

HB

299

<TARGET><BILL>HB 299</BILL><SUBJECT>HB
299</SUBJECT><COMM>HL&C30</COMM></TARGET>

CS FOR HOUSE BILL NO. 299(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE WOOL

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the authority of the director of the Alcoholic Beverage Control**
2 **Board; extending the termination date of the Alcoholic Beverage Control Board; and**
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 04.06.075 is amended by adding a new subsection to read:

6 (b) The director is not a member of the board and may not vote on a matter
7 before the board.

8 * **Sec. 2.** AS 44.66.010(a)(1) is amended to read:

9 (1) Alcoholic Beverage Control Board (AS 04.06.010) - June 30, 2022
10 [2018];

11 * **Sec. 3.** 3 AAC 304.025(c) is annulled.

12 * **Sec. 4.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

REPRESENTATIVE ADAM WOOL

Session: January - April
State Capitol, Room 412
Juneau, AK 99801-1182
Phone: 907-465-6879

- Chair: Transportation, Energy
- Vice Chair: Labor & Commerce
- Member: State Affairs

Interim: May - December
1292 Sadler Way, Ste. 308
Fairbanks, AK 99701
Phone :907-452-6084



Official Business

“An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date.”

House Bill 299 extends the sunset date for the Alcoholic Beverage Control (ABC) Board to June 30, 2022.

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), Legislative Audit reviewed the activities of the ABC Board and determined the board is effectively serving the public by controlling the manufacture, barter, possession, and sale of alcoholic beverages in the state.

The audit concluded the board should improve its procedures for issuing renewals, recreational site licenses, and beverage dispensary licenses that encourage tourism. Testing found these licenses were not consistently issued in accordance with statutes. Additionally, operational improvements are needed in enforcing laws, monitoring board-related local law enforcement activity, and processing refunds to municipalities.

The ABC Board serves an important role in guarding the health and safety of Alaskans by protecting the general public through the issuance, renewal, revocation, and suspension of alcoholic beverage licenses. The continuation of this board is very important.

If you have any questions, please contact my staff, Laura Stidolph, (907) 465-6879. Thank you for your support of this legislation.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 299
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB299-DCCED-AMCO-01-27-18
Title: EXTEND: ALCOHOLIC BEVERAGE CONTROL BOARD
Sponsor: WOOL
Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and Economic Development
Appropriation: Alcohol and Marijuana Control Office
Allocation: Alcohol and Marijuana Control Office
OMB Component Number: 3119

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES								
Personal Services		765.5	765.5	765.5	765.5	765.5	765.5	765.5
Travel		73.5	73.5	73.5	73.5	73.5	73.5	73.5
Services		750.0	750.0	750.0	750.0	750.0	750.0	750.0
Commodities		71.6	71.6	71.6	71.6	71.6	71.6	71.6
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6

Fund Source (Operating Only)

1005 GF/Prgm (DGF)		1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6
Total	0.0	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6	1,660.6

Positions

Full-time		8.0	8.0	8.0	8.0	8.0	8.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Erika McConnell, Executive Director
Division: Alcohol and Marijuana Control Office
Approved By: Catherine Reardon, Director
Agency: Division of Administrative Services, DCCED

Phone: (907)269-0351
Date: 01/27/2018 05:15 PM
Date: 01/27/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 299

Analysis

HB 299 extends statutory authorization for the existing Alcoholic Beverage Control Board (ABC) through June 30, 2022. Adoption of the bill will continue existing activities of the board, and administration by the agency director and staff. Failure to adopt the bill would cause operations of the ABC Board to cease as of June 30, 2018.

The ABC Board's mission is to control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The ABC Board and its agency staff, housed in DCCED, issue liquor licenses and permits and enforce laws and regulations regarding alcohol in Alaska. There are currently 1,905 alcohol licenses issued in the state of Alaska. Licenses are valid for a two year period, renewing biennially. Each of these licensees relies on the ABC Board and agency for administration of and renewal of the licenses that enable them to continue the operation of their business.

If the bill passes the following expenses will be incurred:

Personal Services: \$765.5 (eight full time agency staff: 3 Special Investigator I, Records and Licensing Supervisor, 2 Occupational Licensing Examiner, Administrative Assistant I, Criminal Justice Technician I)

Travel: \$73.5 (board members attend at least five board meetings per year; board is required to meet in each judicial district at least once per year; agency director and occasionally board chair or other agency management staff travel for conferences and/or training; enforcement staff travel throughout state for inspections and investigations)

Services: \$750.0 (includes information technology and department support for deleted positions; support from the Department of Law; hearing services; building leases; meeting advertising; meeting space rental; and other reimbursable services agreements with other agencies)

Commodities: \$71.6 (supplies including printing statute/regulation books; required signs for licensees; ammunition and other enforcement training supplies; office supplies)

The ABC Board's work is funded by program receipts. Fees for applicants and licensees for new licenses, renewal of licenses, or transfer of licenses include an application fee set in regulation, a license fee mostly set in statute (a few license types are established in regulation along with their license fee), and a background check fee set by the Department of Public Safety. Permit fees are set in statute for permits established in statute, and set in regulation for permits established in regulation. The total amount of revenue collected approximately equals the actual regulatory costs.

#1 adopted

30-LS1281\A.2
Bruce
2/8/18

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 299

1 Page 1, line 1, following "Act":

2 Insert "relating to the authority of the director of the Alcoholic Beverage Control
3 Board;"

4

5 Page 1, following line 3:

6 Insert a new bill section to read:

7 "** Section 1. AS 04.06.075 is amended by adding a new subsection to read:

8 (b) The director is not a member of the board and may not vote on a matter
9 before the board."

10

11 Page 1, line 4:

12 Delete "Section 1"

13 Insert "Sec. 2"

14

15 Renumber the following bill section accordingly.

16

17 Page 1, following line 6:

18 Insert a new bill section to read:

19 "** Sec. 3. 3 AAC 304.025(c) is annulled."

20

21 Renumber the following bill section accordingly.

22

23 Page 1, line 7:



Arden Rankins <ardenrankins@gmail.com>

Sunrise Inn staff

1 message

Arden Rankins <ardenrankins@yahoo.com>
To: Arden Rankins <ardenrankins@gmail.com>

Sun, Jan 28, 2018 at 6:46 PM

To AMCO Members and all concerned citizens,

We all work at the Sunrise Inn and we are all very concerned about the possibility of losing our jobs if AMCO proceeds with possible changes to the Tourism Liquor License (TLL) requirements. The proposed changes to the number of rooms that the Sunrise Inn would have to build (30) in order to retain its Tourism Liquor License is totally unacceptable and impossible. We are a community of about 250 residents. Our closest neighboring community is Moose Pass which is 18 miles away. Our community exists because of summer tourism. For 9 months of the year we rarely have anyone in the motel. If this potential change becomes law the Sunrise Inn would have to close its doors. Most of us have lived in Cooper Landing for many years and we love it here. It is where we have set our roots, made friends, have purchased expensive property and it is where we want to raise our children and eventually retire. Our hearts are in this community!

We would like to invite everyone on the AMCO board to come in Cooper Landing and get first hand knowledge of what an amazing place Cooper Landing is and how the Sunrise Inn is in many ways the center of our community. The Sunrise Inn is one of 2 places in the Cooper Landing that offers year round employment and it is the largest year round employer. If the AMCO board forces new rules dealing with populations and motel room requirements we will all be forced to leave the community as the Sunrise Inn will close down. We absolutely do not want to be forced to move because of what seem to be very unrealistic possible changes to TLL requirements. We respectfully ask you to visit each one of the 34 places that have a TLL and judge us all on a place by place basis. If we are not operating within the legal requirements currently set for TLL then take action on the offending businesses only. We also want you to be able to see that Cooper Landing is very rural. It will become very clear that we are not like a huge metropolitan area where separate cities all run together and appear to be one entity. Combining the populations of numerous small communities and then placing unrealistic requirements based on this skewed numbers is foolish at best.

Please give any decisions that you make serious consideration. Your decisions will directly effect our lives and the core of our community. Making the Sunrise Inn build 30 additional rooms to retain its TLL will put 10 full time year round people out of work and force 10 families to move. An additional 20 people will have to look elsewhere for summer employment. Homes will have to be sold quickly or they will be lost to the bank. Our school will lose children. There will no longer be a safe spot to stop on what can be a very a dangerous highway between Girdwood, Seward and Sterling. There will be no place open that you can count on for gasoline. There will be no social gathering place for the community. We can think of numerous reasons to leave the law as it currently is and we can see NO POSITIVE reasons to change the law.

It is our understanding that AMCO falls under the government heading of Economic Development. If we are correct in this then we respectfully request the AMCO members to do what is best for economic development in the state at a time when we badly need additional jobs. Changing the TLL laws and forcing businesses to close down because the changes required are impossible, ludicrous and 100% unrealistic would be to go against exactly what economic development means.

It is our joint opinion that somewhere in the political process common sense has been lost. The negative outcome of rewriting the TLL laws far out does any potential gain if there is any at all. If there is we are unable to find it.

Please consider our request to come and visit both the Sunrise Inn and Cooper Landing. If you are like us you will want to live here too!

Respectfully,

The staff of the Sunrise Inn

Franklin

William R. Thomas *Phillip K. Korppe*

Scott Defoot

Corey Robinson

Jon James Construction LLC
PO Box 761
Cooper Landing, Alaska 99572
907-595-1598

January 17, 2018
Alcohol and Marijuana Control Office
550 W 7th AVE, STE 1600
Anchorage, AK 99501

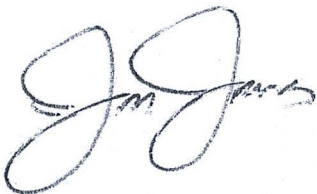
RE: Sunrise Inn in Cooper Landing Liquor License

Dear AMCO staff,

Jon James Construction does not support change to current regulations that would result in the loss of Cooper Landing's Sunrise Inn current liquor license. Sunrise Inn is the only motel, café and bar to remain year round open. Loss of this business would impact the tourist and residents of our community. Our business relies on the hotel year round to house our subcontractors on our building projects.

