



MATANUSKA-SUSITNA BOROUGH

Office of the Mayor

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February 23, 2021

VIA EMAIL

The Honorable David Wilson, District D
The Honorable Mike Shower, District E
The Honorable Shelley Hughes, District F
The Honorable Christopher Kurka, District 7
The Honorable Kevin McCabe, District 8

The Honorable George Rauscher, District 9
The Honorable David Eastman, District 10
The Honorable DeLena Johnson, District 11
The Honorable Cathy Tilton, District 12

Re: Senate Bill 9

Dear Mat-Su Valley Senators and Representatives,

The Matanuska-Susitna Borough Assembly recently passed Resolution Serial No. 21-017 with accompanying Informational Memorandum No. 21-040 in support of changes to state law to allow for more local control over alcohol beverage licensing. At a minimum, municipalities, including the Matanuska-Susitna Borough, should have the option to determine the appropriate number and types of alcoholic beverage licenses and permits in their communities. The Resolution and Informational Memorandum are attached to this letter.

The current version of SB 9 does not provide for maximum local control. Critically, the population limits contained in AS 04.11.400(a) remain and other population limits are proposed to be adopted on a statewide basis without regard to the local concerns, local conditions, and local preferences. Moreover, types of licenses and endorsements are locked in stone by proposals found in SB 9 without the ability of local governments to expand beyond them.

Also, a thoughtful consideration of the petition process of the proposed AS 04.11.405 reveals that it does little to help. The proposal grants the ability of a few privileged and unique municipalities (at the expense of all others who are left out for no good reason) to petition the board for additional restaurant licenses only, and no other category of licenses. Under proposed AS 04.11.405(a) only the 18 first class cities and 11 home rule cities among the total of 147 cities in Alaska can petition for additional licenses. Worse, only 4 of Alaska's 19 boroughs can make such a petition. The Matanuska-Susitna Borough is ineligible to even make a request. The proposal contains additional limitation as to what characteristics a municipality must have to be

Providing Outstanding Borough Services to the Matanuska-Susitna Community.

able to be granted a license, thus further limiting the impression that the section advances local control in any meaningful way.

For the reasons in the Resolution, Informational Memorandum, and written above, the Matanuska-Susitna Borough opposes SB 9 as written. Further, the Matanuska-Susitna Borough opposes any changes to the current laws in Title 4 without a major overhaul and revision to allow the Matanuska-Susitna Borough to carry out its constitutionally mandated mission of maximum local self-government. At a minimum, the Matanuska-Susitna Borough should have the option to determine the appropriate number and types of alcoholic beverage licenses and permits in our communities.

Sincerely,



Vern Halter
Mayor



Michael Brown
Borough Manager

Attachments: Resolution Serial No. 21-017
Informational Memorandum No. 21-040

cc: Borough Assembly
John Harris

Adopted: 02/16/21

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 21-017**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF CHANGES TO STATE LAW TO ALLOW FOR MORE LOCAL CONTROL OVER ALCOHOL BEVERAGE LICENSING.

WHEREAS, Article X of the Alaska State Constitution references the intent of "maximum local self-government"; and

WHEREAS, the issuance of alcohol beverage licenses and permits within organized municipalities in the state is regulated by Title 4 of the Alaska State Statutes; and

WHEREAS, under Alaska Statutes Title 4, local municipalities are provided the opportunity to object to the issuance or renewal of alcoholic beverage licenses and permits within their jurisdiction, but otherwise have no authority in the issuance, number or type of licenses or permits; and

WHEREAS, in stark contrast, marijuana regulations provide for maximum local self-government by giving local municipalities the authority to determine whether to allow marijuana establishments within its border, and if allowed, the number and types of establishments to be permitted; and

WHEREAS, the same level of local control is not afforded to municipalities when it comes to regulating alcoholic beverage licenses and permits under Alaska Statutes Title 4; and

WHEREAS, local control is the preferred method of regulating, controlling and managing socially affected economic issues; and

WHEREAS, providing a mechanism for municipalities to determine the appropriate number and types of alcoholic beverage licenses and permits within their community will provide for more effective regulation of licenses and permits across our vast and diverse state; and

WHEREAS, any arguments concerning the ability for local municipal control of alcoholic beverage licensing to be effective are specious because local control over marijuana (which remains illegal under federal law) has been effective in those municipalities which have decided to regulate marijuana; and

WHEREAS, current monopolistic and archaic regulations stifle economic development of any business where any part of that business models relies on alcohol sales; and

WHEREAS, the development of restaurants, retailers, and hotels and whether those businesses should have the ability to sell alcoholic beverages should be a matter of local control which can be addressed, licensed, and adjusted as needed within municipalities across Alaska; and

WHEREAS, either delegating the power to municipalities, or providing a mechanism for municipalities to determine the appropriate number and types of alcoholic beverage licenses and permits within their community, will provide for more effective

regulation of licenses and permits across our vast and diverse state.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough supports changes to state law to allow for more local control over alcohol beverage licensing.

