



## MATANUSKA-SUSITNA BOROUGH

### Office of the Mayor

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April 13, 2021

*VIA EMAIL*

The Honorable Click Bishop  
The Honorable Bert Stedman  
The Honorable Lyman Hoffman  
The Honorable Natasha von Imhof

The Honorable David Wilson  
The Honorable Donald Olson  
The Honorable Bill Wielechowski

Re: Amended Senate Bill 9

Dear Members of the Senate Finance Committee,

Senate Bill 9, the major revision of Title 4 addressing alcohol licensing, passed the Senate Judiciary Committee on April 12, 2021. Attached is Matanuska-Susitna Borough Assembly 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.

We are thankful to Senator Hughes for bringing forward the amendment to Senate Bill 9 to allow for more local control over all alcohol licensing and we appreciate the Senate Judiciary Committee's support in voting for that amendment. Senate Bill 9, as amended, now allows local municipalities to petition for additional licenses within their jurisdictions to reflect local concerns, local conditions, and local preferences.

As Senate Bill 9 proceeds through the Senate Finance Committee, the Matanuska-Susitna Borough wishes to express its support for the current version of the bill and re-emphasize that under this bill, State regulations would remain while allowing for local municipalities to determine whether additional licenses are warranted. Co-regulation by the State and municipalities works as a method to allow for businesses with alcohol while making sure that the State and municipal regulations are followed.

In our Borough, there are many restaurants in operation with readily recognizable names such as Red Robin, Evangelos, Chepos, Everett's, Hacienda, Denali Brewpub, Mt. McKinley Princess Lodge, Settler's Bay, and Locals. While these establishments are restaurants in nature, they all operate with a beverage dispensary license. Since there are currently no beverage dispensary

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*

licenses available in the entire Matanuska-Susitna Borough and its cities, other restaurants who wish to have the same business model are foreclosed from being successful in the Matanuska-Susitna Borough. The current version of Senate Bill 9 would allow the Matanuska-Susitna Borough Assembly a say in whether other operations such as Olive Garden, Cattle Company, Sullivan's, Outback Steakhouse, or Applebees could be allowed a dispensary license to be able to operate and be successful in our community.

Likewise, there are no package store licenses available in the entire Matanuska-Susitna Borough and its cities. Under the amended version of Senate Bill 9, the Matanuska-Susitna Borough Assembly could petition the board for additional package store licenses for businesses like Costco or additional locations for Fred Meyer, Carrs, or WalMart. More disbursed economic development across our very large Borough will avoid the long distance drives many of us make to be able to shop at these stores. This saves time, money, alleviates wear and tear on our roads, and relieves traffic congestion.

Various types of alcohol licenses are part of the business model for many successful, responsible, and well respected businesses. Under the current amended version of Senate Bill 9, the Matanuska-Susitna Borough is able to petition for additional licenses dependent upon our local conditions and considering our local concerns to advance economic development. We support Senate Bill 9 in its current form and ask for your support as well.

Sincerely,



Vern Halter  
Mayor



Michael Brown  
Borough Manager

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

cc: Borough Assembly  
City of Wasilla  
City of Palmer  
City of Houston  
Mr. 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.

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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.

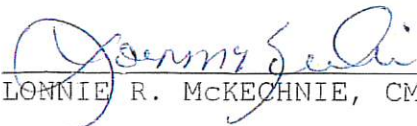
BE IT FURTHER RESOLVED, at a minimum, municipalities should have the option to able to determine the appropriate number and types of alcoholic beverage licenses and permits in their communities.

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.