Please consider grandfathering Sunrise Inn under old requirements and require new applicants to abide by the new rules.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon James", with a stylized flourish at the end.

Jon James Construction LLC
PO Box 761
Cooper Landing, Alaska 99572
907-595-1598

Donald W. Johnson
PO Box 532
Cooper Landing, Alaska 99572
907-595-3671

Dear sirs:

I am the direct next-door neighbor to the Sunrise Inn in Cooper Landing. I do not drink alcohol, but I depend on Sunrise Inn to remain open for business, otherwise I have to eat my own retired bachelor fare 24/7.

Many of us local retirees gather at Sunrise Restaurant in the winter season, grateful to Arden for keeping it open. We certainly recognize that our inexpensive breakfasts and lunches are "underwritten" by the bar business, and the liquor license is the key to Sunrise remaining open for the rest of the community who otherwise would be stuck at home all winter.

As Sunrise's direct neighbor I am grateful to the Sunrise Inn and its big-hearted and community-conscious owner.

Thank you,



Donald W. Johnson
Resident Cooper Landing

Jon & Laura James
PO BOX 761
34630 East Quartz Creek Road
Cooper Landing, Alaska 99572

January 17, 2018

Alcohol and Marijuana Control Office

550 W 7th AVE, STE 1600

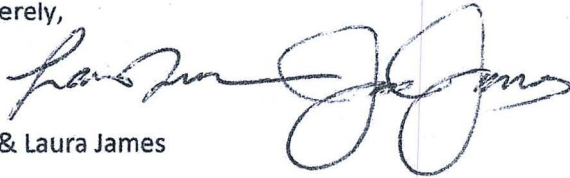
Anchorage, AK 99501

RE: Tourism Liquor License for Sunrise Inn in Cooper Landing

To whom it may concern,

We do not support changes to current regulations that would remove Sunrise's Inn current tourism liquor license. The Sunrise Inn is very important to seasonal visitors as well as year round residents of Cooper Landing. This license is very important for Sunrise Inn to afford to be open. Please consider grandfathering the business in good standing and apply these new regulations to new business seeking same license.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon & Laura James", written in a cursive style.

Jon & Laura James

Residents in Cooper Landing

JENNIFER HARPE KENAI RIVER FLY FISHING

P.O. Box 753 Cooper Landing AK 99572

907.595.5733 | info@krff.com

January 27th 2018

To Whom it may concern:

I am writing this letter in regards to the current changes proposed by the AMCO board that could affect Sunrise Inns Tourism Liquor License. As a 15-year home owner as well as a business owner in the town of Cooper Landing, I strongly oppose any changes being made that would put Sunrise's License in jeopardy.

To try and combine all the towns on the Kenai Peninsula that are not incorporated into one populous in the vastness of Alaska is an unreasonable proposal. Each town within the current proposed combination are separated by not just a few miles, but in many cases, well over 60 miles a piece from each other. As someone who runs a business that accommodates tourist during our only true working months, limiting our resources that would be available for our clients both before and after being on the river with our company would be detrimental to our business as a whole.

Sunrise is a vital part of this small, limited community. It serves as a meeting place for social activities, town gatherings, food and lodging. Arden Rankins has been an outstanding business owner and a vital person in our community. She has employed up to 30 workers within a working year providing much needed income for families in our town. She has served on many boards alongside myself and others helping keep tourism afloat, and gives back to the community on many other levels.

Putting Sunrise Inn in a situation where they are forced to close their doors with the proposed changes would not only impact one restaurant and the employees, it would impact all the

surrounding businesses and families in our very small town. I hope that the right decision can be made for Arden, Sunrise and the community of Cooper Landing.

Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Harpe". The signature is written in black ink and is positioned above the printed name.

Jennifer Harpe
Kenai River Fly Fishing

To whom it may concern,

Recently I was made aware of the potential changing in liquor licensing in my area. I live in Cooper Landing with my family of 3 year around. If the changing of the liquor licensing goes through it will dramatically affect businesses in our community, almost all of which are based on tourism. There are a couple of exceptions, that currently have liquor licenses and have had them many years, that will be most affected. One of these businesses not only provides a service for tourism, but also a staple community cornerstone for the year-around residents that remain through the winter. Whether it be lodging, a warm-kitchen-meal in the café, an oasis gas pump (on a stretch of highway that offers near no other options from Anchorage to Soldttona), or a place to catch up with winter friends. But most off all, the Sunrise Inn provides a service to the families that live in this beautiful secluded area, most of who live here to provide services for tourism, which props up the beautiful Kenai Peninsula, as well as our Great State. To not let the Sunrise Inn in Cooper Landing (and other places in this similar situation) operate as it has for many decades, with its current liquor license, will prove detrimental to the business, and just the same to our community of Cooper Landing. My family of 3 supports the Sunrise Inn and it's keeping its liquor license as is.

Thank You

Micah and Paige Booze
PO Box 841
Cooper Landing, AK
99572

*Cooper Landing
Community Library*

P.O. Box 517

Cooper Landing, Alaska 99572

Phone 595-1241

E-mail: cooperlandingslibrary@gmail.com

Web site: www.cooperlandingslibrary.com

January 13, 2018

I am writing on behalf of the Cooper Landing Community Library to comment on the proposed change in regulation for the Tourism Liquor Licenses in Alaska. It has come to our attention that the Alcohol Marijuana Control Office has proposed to group together the entire population of unincorporated communities on the Kenai Peninsula, thereby adjusting the population of Cooper Landing from the actual 300 to approximately 2,500 people. Even in the summer when the seasonal businesses are flourishing, there are seldom that many people in our community. By executing this change, the Sunrise Inn would be required to build an additional 30 motel rooms in order to maintain their Tourism Liquor License.

It has also been made known to us that this requirement would cause the Sunrise Inn to close its doors due to the cost of building so many additional rooms. This is totally unacceptable. The Sunrise Inn is a full-service restaurant, bar, and motel that serves the community throughout the year. It is the only motel that is open during the winter to provide food and accommodations to those visiting or passing through.

The Sunrise Inn is the venue that supports fund raisers, holiday dinners, birthday celebrations, memorials and numerous other community social events throughout the year. It is the place where the Library holds our annual Library Sweepstakes Fundraiser as it has the space and can provide a buffet and beverages for the nearly 100 ticket holders who attend. The loss of this venue would leave us on folding chairs with paper plates of food on our laps. Closure of this establishment would also cause job loss for both local residents and seasonal workers.

We as a board feel that this change in regulations is grossly unfair to the small businesses on the Kenai Peninsula that would be affected. We assert that, should this go into effect, the businesses currently holding the Tourism Liquor Licenses should be grandfathered in under the original licensing regulation.

The Sunrise Inn, under a few other names throughout the years, has been a part of our community since it was built in 1955 and known as Bryson's Place. It is an icon that travelers first see when coming to Cooper Landing. We sincerely hope that you will take into consideration our comments. We do not want to lose the Sunrise Inn, nor the other small businesses that would be affected by this change.

Yours truly,



Kay Thomas, Director

January 8, 2018

The Sunrise Inn in Cooper Landing, Alaska, has been a valuable dining/bar establishment since 1958. I moved to Cooper Landing in 1983 so I have patronized it for 35 years. It serves as a eating, socializing, bar, meeting place and holiday party place for not only the locals but a traveling tourist public! It has been brought to my attention that it would be forced to close forever because AMCO would like to change laws that would force The Sunrise Inn to lose its liquor license and thus be put out of business economically. I understand that this involves recalculating populations of small communities that could result in economic disaster for the Sunrise Inn if it was required to build another 30 motel rooms in order to maintain the Liquor License. It would be impossible to economically survive that grandeur of a business plan. If the Sunrise Inn was forced to close there would be no dependable service of it's kind in the off season. It's closure would affect up to 20 employees. Employment in Cooper Landing is already a challenge and this would surely have far reaching affects on the community at large.

This town is a tourism town. Without tourism we would no longer be viable as a community. Without tourism, facilities such as the Sunrise, the population would diminish and with it the school and other public facilities. The effects are not often taken into account when laws such as the AMCO proposes to change.

I support letting the Sunrise Inn keep its Tourism Liquor License. To put all the small communities into a group population is disingenuous. If laws are to be changed, it should not adversely affect the business owners and communities that have so often struggled to stay viable. This establishment has been in operation since 1958. Let it remain so.



Debrah Carlson
PO Box 702
Cooper Landing, AK. 99572
carlsons@arctic.net

January 21, 2018

Subject: Potential Changes to Alaska Liquor License Changes

To Whom It May Concern:

I am writing this letter in support of Arden Rankins, Owner of the Sunrise Inn, Cooper Landing, Alaska.

I first came to Cooper Landing in 1985 and bought a home there in 1989. I sold my home in 2012 but come back several times a year. The Sunrise Inn foot print has not really changed since 1985. Yes! There has been upgrades during the last 32 years but the buildings are the same. The hotel, restaurant / bar is a historical complex for the residents of Cooper Landing.

Arden Rankins bought the property in November 2015 and the liquor license was transferred to her. After performing many upgrades, she reopened the Sunrise Inn on Valentine's day 2016. Her decision to purchase the property was predicated on the potential sale of goods and services that the entire complex was able to generate. This included the rental of hotel rooms, sale of gasoline, sale of food and beverages, rental of RV parking spaces and the sale to alcohol.

The Sunrise Inn has remained open all year and is the only large property open for business in Cooper Landing during eight months of the reduced tourist season. It is the community social gathering place for live music, dancing, special events (NRA yearly fund raising dinner, Library fund raising dinner, Forest Service meeting, Halloween party, New Year's Eve party, Community Thanksgiving dinner, etc.)

