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NEWS

Legislature looks at fix after State Fair denied liquor license

Monday, February 4th 2019, 9:20 PM AKST

By: Heather Hintze



It could be up to the Alaska Legislature to decide if people will be able to have a beer at the Alaska State Fair.

Senate Bill 16 from state Sen. Peter Micciche, R-Kenai, would amend the current statute on liquor licenses to include the fair, as well as concerts and performing arts events.

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Jerome Hertel, the fair's manager, says it's had a "recreational site" license since 1981. In December, however, the state's Alcohol Beverage Control (ABC) Board decided not to renew the license.

Hertel said the fair counts on money from alcohol sales, especially in years when attendance is down or the weather is bad.

"To not have that revenue stream would have detrimental effects on the fair," Hertel said. "Would we survive? Yes. Would we be in a good position for coming into the next year's fair? Perhaps not depending on the weather, the conditions and the economy of course."

Erika McConnell, director of the state Alcohol and Marijuana Control Office Director recommended the ABC Board deny the license. She says the fair doesn't fit the current definition of "recreational site."

In a Dec. 17 memo to the board, McConnell wrote that serving alcohol in almost all of the fair's venues – including the Sluice Box, Borealis Theater and Wine Bar – was "not compliant with the statutory requirements."

McConnell also wrote that there "is no license type that fits the business model of the state fair."

"A legislative fix is the best solution to allow the state fair to continue operating as they have been," she wrote.

That's what Micciche is counting on with SB 16.

"We've been hearing from thousands of Alaskans from around the state," he said. "The Alaska State Fair is very important. It's an economic driver for the Valley but it's important for all Alaskans."

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Asked why the fair is under scrutiny after 37 years with the same type of license, McConnell pointed to two audits of license holders in 2014 and 2018.

In 2014, 15 of 32 businesses audited did not meet the criteria for a recreational license. Those businesses, McConnell wrote, included bowling alleys, a sports center and pub, an exercise gym, a gift shop, theaters and pool halls.

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A similar audit in 2018 found 10 of 29 licensees were non-compliant; those included travel tour companies, bowling alleys, an art council, a pool hall, a movie theater and a spa.

Neither audit specifically lists the Alaska State Fair as a non-compliant licensee.

Shawn Williams, assistant commissioner for the state Department of Commerce, Community, and Economic Development, said he and McConnell will be at a Tuesday hearing in Juneau on SB 16. They will answer questions and recommend fine-tuning some of the language of the bill.

Williams said the department is supportive of the bill. He expects it to have bipartisan support and gain quick approval from lawmakers.

"It should take care of the issues the state fair is having," Williams said.

The Senate Labor and Commerce Committee will hear the bill at 1:30 p.m. Tuesday.

The ABC Board's next meeting is in Juneau on Feb. 19.

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