

ANCHORAGE DAILY NEWS

Alaska Legislature

New legislation would save beer and wine at the Alaska State Fair

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JUNEAU — A bill introduced in the Alaska Legislature on Tuesday would preserve beer and wine sales at the Alaska State Fair by fixing a gap in state law regarding alcohol licenses.

Senate Bill 16 creates a new alcohol license specifically for fairs, resolving an issue that threatens to prevent the Palmer fair — and the other Alaska state fairs in Ninilchik, Kodiak and Haines — from getting alcohol licenses.

The bill was introduced by Sen. Peter Micciche, R-Soldotna, and received its first hearing in the Legislature on Tuesday.

Several members of the public told the Senate Labor and Commerce Committee that alcohol isn't the only thing at stake: Beer and wine sales represent real revenue for fairs, and if those sales go away, the fairs might, too.

“They can't afford it without the alcohol sales. There's many things they can't afford without the alcohol sales,” “Hobo Jim” Varsos said as he testified in favor of the bill. Varsos is one of the best-known regular performers at the Alaska State Fair.

Jerome Hertel, general manager of the Alaska State Fair, told lawmakers that alcohol sales amount to about 20 percent of the fair's revenue. According to publicly available tax filings, the nonprofit behind the fair earned \$7.5 million in revenue in 2016.

“That's a pretty large percentage of your budget to lose and keep operating,” Hertel said.

Questioned by Sen. Mia Costello, R-Anchorage, Hertel said losing alcohol revenue would not necessarily mean a hike in ticket prices.

For 37 years, the fair has applied for (and received) what's known as a “recreational site” alcohol license. But under state law, events eligible for those licenses are limited to places where “baseball games, car races, hockey games, dog sled racing events or curling matches” are held.

Despite that limitation, the Alaska Alcohol Beverage Control Board voted year after year to issue a license to the state fair and other organizations, such as ski areas, that aren't specified in the law. Legislative auditors flagged the problem in 2014 and again in 2017.

This year, when the fair's alcohol license came up to the board, staff at the Alcohol and Marijuana Control Office recommended the fair's license be rejected. Rather than approve that recommendation and reject the license, the alcohol board deferred its decision. (The board has previously gone against AMCO recommendations: It voted in favor of a recreational-site license for Arctic Valley Ski Area in August, after the auditors' warning.)

In addition to creating a fair license, Micciche's bill would create an alcohol license for performing arts centers and create a permit for alcohol sales at music concerts. Ski areas are not included, but Micciche said he is open to some additions if the public requests them.

Micciche said he views his legislation as "sort of an emergency management licensing bill for some entities that are important to the state of Alaska."

Micciche has long supported a broader reform to Alaska's alcohol laws, one that would have fixed the problem encountered by the state fair, but that legislation failed to garner House approval before the Legislature adjourned last year. Micciche said he intends to reintroduce the broader reform, but he believes Senate Bill 16 could address the fair's needs this year if the broader reform becomes bogged down.

The fair-related bill remains in the Senate Labor and Commerce Committee. Sen. Lora Reinbold, R-Eagle River and chairwoman of the committee, said she is continuing to accept public testimony and suggestions on the legislation.

About this Author

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James Brooks covers state government, the Alaska Legislature and general assignments for the Daily News. He previously reported and edited for the Juneau Empire, Kodiak Daily Mirror and Fairbanks Daily News-Miner.

Comments