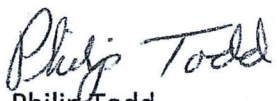
Of more importance is the safety aspects that the Sunrise Inn provides. Between Girdwood, Seward and Sterling, the Sunrise Inn is the only year round place that the twin 53 foot tractor-trailers can stop for rest and food. This is also true for all vehicles during emergency road closures caused by avalanche and auto accidents. It is the place where people can get gas, meals and hotel rooms. Arden also provides assistance to travelers by assisting them in getting places to stay within Cooper Landing if the Sunrise Inn is full.

The Sunrise Inn needs to stay in business to support the community and the people traveling to and from the Kenai Peninsula. It was built in 1958 as one of the original Alaska Road Houses, and has had a liquor license since 1962. It is a historical landmark and the beginning of the Kenai adventure for tourists. The services provided by the Sunrise Inn must be continued.

Since the ownership of the Sunrise Inn has changed four times in the last 32 years, there should not be a change now in the required number of hotel rooms, in order to have a liquor license. If there is a change, then it will be impossible to sell the Sunrise Inn. This would be very unfair.

The transfer of the liquor license in 2016 was done with no indication of a future change. It must be honored as written.

Thank you.



Philip Todd

10634 East Cordova Street

Gold Canyon, Arizona 85118

Philiptodd1@cs.com

480-370-5243

Jim Janssen

P.O. Box 158

Moose Pass, AK 996312

1/10/2018

Dear Alaska Alcohol, Marijuana Control Office,

I am writing in support of the two local establishments that are in danger of being shut down with the change in how you calculate the population of small towns on the Kenai Peninsula. This change will eliminate the two places that I am able to go for dinner and an occasional social outing. Eliminating the tourism Liquor License will make them unable to stay profitable, eliminating a large base of employment in these two small towns. Though I am not a regular in either establishment I am always greeted in a way that I feel like I am a regular. Please do not take away the only places that I can go for some very needed socialization and a meal that I don't have to cook.

Sincerely, Jim Janssen

A handwritten signature in cursive script, appearing to read "Jim Janssen", with a long horizontal flourish extending to the right.

Barbara A. Maryan, RN, MN
Advanced Nurse Practitioner
Licensed Marriage & Family Therapist

1407 W 31st Avenue, Suite 602
Anchorage, Alaska 99503
Ph (907) 562-3345 Fax (907) 562-9681

January 14, 2018

Attn: Alcohol and Marijuana Control Office AMCO

Re: Liquor license review
Sunrise Inn, Cooper Landing, AK

I am writing with concerns over recent changes to the way communities on the Kenai peninsula are being considered by your office, for purposes of licensing. I am a professional and retiring business owner, 45+ years in Alaska. My husband and I reside full time in Anchorage, but spend many weekends and holidays at our cabin in Cooper Landing.

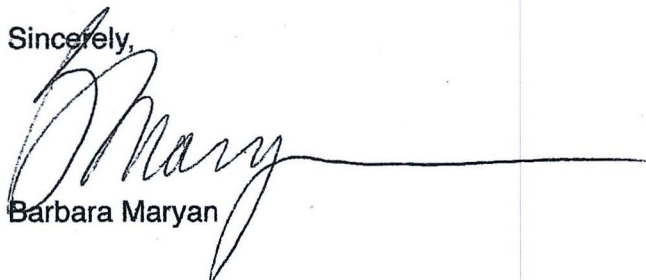
The Sunrise Inn is an important business to the livelihood of the Cooper Landing Community. It serves as a roadhouse to travelers, and a resource to the local and weekend people, providing good quality, nutritious meals, beverages and lodging. Arden Rankins has maintained and upgraded the property and the services of the Inn since taking ownership in the last few years. She and her staff have been responsible neighbors and much appreciated hosts.

The viability of the community demands that we support her business and her as a successful businesswoman. The proposed changes of statewide laws appear to distort the size and population of the community, without justification and would result in the risk of closure of the Inn.

I support a continued liquor license for the Sunrise Inn. If proposed changes to the present system are made, please consider grandfathering the Sunrise Inn license or changing it to a dispensary license as has been done in other such situations.

Thank you for your consideration.

Sincerely,



Barbara Maryan



Arden Rankins <ardenrankins@gmail.com>

Message

1 message

Jillian Konopa <jillian.konopa.14@gmail.com>
To: ardenrankins@gmail.com

Fri, Jan 26, 2018 at 5:05 PM

Dear Senators,

This town of Cooper Landing is an oasis located in the nature-kept valley of beautiful mountains. Between Soldotna, Seward and Anchorage, the Sunrise provides a convenient spot for locals and travelers alike to stop and enjoy a sit down common area year round. They can eat a meal, fill their gas or propane tanks, spend a night in the motel, get bags of ice, use the restroom, grab a quick soda or snack to eat, including many other things besides just our package liquor store and bar. Although those last two especially keep folks coming back.

Buildings are few and far between around these parts, giving us, and surrounding towns, a low population in the winter. We stick together as a small community and enjoy our time spent around the warm bar, with local art surrounding us. My name is Jillian Konopa, and I've lived in Cooper Landing for going on 4 summers, and have worked at the Sunrise since early 2016.

This oasis has given me a reason to stay the winters, and see what rural Alaska is really like year round.

I've served all types of life, from sweet babies, to grumpy elders. No matter who it is, if we were forced to close down due to updating liquor license laws, we will be taking away this community spot where many gather.

I take care of this property year round, but especially in the summer when the parking lots are littered with cigarette butts and plastic bottles. I help Arden's dad, Bill, with gardening and yard work. I've learned how to insulate a log cabin, and paint large wooden structures.

I'm able to see and meet all people in the community thanks to my position here, and as an artist, spread my artwork all over town from those connections.

I'm not trying to make this about me, but showing how much one business can impact one individual, and give them the opportunity to influence the rest of their peers.

Shutting down the Sunrise, and other businesses with the similar liquor license, would be tragic for all of the surrounding area with low populations.

This isn't just about business, it's about community.

Thank you

-Jillian Konopa

01/16/2018

RE: Sunrise Liquor License

To the Alcohol & Marijuana Control Board,

I am a full-time year-round employee of The Sunrise Cafe in Cooper Landing. This allows me to provide for my family, which includes a new son (DOB: 12/02/2017), and build a stable future for us. Yet this is not simply an end to a means; this is a position I take great pride in. I am proud to be part of the Sunrise Team.

We are an inn akin from the medieval days. Patrons have told me that after driving 100 miles in the dark and through the snow they look for our light at mile 45. We mean refuge from the storm and warm company in the long days. Our motel rooms are clean, and our food is fresh.

In the fun days of the summer tourists seek us out due to our great service, location, and all our amenities. We have a campground, a motel, a gas station, propane, gift shop, restaurant, and bar. We provide various types of entertainment throughout the year, and have a great reputation from local Alaskans. Our staff knows the trails, the fishing, the rules and regulations, and how to enjoy the outdoors safely. We support local photographers, artists, and craftsman. We take great pride in representing Alaska and Cooper Landing well.

It is a growing dream to one day take ownership of the Sunrise Café. If the Sunrise loses its liquor license this will affect my life and the life of my family severely. The winter population of Cooper Landing is less than 350. We are over 30 mins away from Stirling and 2 hours from Anchorage. Our services should be assessed within the small community we are in. We employ 29 full time summer employees and 10 full time winter employees. We have a positive impact on our local economy and on our local community.

This Landmark needs to remain open. My family and I depend on it. Cooper Landing needs it. Alaska needs it. I would like to ask the Board to consider making our liquor license more secure. Our most current liquor license inspection was perfect. We are current and up to date on all procedures. We deserve to have the terms of our license set in stone and only under review if we chronically have poor inspections without demonstrating steps for improvement over a period of time.

Please come visit us, and the community we serve. Please call me directly if you have any questions. Sincerely,

Corey Robinson

907-598-5220

To Whom It May Concern:

The Sunrise café is responsible for the livelihood of my fiancé, who supports myself and our newborn son. He is blessed to have year-round employment with the Sunrise as they are the only Restaurant and Motel open in the winter. This landmark is a cornerstone of not only Cooper Landing but the overall Alaskan community.

The Sunrise Café provides a glimpse for tourists into the Alaskan culture while providing amazing services. It is a great representation of Alaskans and wonderful liaison to all tourists. However, it is so much more to us here in Alaska. I have been a full-time resident of Alaska for 2 years and this is my second winter. The importance of The Sunrise to Alaskans became apparent quickly. It was more than just the amenities offered by the Restaurant and Bar or the convenience of a gas station that made it special. This was a place their parents had brought them as a child. In addition to the motel The Sunrise has a campground with campers from Anchorage, Wasilla, and all over the world. It is a place that provides safety, as well as, shelter during the long winter commute between the Peninsula and Anchorage. They could count on The Sunrise to be there, to be pleasant, and to be safe.

The Sunrise Café is the only restaurant and motel that is open during the winter in Cooper Landing. I was lucky enough to be one of the 10 full-time employees for the winter of 2016-2017 and remained on as one of the 29 full-time summer employees. My fiancé, Corey, is another of these employees. Without the Sunrise we could not remain in Cooper Landing. This winter I am staying home with our 6-week-old son while Corey remains employed at The Sunrise. The Sunrise has provided stable employment and a wonderful support system for my growing family.

The Sunrise café is essential to life here. It provides a place for the "Sexy Seniors" to relax after their weekly highway cleanup, a place for the Council to have meetings, and a place for church groups to meet. The Sunrise provides an annual free Thanksgiving Day Meal for the community. In the winter many residents of the peninsula that must commute to Anchorage use the Sunrise as a haven during bad weather. Or just when the travel becomes too much. Many patrons have expressed how relieved they are to see the glow of the open sign.

The Sunrise café may only have 10 motel rooms but with the campground and the cabin it can provide ___ patrons a place to stay. Last winter The Sunrise provided multiple DOT, Construction, and Tree Trimming employees a place to stay while they worked along the highway to maintain the powerlines and roadways. The Sunrise saved them from the expense and wasted time of long commutes from Anchorage or Soldotna.