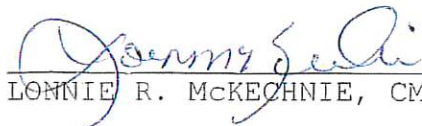
BE IT FURTHER RESOLVED, at a minimum, municipalities should have the option to able to determine the appropriate number and types of alcoholic beverage licenses and permits in their communities.

ADOPTED by the Matanuska-Susitna Borough Assembly this 16 day of February, 2021.



VERN HALTER, Borough Mayor

ATTEST:



LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Hale, Nowers, McKee, Yundt, Tew, Sumner, and Boeve

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF CHANGES TO STATE LAW TO ALLOW FOR MORE LOCAL CONTROL OVER ALCOHOL BEVERAGE LICENSING.

AGENDA OF: February 16, 2021

Assembly Action:

approved under the consent agenda. 2-16-21 KBJ

MANAGER RECOMMENDATION: Present to the Assembly for consideration.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER:

WB

Route To:	Department/Individual	Initials	Remarks
	Originator	NS	For Assemblymembers Yundt and Sumner
	Borough Attorney	<i>NS</i>	
	Borough Clerk	<i>Ym 2/16/21</i>	<i>KBJ</i>

ATTACHMENT(S): Fiscal Note: YES _____ NO X
Resolution Serial No. 21-017 (3 pp)

SUMMARY STATEMENT: This resolution is sponsored by Assemblymembers Yundt and Sumner.

Article X of the Alaska State Constitution references the intent of maximum local self-government. Under State law, local municipalities have some control over alcoholic beverage licensing. Indeed, localities can vote themselves "dry" or "damp" in addition to having no restrictions at all. While municipalities can take actions limiting the licensing of alcohol within their jurisdictions, there is no concurrent ability for local governments to determine whether to allow for more alcoholic beverage licenses in their municipalities.

Under Alaska Statutes Title 4, the number and types of alcohol beverage licenses and permits allowed within a municipality is largely based upon population. The current structure does not provide any mechanism to allow municipalities to participate in determining the appropriate number and types of license and permits with their community.

In stark contrast, marijuana regulations provide for maximum local self-government by giving local municipalities the authority to determine whether to allow marijuana establishments within its border, and if allowed, the number and types of establishments to be permitted. The same level of local control is not afforded to municipalities when it comes to regulating alcoholic beverage licenses and permits under Alaska Statutes Title 4.

Local control is the preferred method of regulating, controlling and managing socially affected economic issues. Just as the number of alcohol licenses in the State of Alaska should not be set by those in Washington DC, the number of alcohol licenses in the Matanuska-Susitna Borough should not be set by those in Juneau. Current monopolistic and archaic regulations stifle economic development of any business where any part of that business models relies on alcohol sales. The development of restaurants, retailers, and hotels and whether those businesses should have the ability to sell alcoholic beverages should be a matter of local control which can be addressed, licensed, and adjusted as needed within municipalities across Alaska. Either delegating the power, or providing a mechanism for municipalities to determine the appropriate number and types of alcoholic beverage licenses and permits within their community, will provide for more effective regulation of licenses and permits across our vast and diverse state.

Finally, any arguments concerning the ability for local municipal control of alcoholic beverage licensing to be effective are specious. Local control over marijuana (which remains illegal under federal law) has been effective in those municipalities which have decided to regulate marijuana. There is not a rampant and uncontrolled spread of marijuana establishments operating illegally against local regulations. There is also not a failure of enforcement and operators simply running amok in the face of local regulations. The same will happen with local control of alcohol.

The proposed resolution supports changes to state law to allow for more local control over alcoholic beverage licensing. At a minimum, municipalities should have the option to able to determine the appropriate number and types of alcoholic beverage licenses and permits in their communities.

RECOMMENDATION OF ADMINISTRATION: Adoption of resolution.