

SENATE FINANCE COMMITTEE
January 19, 2022
1:02 p.m.

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CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 1:02 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Donny Olson
Senator Natasha von Imhof
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Lyman Hoffman

ALSO PRESENT

Senator Peter Micciche, Sponsor; Lee Ellis, President, Alaska Brewers Guild; Sarah Oates, President and CEO, Alaska Cabaret, Hotel, Restaurant and Retailers Association.

PRESENT VIA TELECONFERENCE

Tiffany Hall, Executive Director, Recover Alaska; Glen Klinkhart, Interim Director, Alcohol and Marijuana Control Office, Department of Commerce, Community and Economic Development; Anna Brawley, Title Review Coordinator, Agnew Beck Consulting.

SUMMARY

SB 9 ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

SB 9 was HEARD and HELD in committee for further consideration.

#sb9

SENATE BILL NO. 9

"An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to common carrier approval to transport or deliver alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date."

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Co-Chair Bishop noted it was the first hearing for SB 9 for the current session. The intention of the committee was to hear a bill re-introduction, consider invited testimony, and then set the bill aside.

1:03:45 PM

SENATOR PETER MICCICHE, SPONSOR, thanked the committee. He noted that alcohol was very important industry in the state and added that alcohol was a substance commonly abused. He asserted that the bill was about balance and fairness in consideration of both those issues. The bill modernized statute and brought together various stakeholders to craft meaningful policy.

Senator Micciche continued to introduce the bill. He noted that while not every bar owner or manufacturer supported every piece of the legislation, but that Alaska CHARR and the Brewers Guild supported the bill. He added that there were some in public safety that wanted to see other provisions in the bill, but that Recover Alaska and the Alaska State Troopers supported the bill. He thought the bill recognized what was important about the industry but put effectiveness into enforcement. The bill would allow healthy operators to continue to operate. He spoke of the many years of work on the bill and the many people involved.

He emphasized that the bill promoted a fair business climate and limited youth access to alcohol. The bill promoted responsible alcohol use to reduce the harms of

over-consumption. He regaled the committee with the various positive benefits of the legislation.

Senator Micciche announced that there were invited testifiers available in the room.

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LEE ELLIS, PRESIDENT, ALASKA BREWERS GUILD, spoke in support of the bill. He explained that the guild represented 40 stakeholders, employed many Alaskans, and generated significant funds for the state. He lamented the effects of Covid-19 on the alcohol industry. He said that the guild was very happy with the bill.

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SARAH OATES, PRESIDENT AND CEO, ALASKA CABARET, HOTEL, RESTAURANT AND RETAILERS ASSOCIATION, testified in support of the bill. She was pleased that the bill was being heard early in the session and believed the legislation would greatly benefit the industry in Alaska. She said that liquor licensees had suffered a devastating blow by Covid-19. She urged support for the legislation.

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TIFFANY HALL, EXECUTIVE DIRECTOR, RECOVER ALASKA (via teleconference), spoke in support of the bill. She explained the mission of Recover Alaska. She relayed that her organization and many other stakeholders had been working on the bill for many years. She discussed alcohol statistics in the state which affected criminal justice, healthcare, loss of productivity, traffic accidents, and life expectancy. She believed that the bill would be a "huge win" for the state.

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AT EASE

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RECONVENED

GLEN KLINKHART, INTERIM DIRECTOR, ALCOHOL AND MARIJUANA CONTROL OFFICE, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), stated that the Alcohol and Marijuana Control Office had consistently

supported the bill. He commented on provisions of the bill that worked. He had spent 25 years as a law enforcement officer in the state. He had co-opted the fine schedule to implement in enforcement for marijuana, which had been developed in partnership with the industry. He appreciated the introduction to Title 4 and how it could be applied to marijuana.

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Senator Wielechowski asked about keg registration and wanted to clarify the application for home brewers.

Senator Micciche wanted to clarify that the bill did not create rules to regulate usages where they did not already exist. A home brewer was not a licensee, and the bill was designed specifically for licensees.

Mr. Ellis addressed Senator Wielechowski's question. He noted that kegs were registered upon sale. Further clarity would be available through the registration process. The goal of the bill was that if underage persons were in possession of a keg, the person who supplied it would be held accountable.

Senator Wielechowski referenced page 96, section 111, of the bill and asked about the impact to homebrewers and "bottle clubs".

ANNA BRAWLEY, TITLE REVIEW COORDINATOR, AGNEW BECK CONSULTING (via teleconference), shared that provision would not apply to a private event that was not open to the public.

Senator Wielechowski asked whether Ms. Brawley was familiar with the keg registration provision. He wondered whether homebrewers would have to register kegs.

Mr. Brawley understood that a person using a keg for personal use would not have to register.

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Senator Wielechowski thought that under the bill, towns with 12,000 people would only be allowed one brewery tap room and one winery tasting room, which was more restrictive than current statute.

Senator Micciche explained that change would not eliminate already existing businesses. He said that not everyone would be pleased with every aspect of the bill.

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Senator Wilson discussed a concern about a barrier to new brewers and the growing brew industry.

Senator Micciche acknowledged that the bill would create a limited entry situation. He stressed that the policies in the bill had been negotiated to change the statute to reflect current conditions in the industry while leaving room for growth.

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ADJOURNMENT

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The meeting was adjourned at 1:26 p.m.