The Sunrise Café is an amazing asset to the community during tourist season. I hope this letter reminds the reader that The Sunrise Café is important in the offseason as well. My family could not remain in Cooper Landing if the Sunrise was forced to close its doors. Many commuters would not have a place to stay between Stirling and Girdwood during the winter. Our community would have a void both here in Cooper Landing and throughout Alaska.

Sincerely,

Rachel Rolfe
727-642-1825

Sean Norris
PO Box 872
Cooper Landing, AK 99572

January 8th, 2018

Alcohol & Marijuana Control Office
550 W 7th Ave, Ste 1600
Anchorage, AK 99501

Dear Members of the Alcoholic Beverage Control Board,

I am a lifelong, year-round resident of the Cooper Landing community and I am writing to you with concerns about the recent changes to the Beverage Dispensary Tourism License Regulations relating to the Kenai Peninsula. Currently, a licensed holder is required to provide a number of guest rooms on the licensed premises based on their location's population. However, it is my understanding that the Alcohol and Marijuana Control Office has recently changed the way populations are counted. Under the new allocation all unincorporated areas have been counted together as one community; which, changes the way small town businesses can operate.

This is a concern for the residents of Cooper Landing because it changes the original population count requirement of 1,501 or less to the 15,001 to 25,000 bracket—requiring a business to install fifteen additional rooms to operate. Clumping the populations together is unrealistic and unattainable. Local businesses in small towns like Cooper Landing, Moose Pass, and Hope will not be able to keep their doors open because the cost of building additional rooms is not feasible.

Locally, we are impacted by the fear that Sunrise Inn will have to close. Built in 1958, it is the only open year-round restaurant, bar, and motel in the area. This business serves as the community's gathering place for weekly events, holidays, and get-togethers. They host many events in support of local non-profits and community volunteers including the Cooper Landing Library and School. The location is well known by tourists who stop here to see an original Alaskan Road House. The closing of Sunrise Inn would be detrimental to the entire community, tourism, and those passing through looking for a warm meal.

Thank you for your time and considering my concern. Feel free to contact me at 907-595-2022.

Sincerely,

Sean Norris

COOPER LANDING SENIOR CITIZEN CORPORATION, INC.

P.O. Box 552

Cooper Landing, Alaska 99572

Phone (907)595-3000 E-Mail:clscci@arctic.net

Fax: (907) 595-3000 Please call first.



January 12, 2018

RE: Proposed change to Tourism Liquor Licenses

To whom it may concern:

It has come to our attention at the Cooper Landing Senior Citizens Corporation Inc (CLSCCI) board that in the fall of 2017 the state Alcohol Marijuana Control Office (AMCO) reviewed a 1985 law defining Tourism Liquor licenses (TLL) in Alaska. There are 34 of these licenses in Alaska, 7 are on the Kenai Peninsula. The Sunrise Inn bar located in Cooper Landing is included in this number.

The original 1985 law stated that in a community with a population of between 1 and 1500 people, an establishment was required to have 10 motel rooms to qualify for the TLL. The Sunrise Inn with exactly 10 motel rooms fell comfortably into this parameter.

Today, AMCO has proposed to change the way Alaska population is counted. By taking the population of the Kenai Peninsula, 58,059, and subtracting all of the incorporated cities/towns (Soldotna, Homer and Kenai, etc.), all communities that are not incorporated will be grouped together as if they are one community. The Cooper Landing population has been combined with Ninilchik, Nikiski, Moose Pass and other unincorporated communities on the Kenai Peninsula.

This proposed adjustment puts the population of Cooper Landing for permitting purposes at approximately 25,000. In actuality Cooper Landing has some 300 permanent residents. The Sunrise Inn in Cooper Landing would be required to build an additional 30 motel rooms to remain legal and to retain its TLL. Requiring such a small group of people to provide accommodation for a spread-out population more than 83 times its actual size could be considered "unusual".

The cost to these establishments having to make motel room expansions will be excessive. The Sunrise Inn (originally built as Bryson's Place in 1955) would close. Neighboring communities (Moose Pass and Summit Lake) will be equally affected.

It is our feeling that the proposed change in regulations must not affect those who currently hold TLLs. Those establishments must be grandfathered in to preserve the investments they made under the original licensing regulations. Or the proposed change to TLL rules must be reconsidered as physically, politically and economically unviable.

The costs to the State in lost tax revenue and jobs due to the forced closing of such businesses as the Sunrise Inn in Cooper Landing would be detrimental. The costs to the local community of shutting down the Sunrise Inn would be dramatic - not only in job and revenue losses but also in social interaction. Community activities, such as fund raisers, holiday dinners and many other social events, summer and winter, would suffer the lack of a venue.

Thank You, we hope you take our comments into consideration.

Ken Green CLSCCI President



Revised 6/2009



ALASKA HORSEMEN TRAIL ADVENTURES

PO Box 857

Cooper Landing, Alaska
99572



907-595-1806

1-800-595-1806

www.alaskahorsemen.com

info@alaskahorsemen.com

Regarding: Tourism Liquor License for the Sunrise Inn, Cooper Landing, Alaska

Dear Sirs,

My name is Alex Kime. I am the direct neighbor of the Sunrise Inn property and share 800 feet of their southern property line. Our business, Alaska Horsemen Guest Ranch is located on our property. From here we manage over 5 cabin rentals and also run horseback trail rides and carriage rides.

The Sunrise Inn is an important amenity to our ranch. My cabin guests depend on them for some of their meals as well as enjoy their bar/lounge. I advertise that we are next to a café and lounge in my marketing. We also cater to their guests on occasion with our horse drawn carriage as well as depend on them for our carriage rider's hot chocolate with curb side service. They send us horseback riders. We send them customers.

For 20 years we have conducted our business next to the Sunrise Inn. We have never had a complaint or a negative instance in all our time here. They have been excellent neighbors.

Sunrise Inn is the only café and lounge that is open year around in Cooper Landing. Their lounge is an important social gathering for our community. They have always been a community oriented business.

The Sunrise Inn was established when we pioneered statehood! This roadhouse has been a destination for 60 years. I cannot believe that I have to write this letter. Where is the common sense of the liquor board to suggest closing this establishment as well as the burden and stress that this issue may put on the owners? This closure would devastate our tourist oriented community.

Sincerely,

Alex Kime
Owner



Cooper Landing Community Club, Inc. CLCC

PO Box 508

Cooper Landing, Alaska 99572

CooperLandingCommunityClub@gmail.com

January 8th, 2018

Honorable Peter Micciche
State Capitol Room 514
Juneau, AK 99801

Dear Senator Micciche,

On behalf of the Cooper Landing community, we are writing to you about our concern with the recent changes to the way populations are counted for Beverage Dispensary Tourism License requirements relating to the Kenai Peninsula. It is our understanding that the Alcohol and Marijuana Control Office has recently changed the way populations are counted by combining the populations of all small unincorporated towns on the Kenai Peninsula together as one community. This puts businesses that were previously operating under the 1,501-population bracket into the 25,000-population bracket. By doing so changes the way businesses in our town are able to operate and negatively impacts our community.

This is a concern to Cooper Landing residents because businesses currently operating under the Beverage Dispensary Tourism License would no longer be able to meet requirements and would be shut down. The cost for those businesses to build 15 additional rooms is unfeasible and unsustainable.

Locally, our oldest standing restaurant, bar, and motel is being impacted. In operation since 1958, the Sunrise Inn services as a town landmark and gathering place. Many locals meet here to get a bite to eat, purchase gasoline, and participate in town socials. Sunrise supports the community by offering free meals on Thanksgiving, honoring local volunteers with an annual barbeque luncheon, and supporting local non-profit organizations by hosting fundraising events. Sunrise not only supports locals, but also is a designated tourist attraction. Well known for long standing operation, tourists stop here from around the world for a warm meal after their outdoor excursion. Many folks passing through also stop for a gas fill-up before heading to Anchorage or for a cup of coffee. This change impacts more than just the business owner.

We would like to see the population count for the liquor license be based on the business' zip code, not as a mass population count. Cooper Landing's population is nowhere near the 1,501 mark, let alone the 25,000 mark.

Thank you for your time and consideration. Feel free to contact us about how this issue impacts our community at CooperLandingCommunityClub@gmail.com or by attending our next meeting on January 25th at 6 pm.

Sincerely,

Kristine M Route

Kristine Route
Cooper Landing Community Club President

Subject: Sunrise Inn Tourism Liquor License

From: julian@ak.net

To: ardenrankins@yahoo.com

Cc: Senator.Peter.Micciche@akleg.gov; Representative.Jennifer.Johnston@akleg.gov

Date: Friday, January 19, 2018, 9:48:35 PM AKST

Arden-I am writing to support your efforts to preserve the liquor license for Sunrise Inn. As you know, my wife Margie and I have owned a house in Cooper Landing since the 80s and have enjoyed the Sunrise Inn under prior ownership and under your ownership and management. Cooper Landing is a tourist town and it hard for me to imagine how Sunrise could exist without its license.

I do not understand why AMCO would recalculate peninsula populations in a way that would require Sunrise either to lose its license or to undertake major, unaffordable capital investments. Whatever the reason, a solution must be found to permit Sunrise, which has been in business since 1958, to remain licensed.

I will be happy to help in any way I can.

Julian Mason (33968 Williams Road)

9067-229-0242

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Alaska Clearwater Sportfishing Inc.
Zack Walters Owner / Fishing Guide
January 18, 2018

Sunrise Inn Liquor License Arden Rankins

This letter is in regards to the licensing changes that will deeply effect a local business of Cooper Landing that I currently use for guest's that I take fishing throughout the summer months. The idea that my guests and I cannot go to the Sunrise Inn and have a frosty Alcoholic beverage after a great day on the river is something that cannot happen.

Arden has just purchased The Sunrise Inn and made it function as a wonderful tourism destination for our local community. The question should be.... Is this going to effect the community and peoples lives in a negative way? The answer would be YES so you should allow this wonderful business to operate like it has for the last decades.

