

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 12, 2015

FILE NO.: BAC general

TEL. NO.: (907) 269-3039

SUBJECT: AAG report for
February 26, 2015, BAC
meeting

FROM: Bob McFarlane
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Anchorage

PART 1: NON-CONFIDENTIAL MATTERS FOR OPEN MEETING SESSION

SB 8 – Industrial Hemp: Senator Ellis has introduced SB 8 which authorizes the production of industrial hemp. Industrial hemp is an agricultural crop with low THC levels. It can be used to make a variety of products including paper, construction materials, biodegradable plastics, and fuel. If this bill becomes law, the ARLF will undoubtedly receive loan applications from people interested in growing or processing hemp. As of the date of this memo, no hearings have been scheduled on this bill, but that is sure to change. Board members can follow the progress on this bill at <http://www.akleg.gov/basis/Home/BillsandLaws>.

Marijuana Initiative: Recreational use of marijuana becomes legal on February 24, 2015. Commercial sales of marijuana are not yet legal, but the State will begin accepting business applications in February, 2016. The State will then begin issuing business licenses no later than May, 2016. The ARLF will undoubtedly receive loan applications from prospective growers and other marijuana related businesses once business licenses are issued. This is new and uncharted territory for everyone. The board will eventually need to consider loan applications for marijuana businesses, and I recommend having discussions on this issue sooner rather than later. For your additional information, the legislature has held several hearings on marijuana issues and has taken testimony from several experts in the field as well as from State officials. More hearings are planned and anyone interested in listening to these hearings should check the “Daily Schedule” tab at <http://w3.legis.state.ak.us/index.php>.

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

There are no confidential matters for 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.