

Alaska's Local Option Laws for Alcohol

*A brief primer on Alaska's alcohol laws
and the impact of HB 155*

House Labor & Commerce

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Local Option Law

- Title 4, Alcoholic Beverages, is the state law that deals with the regulation, control and distribution of alcoholic beverages throughout Alaska. The law includes provisions (AS 04.11.491) that allow local residents to hold an election to select one of five options to determine whether or not the sale, importation, or possession of alcohol will be allowed in the community.
- These are referred to as **local options**, and the elections are referred to as local option elections. Residents of a community may also choose to not have a local option election, in which case all other provisions of Title 4 will apply.

History

- 1937 The Territorial Legislature approved the 1st local option law
- Allowed incorporated (mainly settler) communities to hold elections for or against the sale of liquor
 - Unincorporated communities had to opt in to allow the sale of liquor.
- 1976 The State Legislature altered the law and required incorporated communities to hold a local option election before granting a new license
- 1980 The State Legislature passed comprehensive legislation similar to what we have today
- 1986 The State Legislature added a new option allowing communities to ban possession of alcohol (not just sale or importation)

What Are the existing Local Options?

- Option 1: Bans sale but allows importation and possession (“damp”)
- Option 2: Allows the community to pick which license type they’ll allow
- *Option 3: Only the municipality can operate a license (more on this later)*
- Option 4: Bans sale and importation
- Option 5: Bans sale, importation, and possession (“dry”)

How Is a Local Option Exercised?

By local election

- Anyone can petition for any local option
 - It must specify the particulars of that option (some options have multiple choices)
 - The petition must be signed by 35% of the number of votes cast in last municipal election
 - An election is held (regular or special)
 - If a majority votes in favor, the local option is exercised
 - Any local option can be changed in the future

How Many Communities Use a Local Option?

109 Total

- 23 Ban sale
- 6 Ban sale by specific License Type
- 9 Sale by municipally operated license only
- 41 Ban sale and importation
- 30 Ban sale, importation, and possession

Local Option 3 Details

- A municipality may operate up to 3 license types
 - Package Store (liquor store)
 - Beverage Dispensary (Bar)
 - Restaurant or Eating Place
- The petition/election will specify how many and which of the types
 - 1 of 3
 - 2 of 3
 - 3 of 3
- No other entity may operate any license

House Bill 155: A New Local Option

- Would create a new option
 - Municipalities could operate the liquor store license
 - Private industry could operate the restaurant license
 - Private industry could operate the bar license
- The petition/election will specify how many and which of the types
 - 1 of 3
 - 2 of 3
 - 3 of 3

If House Bill 155 Passes:

Local options 1-5 will remain, and a new option will be created:

- **Option 6: Only the municipality can operate a package store license. Private industry can operate restaurant and/or dispensary license**
 - Allows municipalities to operate the liquor store licenses while allowing options for private operation of restaurant and/or bar license(s)

What House Bill 155 Will Not Do:

- Change any existing Local Option (it just adds a new one)
- Change election laws for implementing any Local Option (local control)
 - Voters will still have to petition for any Local Option and hold an election to enact it

Questions?