Best Regards

Zack Walters

January 22nd, 2018

To: The Dept. Of Commerce- Alcohol & Marijuana Control Office
Re: Tourism Liquor Licenses on the Kenai Peninsula

To Whom It May Concern;

It has come to my attention that the Control Office is looking at changing regulations for Tourism Liquor Licenses which will adversely affect existing businesses such as The Sunrise Inn on Kenai Lake and the Trail Lake Lodge in Moose Pass.

Apparently, these new rules would require there to be so many rooms added (30 additional rooms for the Sunrise Inn, from what I read) that this would create an undo financial burden on these businesses that would put them both out of business and many of the other 34 businesses involved.

I am writing to urge the board to, at the very least, grandfather in existing businesses so these mainstay, community-center businesses are not forced to shutdown because of catastrophic, overly burdensome governmental regulation changes that just come out of the blue for no easily understood or apparent logical reasons.

The people that invest in these small businesses are a special breed of hard working people that are in short supply. Alaska still has a long way to go and forcing existing businesses out of business with unnecessary added regulations, will only send Alaska backward instead of progressing forward.

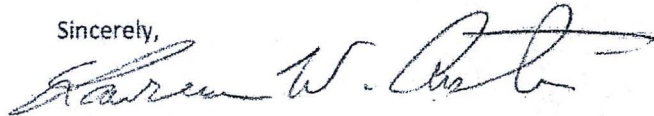
Not only has the Sunrise Inn been in existence and serving the community of Cooper Landing and all the homes surrounding Kenai Lake for well over 50 years, but it also has been a shelter in emergencies and a place to turn for everyone in that area during hard times. And times are frequently hard here. During the recent wildfires in that area that threatened many lives, included dozens from the "Camp K Children's Camp" just a few miles away up Snug Harbor Road, the children that could not be picked up by their parents, were taken in by The Sunrise Inn until these massive fires were brought under control. "Camp K" is sponsored and paid for by major oil and big business donors and prominent Alaskan families from all over the state. These sponsors would be most unhappy to see their kids' camp made less safe because a major part of the communities of Cooper Landing and Moose Pass, these businesses operating on a shoestring, have been forced out of business by excessive government regulations.

Truckers stop at The Sunrise Inn along the Sterling Highway when they are doing long hauls from Anchorage and Fairbanks to Whittier, Seward, Soldotna, Kenai and dozens of other communities throughout Southcentral Alaska. It is really a safety stop for truckers and tourist-drivers in general.

I have seen these businesses struggle to keep open during the winters with the few rooms they have now, and the demand for food and gas, as the seasons go from busy to slow. Anything larger than these businesses will definitely not survive, especially if some outside corporate entity thinks they can profit here and syphon any meager profits off. They will not survive. Just look at all the new hotels that have been built recently in Anchorage that are not reaching full capacity anymore as our economy slows. And Anchorage is supposed to be our state's economic hub! These tiny communities are far too small to support anything larger than what is currently there. Gas is not a money-maker, and food is for the most part a loss leader. The loss of their Tourism Liquor Licenses would destroy these businesses.

Alaska tourism is about fishing, hunting, log cabins, cabin-style motels, the world-famous Kenai Lake and river, wilderness, etc. As a lifelong Alaskan businessman born and raised that has seen the Alaskan economy boom and bust, I can tell you nothing long-term, more than what already exists here can be supported, or paid for, by these businesses. It is simply unaffordable. To force these proposed regulation changes on these businesses would be another example of the government mismanagement that is now getting the media spotlight because of this state's current \$ 2.5 billion dollar budget deficit. Please reconsider these changes.

Sincerely,



Lawrence W. Austin
3838 W. 63rd Ave.,
Anchorage, AK 99502
Cell # (907) 440-0218
E-mail- LarryofAlaska@gmail.com

Subject: Letter in support...

From: lthuskys@gmail.com

To: ardenrankins@yahoo.com

Date: Friday, January 19, 2018, 5:47:34 AM AKST

Hi Arden!

Were in Thailand right now but I wanted to write something for you to print out. Its not going to be as formal as I normally would as its on a tablet, but I wanted to get my 2 cents in as your establishment is VERY important to our community. Here goes~

Jan. 19, 2018

To whom it may concern:

I'm a community member and business owner in the town of Cooper Landing. It is a healthy town rich in history for which The Sunrise Inn is a major factor. This establishment is far from being just a "a local watering hole", no the Sunrise is a place where community events are held and fundraisers; Ms. Rankings puts on a 100% free Thanksgiving dinner for locals out of her own pocket and her heart every year. We are not a town to be lumped together with other towns such as Hope or Nikiski; that designation is inappropriate and nonsensical. The Sunrise Inn is the second oldest establishment in Cooper Landing which I talk about on historical tours I do of our town. It is an institution that has earned grandfather rites to remain with doors open and operating to its fullest potential; the only way to allow this is to keep the liquor license in good standing. She is the most responsible tavern owner with a wicked consciousness for safety and respect. The town struggles enough during the winters after the summer season ends; to force her to close would just add a death nell economically to our town. I would like to share that I do not drink alcohol and haven't for many years so this is not a quest to keep a bar open for personal reasons, this is entirely a passionate plea to keep our town healthy in community spirit and economically.

I ask you to NOT remove Arden Rankins liquor license so our beloved Sunrise Inn will be there for us and our children to enjoy always.

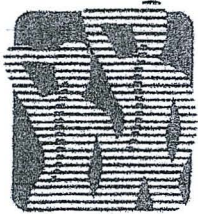
Respectfully,

Lorraine Temple

owner Explore Cooper Landing & Kahtnu Spirit Lodging

(907) 299—2855

lthuskys@gmail.com



IRELAND Clinic of Chiropractic, LLC.

541 WEST 36TH AVENUE, ANCHORAGE, ALASKA 99503-5804
(907) 561-1222 • FAX (907) 561-1350 • www.irelandclinic.com

January 10, 2018

To: Senator Peter Micciche
From: Trevor V. Ireland, D.C.

Subject: Sunrise Inn Tourism Liquor License- Cooper Landing

Dear Senator Peter Micciche,

I respect the fact that you are very busy and a devoted professional; doing what is "best for Alaska" and therefore, our nation. My present concern is focused, specifically, on the Sunrise Inn's tourism liquor license controversy.

You are respectfully requested to bring "fairness" and "alliance with the Alaskan Spirit" to this unfortunate circumstance. As a 47 year resident of our great State, serving Alaska and our Nation in many formal ways, and as a 15 year owner/resident in the Cooper Landing community, I earnestly request your cooperation and positive decision making, that benefits, not only Ms. Arden Rankins, Cooper Landing, but Alaska as a whole.

Sunrise Inn, Trail Lake Lodge and other local employers provide a future for many. They also, most importantly, encourage a community attitude for "reaching for the stars"... "going north to the future" and "pursuing your individual dreams".

My request is simple: Please allow the original 1985 law and its conditions to be complied with and Grandfathered in, or "licensed to be changed to Dispensary", or the definition of community be connected with "Zip Codes". I rely upon your wisdom and experience to bring this concern to a Win-Win conclusion.

Thank you for your anticipated review and cooperation.

Dr. Trevor V. Ireland
Licensed Physician, Alaska

cc: Ms. Arden Rankins
Trail Lake Lodge
Walt Monegan, Public Safety Commissioner

Subject: Letter in Support of Sunrise Inn Tourism License

From: maggiesklr@gmail.com

To: ardenrankins@yahoo.com

Date: Tuesday, January 16, 2018, 1:13:13 PM AKST

To All Whom this May Concern,

Please accept this letter from two very concerned Cooper Landing residents in support of Arden Rankins and Sunrise Inn located in Cooper Landing Alaska. To realize and understand what she could be facing in regards to a 1985 law defining Tourism Liquor licensure in Alaska. The idea that our greatly loved, incredibly appreciated friend, neighbor and colleague would need to build an additional 30 hotel rooms in order to be legal is completely without any sense and is not possible with respect to the physical ramification to the property or the insurmountable expense which would cause her to shut down our cherished local landmark.

Sunrise has been a part of the Landing since I was two years old and was the first restaurant I ever experienced. It is historical and an integral part of our community.

Not only does Ms. Rankins employ 19 employees in summer and 10 in winter, the fact that she chooses to remain open in winter despite the obvious hardship, keeps our town alive on holidays when she offers up a beautiful complimentary Thanksgiving meal and all winter long when it is the only place where the few residents who remain can be together to enjoy live music a great meal, pizza, pool, darts, televised sports and the good company of special friends. To lose Sunrise in its present form or at all would be devastating and heartbreaking to our small but lovely Tourism based community which is very small and close knit and depends on tourists for existence.

This 1958 original Alaskan Roadhouse should not be put out of business because the AMCO folks are changing laws that have not been broken. Please strongly consider our request that Sunrise Inn be grandfathered or the License be changed to a dispensary license which most alcohol licenses are. Another consideration would be to have the definition of a community be connected with zip codes.

We sincerely ask that you give your strongest thoughts to our community and the people there when making decisions regarding this law as it currently is written.

Perhaps visit the establishment in order to really understand why my husband and I are writing this letter.

With grateful respect,

Maggie Kuhn & Tom McReynolds
P.O. Box 536
Cooper Landing, Alaska 99572
maggiesklr@gmail.com
907.399.7652
907.598.1106

Sent from my iPad

Subject: **Tourism Liquor License**

From: norristheresa@yahoo.com

To: ardenrankins@yahoo.com

Date: Monday, January 15, 2018, 9:27:08 PM AKST

To the AMCO and to Senator Peter Micciche,

I think the Sunrise Inn should be grandfathered in with the tourism liquor license or their license to be changed to a dispensary license.

I have lived in Cooper Landing for 50 years and know how valuable it is to have a restaurant and bar open close by to go to when I want.

Sunrise has served our community well, with employment and community functions (parties, holiday celebrations, memorials, fundraisers etc.)to help our community to survive.

It is vital for tourism. People from all over stop at Sunrise while camping, hiking, fishing, boating, and other recreational activities as well as a place to stop on the way to Anchorage, Or going the other way to Soldotna, Kenai or Homer.

