ownership information in a state-maintained database. He remarked that vessels already adhered to the original intent of Senate Bill 92. He noted that the sponsor's intent is that these operators should not be required to register with DMV when pre-existing registrations are already in place. He reiterated that HB 31 seeks to remove the duplicative registration process for these vessels.

MR. GRUENING noted that one question to consider is who must register with the CFEC, he stated that nearly all commercial fishing vessels have this requirement. He remarked that the CFEC licensed 7,413 vessels in 2024, 4,356 of which were USCG documented vessels. He concluded by remarking that this is not a free pass for commercial fishing vessels and renewal practices still would be required. He said that HB 60 has overwhelming support in the fishing industry. He also said that registrations put a burden on DMV and the proposed legislation would help alleviate workloads.

[11:28:35 AM](#)

REPRESENTATIVE HIMSCHOOT asked whether similar legislation was passed before.

MR. GRUENING replied that this legislation passed last year, but after midnight, and it was subsequently vetoed by the governor.

[11:28:53 AM](#)

REPRESENTATIVE KOPP remarked that HB 31 makes a lot of sense. He asked for clarification for set-net fishermen in skiffs 24 feet or less. He said they are already exempt from CFEC registration and currently register with the DMV. He asked whether HB 31 bill would change this.

MR. GRUENING responded that skiffs associated with set netting would not be required to register with the CFEC and would continue registration with the DMV.

11:29:49 AM

CHAIR STUTES announced that HB 31 was held over.

11:30:50 AM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:30 a.m.