Sunrise provides music with artists musicians throughout the year, A motel for tourists as well as those who don't want to drink and drive. Also Being able to get gas at Sunrise saves time and effort not to have to drive 50 or 100 miles.

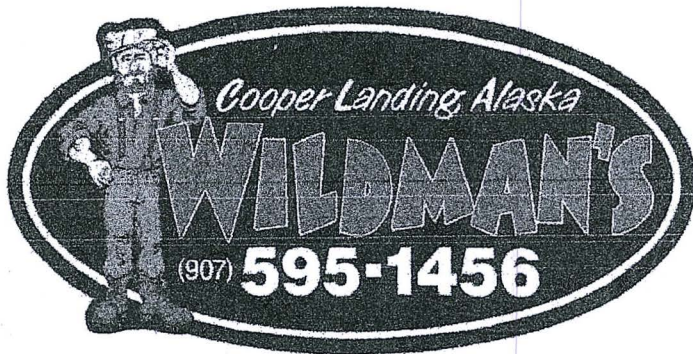
Without the liquor license, Sunrise Inn would not be able to stay open.

Please allow Arden to continue to operate her business. Thank you. Theresa Norris

PO Box 664

Cooper Landing, Ak 99572

Sent from my iPad



PO Box 724

Cooper Landing, AK 99572

907-595-1456

Fax: 907-595-1888

January 13, 2018

State of Alaska

Alcohol Marijuana Control Board

Dear Sirs:

It has been brought to our attention that the Alcohol Marijuana Control Board is considering making changes to liquor licenses issued as a tourism license by changing the manner in calculating population in small outlying areas. The Kenai Peninsula has 7 licenses of this type that will be under consideration with populations of less than 1501 people. This is going to adversely affect Sunrise Inn in Cooper Landing and Trail Lake Lodge in Moose Pass along with others in small communities in the state

Sunrise Inn has been operating in Cooper Landing for several decades. They are one of the few businesses that remain open year round and support the community with hosting fund raisers for various organizations, supporting our local school, having a potluck Thanksgiving dinner (providing the meat) for locals, promoting tourism in the summer with local bands, dart competitions and being a vital part of the community as a gathering place for meetings, and a meal.

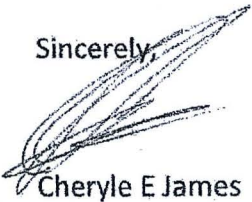
The changes of calculating the population of the Kenai Peninsula's small communities is unfair to those communities whose income, is derived by our summer tourism and activities. We all have to make our money in the summer and plan to stay open in the winter to provide services and support to the locals. The few places that stay open in the winter are some of the only year round employers in those small communities. To change the number of motel/hotel rooms required for the license based on your new population count, will put these small places out of business as there is not enough year round business to support the capital expansion costs plus maintaining the debt load or maintenance of that many units. Most of these businesses would struggle to get the financing for that major of an expansion due to the seasonal nature of the business and the amount of money generated in a 4 month window.

In an economy that is not robust at the current moment, this is an unnecessary burden for small business and small communities. Sunrise has had this liquor license for years under several owners. These businesses should be grandfathered into these tourism licenses or if you want, transfer them into a dispensary license.

The communities on the Peninsula like Cooper Landing or Moose Pass have a very small population year round but swell in the summer with local businesses opening up, adding staff and our tourist rolling into town. To lump all the small communities together and then divide up the population by communities does not take into any consideration of the uniqueness of each community and the individual businesses contributions to that community.

Please reconsider your thought process and if you want to change the tourism license requirements, grandfather those licenses or issue a regular dispensary license. It is my belief in our representatives that you will take into consideration our lively hoods and not take this extreme measure against these few businesses.

Sincerely,



Cheryle E James

Sec/Tres.

Subject: Tourism License Support Letter

From: gephardt@arctic.net

To: ardenrankins@yahoo.com

Cc: longshot10X@hotmail.com

Date: Monday, January 15, 2018, 8:41:45 AM AKST

To Whom It May Concern:

We wish to go on record supporting Arden Rankins, Sunrise Inn and the 34 other small business throughout the state, regarding the recertification of their a Tourism Liquor Licenses.

Often these small locally owned restaurants, bars and motels are the life blood of a community. As an example, Sunrise Inn, is one of the few business to operate year round, providing a place for community events and activities, and a place for travelers to get a meal or fuel. Cooper Landing is, as in many small places on the Kenai Peninsula, very tourist reliant; specifically, extremely busy in the summer, but relying on stop-in business during the winter, which tends to be very slow. Most businesses must make enough in the summertime, to finance their operation in the winter.

To change the rules, i.e., the way the population is counted, as well as lumping all the small areas into one community count, is ridiculous. Not only are we **not** one community, we are diverse in area, accessibility, and population base. Most of these small businesses would not make enough money to continue to operate - even on a summer only basis, taking more people out of the working community. In Cooper Landing alone, that figure would be 10 permanent positions and 19 seasonal employees. Permanent positions in Cooper Landing are few and hard to come by.

I can't see that this change would improve our community, the owners or the State of Alaska in general. This is not a cost saving measure. As usual, the rural areas of the state just don't seem to be important, in the Government scheme of things. Why take something that isn't broken, is working, and change it just because it was implemented in 1985 and "needs review"?

Please reconsider this l'll-advised move. If you think it is necessary for the future, then grandfather the existing, compliant businesses and change the way new licenses are issued.

Michael & Linda Gephardt
PO Box 677
Cooper Landing, AK 99572
907-595-1362
gephardt@arctic.net

Sexy Senior Dumpster Cleaner

Mayme Ohnemus, Agent

P.O. Box 754

Cooper Landing, Alaska 99572

January 15, 2018

Alcohol and Marijuana Control
550 W. 7th #1600
Anchorage, Alaska 99501

AMCO.regs@alaska.gov

RE: Revision of method for issuing tourism liquor licenses and resulting consequences to small communities

To whom it may concern:

I have been a resident of Cooper Landing since 1968. I am very concerned about the effects the proposed revision of the method for obtaining a tourism liquor license would have on our community and the other Mom and Pop businesses in surrounding communities on the Kenai Peninsula.

These small businesses are vital to the livelihood of those residents who count on them for eating at the restaurant while enjoying a social atmosphere with friends. The Sexy Senior Dumpster Cleaners, a group of volunteers who clean litter around the solid waste transfer sites, are thankful for a place to eat on their weekly trips throughout the year. We celebrated 20 years of service in 2017. These businesses are the only place open in the winter months when many of the others close. In our area we are limited to three other businesses open in the winter. Wildman's and Grisly Ridge are quick stops; Gwin's Lodge and Sunrise Inn serve food, liquor and also have rooms available.

Arden Rankin, owner of Sunrise Inn would be required to increase her motel units from 10 to 30 units to be compliant with the new requirements. She provides employment for several local residents and a place to meet and eat. I personally do not frequent the bar, but friends count on sharing conversation over a drink. Sunrise Inn is a part of our community family. The owner and past owners have provided Christmas and Thanksgiving dinners for the seniors and other residents. I'm hopeful Sunrise Inn and the others will be able to keep their liquor licenses and keep their doors open as they are an important gathering place for our residents and visitors.

Please think about the effect these new requirements would have on the small business and how it would hurt the communities they serve. Please grandfather Sunrise Inn and the others for their years of service to their communities and providing provisions for the large tourism effort in Alaska.

Thank you for your consideration and support of small establishments struggling to survive.

Sincerely,

Sexy Senior Dumpster Cleaner

Mayme Ohnemus, Agent

P.O. Box 754

Cooper Landing, Alaska 99572

January 13, 2018

Senator Peter Micciche

Senator.Peter.Micciche@akleg.gov

RE: Revision of method for issuing tourism liquor licenses

Dear Senator Micciche:

I understand you are sponsoring a bill concerning the Tourism Liquor License. I am very concerned about the effects the proposed revision of the method for obtaining a tourism liquor license would have on our community and the other Mom and Pop businesses in surrounding communities on the Kenai Peninsula.

These small businesses are vital to the livelihood of those residents who count on them for eating at the restaurant while enjoying a social atmosphere with friends. The Sexy Senior Dumpster Cleaners are thankful for a place to eat on their weekly trips throughout the year. These businesses are the only place open in the winter months when many of the others close. In our area we are limited to three other businesses open in the winter. Wildman's and Grisly Ridge are quick stops; Gwin's Lodge and Sunrise Inn serve food, liquor and also have rooms available.

Arden Rankin, owner of Sunrise Inn would be required to increase her motel units from 10 to 30 units to be compliant with the new requirements. She provides employment for several local residents and a place to meet and eat. I personally do not frequent the bar, but friends count on sharing conversation over a drink. Sunrise Inn is a part of our community family. I'm hopeful Sunrise Inn and the others will be able to keep their liquor licenses and keep their doors open as they are an important gathering place for our residents and visitors.

Please think about the effect these new requirements would have on the small business and how it would hurt the communities they serve. Please grandfather Sunrise Inn and the others for their years of service to their communities and providing provisions for the large tourism effort in Alaska. Thank you for your efforts to protect these small, but important businesses.

Sincerely,

Mayme

**William and Georgia Polley
35840 Denaina Circle
Cooper Landing, Alaska**

January 14, 2018

To Whom It May Concern:

It has recently come to our attention that the Sunrise Inn may lose its Tourism Liquor License. Our understanding is that this potential loss is due to an administrative change in how the Borough calculates populations in incorporated and unincorporated communities; and that there is no wrong-doing on the part of the Sunrise Inn. Please correct this unfortunate situation. The Sunrise Inn is an integral part of Cooper Landing - for residents and tourists alike.

Sincerely,
William & Georgia Polley

Subject: **Sunrise Letter**

From: kfrannyf@gmail.com

To: ardenrankins@yahoo.com

Date: Saturday, January 13, 2018, 12:46:53 PM AKST

To Whom it may concern,

The Sunrise Inn in Cooper Landing should be able to keep its Tourism Liquor License, or some form thereof. As a small business owner in Cooper Landing I am certain that our town would not exist if we didn't have tourists and the businesses that support them. During the winter months there is very few residents, maybe 150 or 200. In the summer with the arrival of seasonal employees (at least 20 of which are employed at the Sunrise Inn) we may have 1000 residents. It is only with all of these businesses can we support the 500,000 tourists that come to the Kenai Peninsula every summer. Importantly it is the only restaurant, gas station, motel, and bar that is open in the winter in a span of at least 50 miles in any direction. Winter travelers have relied on the Sunrise Inn as a rest stop since 1958.

Living in a small town two hours from Anchorage, where a large majority of the homes are vacation rentals, half of the residents are fishing guides, and access to 1,000,000 acres of public land, we all rely on the few restaurants and motels to house and feed our visitors. Cooper Landing is a tight knit community of hard working individuals and we don't want to see the Sunrise Inn close its doors, which would happen without the liquor license.

Thank you, Katie Feichtinger
Frozen Tree LLC
kfrannyf@gmail.com

Subject: **letter of support**

From: karenbutton@riseup.net

To: ardenrankins@yahoo.com

Date: Tuesday, January 9, 2018, 12:31:22 PM AKST

Arden,

We met a couple years ago at Sunrise after your purchase. Please read through my statement of support and let me know if there are any changes you think would make it stronger. Or if you would like it in another format.

Good luck with this!!

~Karen Button

~~~~~  
8 January 2018

To Whom It May Concern:

Since the late 1950s my grandparents, then my parents, and now my siblings and I have been a part of Cooper Landing where we own property on Snug Harbor Road. The Sunrise Inn has played an important part of our history in Cooper Landing. In the late 80s/early 90s one of my sisters worked at Sunrise as a cook while all of us have eaten meals at the restaurant, enjoyed cocktails at the bar, played shuffleboard, listened to music, or bought 6-packs to take back to our cabin for a lakeside bonfire.

Roadhouses across Alaska have struggled to keep their doors open, but their history remains an important asset to who Alaskans are collectively. I know Sunrise is one of those that has struggled over the decades, so I was thrilled to learn there was a new owner a few years back. After meeting Arden Rankin I was even more pleased; her vision and passion for revitalizing Sunrise, keeping it local, vibrant and open year-round is wonderful.

I cannot imagine Cooper Landing without Sunrise Inn, which is what I fear could happen should their Tourism Liquor License be revoked, based on changes the Alcohol Marijuana Control Office is proposing. The way I understand it, population of a community would now be determined by aggregating *all* unincorporated communities. I don't support this new change at all. It seems highly unfair to businesses that have complied with the law over the years and now, through no fault of their own, would be in violation of it. I understand it would also negatively impact Trail Lake Lodge (and likely other roadhouses I would be sorry to see affected).

I urge reconsideration of this change to the Tourism Liquor License law. At the very least, those who have licenses should be "grandfathered" should the proposed change become law to ensure these establishments can remain in business.

Respectfully,

Phil Weber  
PO Box 738  
Cooper Landing, AK 99572  
January 11, 2018

Alcohol, Marijuana Control Office  
333 Willoughby Ave., 9<sup>th</sup> Floor  
State Office Building  
Juneau, AK 99801

The purpose of this letter is to protest recent the decision by the AMCO to redefine how Tourism Liquor Licenses are determined. Combining varied communities located on the Kenai Peninsula into a single entity causes a major negative impact on each of these scattered unincorporated communities in terms of economic viability. As a resident of Cooper Landing I can speak specifically to the economic impact that the AMCO decision will have on this small community.

Cooper Landing is a small unincorporated community of about 300 people on the Kenai Peninsula which is completely dependent on tourism for its economic survival. In the summer there is a great influx of both seasonal workers and tourists coming to the area because of the scenic surroundings and well as world class fishing.

Sunrise Inn, located at Mile 45 of the Sterling Highway, is a key contributor to the economics of Cooper Landing both in the summer tourism peak as well as the winter. Sunrise Inn provides employment to 10 people year around and another 20 during the peak tourist season. The loss of the current Tourism Liquor License would significantly effect the employment of many people. Sunrise Inn also functions as a gathering place for local community events, such as the annual Library Sweepstakes drawing, memorial gatherings for residents who have passed as well as birthday and other special occasions. Plus, it is one of only a handful of small businesses in Cooper Landing that stays open all winter.

The loss of the Tourism Liquor License currently held by Sunrise Inn would cause the establishment to immediately close. The AMCO revised policy to combine unincorporated cities into a single population count would require Sunrise Inn to build an additional 30 rooms in order to qualify for a Tourism Liquor License. For a small establishment like Sunrise Inn, the major construction to add 30 more rooms is neither economically feasible nor practical.

The closing of the Sunrise Inn would result in a major negative economic and social impact to Cooper Landing.

I would encourage the AMCO to

2. Grandfather Sunrise Inn's current Tourism Liquor License so the business can remain open, or
3. Convert the current Tourism Liquor License to a standard Dispensary License.

Any one of these recommendations are reasonable and would prevent the closure of a key business in Cooper Landing.

Respectively,



Phil Weber  
PO Box 738  
35635 South Face Place  
Cooper Landing, AK 99572

Cc: [Senator.Peter.Micciche@akleg.gov](mailto:Senator.Peter.Micciche@akleg.gov)

January 10, 2018



COOPER LANDING  
— Chamber of Commerce & CVB —

Senator Peter Micciche  
145 Main St Loop #226  
Kenai, AK 99611

Dear Senator Micciche,

We are writing you regarding the status of Sunrise Café & Inn and their Tourism Liquor License in Cooper Landing, Alaska and the potential state law changes underway and how it negatively impacts these small businesses and the communities that depend upon them.

Not only does Sunrise Café represent an historical establishment in our small town, it is also one of the only businesses that is a year-round employer of local residents in our community. The owner, Arden Rankins has been an active member of our community for over 18 years; owning and operating two very successful tourism based businesses. Her businesses are thoughtfully managed and active in our local Chamber of Commerce. She hosts our annual Cooper Landing Community Library fundraiser, caterers to our Cooper Landing Senior Citizens, Inc. every week after they provide trash clean up in Cooper Landing, Hope and Moose Pass. She provides great services, food and drink to her guests. In the winter, locals flock to the Sunrise Inn after a snow machine ride in the mountains or to watch the Sunday Night Football Game and enjoy hot wings and a beer. She brings events to the community in the winter; the dart tournament draws guests from as far away as Palmer. In the summertime, she has promoted some wonderful musical acts which draw crowds from near and far. While sitting at the bar, many out of town guests have been turned on to a local fishing guide or to a rafting company due to Arden and her employee's love and knowledge of Cooper Landing and their desire to spread the wealth throughout the community.

We are fully in support of Arden and are fully in rejection of this attempt to increase requirements on businesses like hers which we believe should be grandfathered in under old regulations. Unfortunately, you cannot claim to support small businesses while at the same time, encouraging regulations and rules that would put undue stress on small businesses.

If this requirement passes, Sunrise Café and Trail Lake Lodge in Moose Pass, and many others like it on the Kenai Peninsula would be forced to close their doors. The business that Cooper Landing sees in the winter is often centered on the availability of rooms, food and liquor at the Sunrise Inn. Also, please note, in this time of budget cuts and regression in the state, Sun Rise Café and Inn is **the only** restaurant and gas station that we have had open consistently **year-round** between Girdwood, Seward and Soldotna over the past 10 years.

The fact that Cooper Landing and Moose Pass are at least 50 miles away from the other unincorporated towns that they are now being grouped in with, does not make sense. The loss that Moose Pass and Cooper Landing would experience with these two businesses shutting down would be monumental for our small towns. While there might be some demand for more hotel rooms, the expectation that a business that primarily makes their money in the summer time, would be able to fund the construction of an additional 30 rooms is absurd.

If the proposed changes must be made to the existing rules, we believe that exceptions must also be granted. The Sunrise Inn and Arden are necessary in Cooper Landing. The Sunrise is a landmark, a large year-round employer, a promoter of local businesses and a draw to Cooper Landing. While they may eventually be able to add motel rooms as they continue to grow and build their business, to require they do it immediately with the threat of losing their liquor license being held over them is completely unsupportive of local business owners.

On behalf of the Cooper Landing Chamber of Commerce and their 65 members we ask you to work for keeping the 34 licenses that are currently held under the Tourism Liquor License. I am certain you will receive letters like this in support of all 34 businesses and their owners, and for good reason.

Sincerely,



Stephanie Lesmeister  
President  
**Cooper Landing Chamber of Commerce**

January 10, 2018

I am writing as a concerned cabin owner from Cooper Landing (38042 Snug Harbor Road) and a frequent guest at the Sunrise Inn restaurant. With recent notification of the possible changes to the AMCO requirements for a tourism liquor license, I have been informed that should the 1985 law be changed, the Sunrise Inn would be severely affected, losing their liquor license and be forced to close.

My husband and I have owned a cabin in Cooper Landing for 22 years. But even before that, my father in law owned a cabin there – so the Steger family has been a customer of the Sunrise since the 1961. It has been a place that we have frequently visited because of their great restaurant and bar. We often visit in the winter months – for years the Sunrise has been the only restaurant open during the off-season. The establishment is very community minded and there are an enormous number of locals and tourists that would be negatively affected should you decide to change the criteria for their liquor license.

Cooper Landing in a tourism community. While we predominately visit our cabin in the summer – we are among thousands of people who frequent the small town throughout the year. Without people like us and all the tourists – Cooper Landing would not be around today. The Sunrise is instrumental in keeping our community alive both with the restaurant and lodge, but most importantly by employing between 20-30 employees throughout the year.

It is imperative that AMCO grandfather the Sunrise Inn – with the liquor license conditions originally included originally. Or if that is not possible – consider changing their current license to a dispensary license. The community of Cooper Landing needs the Sunrise Inn to not only thrive but to basically survive. Changes in the terms of a 1985 law should not be approved due to the detrimental effects it would have on this community as well as the 33 other communities in could affect.

Sue and Patrick Steger

13320 Vern Drive

Anchorage, AK 99516

(907) 529-5432

Sue.steger@fisglobal.com

January 10, 2018



## COOPER LANDING

— Chamber of Commerce & CVB —

AMCO Board Members  
550 W 7<sup>th</sup> Ave, Ste 1600  
Anchorage, AK 99501

Dear Members of the AMCO Board,

We are writing you regarding the status of Sunrise Café & Inn and their Tourism Liquor License in Cooper Landing, Alaska and the potential state law changes underway and how it negatively impacts these small businesses and the communities that depend upon them.

Not only does Sunrise Café represent an historical establishment in our small town, it is also one of the only businesses that is a year-round employer of local residents in our community. The owner, Arden Rankins has been an active member of our community for over 18 years; owning and operating two very successful tourism based businesses. Her businesses are thoughtfully managed and active in our local Chamber of Commerce. She hosts our annual Cooper Landing Community Library fundraiser, caterers to our Cooper Landing Senior Citizens, Inc. every week after they provide trash clean up in Cooper Landing, Hope and Moose Pass. She provides great services, food and drink to her guests. In the winter, locals flock to the Sunrise Inn after a snow machine ride in the mountains or to watch the Sunday Night Football Game and enjoy hot wings and a beer. She brings events to the community in the winter; the dart tournament draws guests from as far away as Palmër. In the summertime, she has promoted some wonderful musical acts which draw crowds from near and far. While sitting at the bar, many out of town guests have been turned on to a local fishing guide or to a rafting company due to Arden and her employee's love and knowledge of Cooper Landing and their desire to spread the wealth throughout the community.

We are fully in support of Arden and are fully in rejection of this attempt to increase requirements on businesses like hers which we believe should be grandfathered in under old regulations. Unfortunately, you cannot claim to support small businesses while at the same time, encouraging regulations and rules that would put undue stress on small businesses.

If this requirement passes, Sunrise Café and Trail Lake Lodge in Moose Pass, and many others like it on the Kenai Peninsula would be forced to close their doors. The business that Cooper Landing sees in the winter is often centered on the availability of rooms, food and liquor at the Sunrise Inn. Also, please note, in this time of budget cuts and regression in the state, Sun Rise Café and Inn is **the only** restaurant and gas station that we have had open consistently **year-round** between Girdwood, Seward and Soldotna over the past 10 years.

The fact that Cooper Landing and Moose Pass are at least 50 miles away from the other unincorporated towns that they are now being grouped in with, does not make sense. The loss that Moose Pass and Cooper Landing would experience with these two businesses shutting down would be monumental for our small towns. While there might be some demand for more hotel rooms, the expectation that a business that primarily makes their money in the summer time, would be able to fund the construction of an additional 30 rooms is absurd.

If the proposed changes must be made to the existing rules, we believe that exceptions must also be granted. The Sunrise Inn and Arden are necessary in Cooper Landing. The Sunrise is a landmark, a large year-round employer, a promoter of local businesses and a draw to Cooper Landing. While they may eventually be able to add motel rooms as they continue to grow and build their business, to require they do it immediately with the threat of losing their liquor license being held over them is completely unresponsive of local business owners.

On behalf of the Cooper Landing Chamber of Commerce and their 65 members we ask you to work for keeping the 34 licenses that are currently held under the Tourism Liquor License. I am certain you will receive letters like this in support of all 34 businesses and their owners, and for good reason.

Sincerely,



Stephanie Lesmeister  
President  
**Cooper Landing Chamber of Commerce**

Subject: In Support of Tourism Liquor license for Sunrise Inn, Trail Lake lodge, The Brown Bear Saloon and alike

From: alaskatrips@gci.net

To: ardenrankins@yahoo.com

Date: Tuesday, January 9, 2018, 11:41:55 AM AKST

To Whom it may concern,

I am in support of allowing the small business Tourism liquor licenses to continue to operate, especially on the Kenai peninsula and other semi-rural areas across the state

I have been in the tourism business for over 20 years and have used many of these locations, including the Sunrise Inn, for accommodations and a refreshing stop along the state highways. These small businesses represent Alaska in a very positive and unique way. Tourists want to see and experience more than the mega hotels and attractions that the bigger industries offer. These small businesses offer employment to many Alaskans. The best part of visiting Alaska is visiting the people who live here and the unique structures and environments they have carved a living out of. Pubs, bars and/or adult drinking establishments are often the places to meet "the locals". Visitors want the real experience of meeting with real Alaskans. There are countless t-shirts and promotional materials for these establishments scattered across the globe. This is positive feedback and free advertisement for our state and all the services here in Alaska. The Bird House is known world wide and prompted Chilkoot Charlie's to re-create that very Alaskan pub scene. Go to any country and a local pub in a rural area, is on most people's top ten lists.

The financial and community devastation that will be caused by this policy shift, will benefit no one. The Sunrise Inn for example, is a community gathering spot and an important cornerstone for communication, meetings and indoor leisure activity. Musicians, organizations, and private parties all depend on the space and atmosphere it has to offer. It is often the only restaurant open to the local communities. The owner Arden Rankins, is dedicated to her customers and neighbors. She can not survive financially without the profit margin incurred through liquor sales. Overhead is high for the infrastructure and customers are few in the deep winter months. The Brown Bear Saloon and Trail Lake Lodge are two more examples of struggling small businesses that need the added income that liquor sales brings. The fact that they are there, serving the community and visitors alike, is due to the income that liquor sales has provided in the past. I see no reason to pull their licenses and destroy a community establishment. No reason to limit the options for visitors to experience. No reason to send the message that unless you are a big player, there is no future for small businesses in small communities.

These establishments represent the hard working people that make Alaska a destination. They represent well and give back to their communities in ways that you can not fully comprehend. My visitors (tourists) would all agree that it is the character of the small establishments that makes Alaska unique and a great place to visit. I, as a small business owner operating in the tourism market, need more options not fewer. These establishments are a key to the economic success of their small communities, a key to visitors and a key to Alaska's unique tourism industry.

I respectfully hope that you do the sensible thing, by supporting and celebrating small business ownership in Alaska and the people and lives that depend on it.

Sincerely,

Ken Wilkinson  
Wilkinson Expeditions  
25 year small business owner

January 8,2018

To whom it may concern,

I am a senior citizen and permanent resident of Cooper Landing Alaska. What is the real reasoning behind changing the way the population is counted to have a Tourism Liquor License? How does the number of motel rooms warrant this proposed ruling? Just because an establishment only has 10 rooms like the Sunrise Inn, doesn't mean we don't depend on tourism during the summer as our main source of income. In fact, it helps to stay open during the frigid winter months. The Sunrise Inn is the only Motel/Restaurant/Bar open all year round for tourist and residents to enjoy. The owner of Sunrise Inn does many good things for the community and would be forced to close should the AMCO get there way.

Tourism is Tourism whether in Soldotna, Seward, Homer, Kenai or Cooper Landing. If it is a matter of health concerns or too many police complaints or problems, then deal with those issues. How many of the people coming up with this crazy ruling has been to Cooper Landing during the summer and winter. I can't speak for the other 6 locations, but I am certain they have the same concerns.

The Sunrise Inn employees several of the community residents and nonresidents during the summer. Do you really want to close this business? If so, that is what will happen.

Senator Peter Micciche has a bill regarding this issue which I fully support. If nothing else, at least grandfather these locations that are targeted so they may keep their Tourism Liquor Licenses.

I hope you will make the right decision concerning this issue and do the right thing.

Sincerely

Larry grant

P.O. Box 812  
Cooper Landing, AK  
99572

January 8, 2018

Alcohol Marijuana Control Office

State of Alaska

Juneau, Alaska

Re: Changes to rural Alaska liquor licenses

Dear Sirs,

It is my understanding that you have recently reviewed the liquor licenses on the Kenai Peninsula. This review prompted a change in the way that populations are being calculated for qualifications for licensing. The change would require that The Sunrise Inn in Cooper Landing build an additional 30 motel rooms to continue their liquor license. This community is a tourism mecca, so the businesses here must operate on a slim profit margin and the building of 30 additional rooms would be an impossibly huge financial commitment. Since this inn is a large part of the fabric of our community, we respectfully request that there are some exceptions to this change in rules and that The Sunrise Inn be allowed to continue current operations which include a liquor license.

I understand that rail Lake Lodge in Moose Pass is in a similar situation. Please exempt them as well.

Sincerely Yours,

Linda C Raveaux

PO Box 615

Cooper Landing, AK 99572

Cc: ardenrankins@yahoo.com

From: Paul radzin6@gmail.com  
Subject:  
Date: January 23, 2018 at 10:45 AM  
To: l.radzinski@gmail.com

Honorable Senator Micciche,

We are Paul and Laurie Radzinski, residents of Cooper Landing. We would like to convey to you our support for changing the current liquor license rules regarding rural "tourist licenses".

In our village of Cooper Landing, the ability of a year-round business, such as the Sunrise Inn to stay open is essential to our community. A year-round business like the Sunrise, depends nearly solely on local support in the off season and the community depends on Sunrise for community events, gatherings, weddings, meetings (NRA, DU, etc), workshops and just general social interaction. If a business like Sunrise loses its liquor license due to the arbitrary law change, then the business will close and the community will suffer a great loss in its ability to stay together and share our vibrant Cooper Landing community spirit.

We ask that you revisit the definitions of these "tourist licenses", changing them accordingly to allow business like Sunrise to survive, thrive and employ people, or, allow for a grandfathering of existing businesses licensed under the original agreement. Forcing the closing of Cooper Landing's largest winter employee is just unacceptable.

We appreciate your support in correcting this law.

Regards,

PAUL + LAURIE RADZINSKI

Paul and Laurie Radzinski  
Bean Creek Consulting, LLC  
Cooper Landing, Alaska  
Mobile: 907-953-2431

Sean Norris  
PO Box 872  
Cooper Landing, AK 99572

January 8<sup>th</sup>, 2018

Alcohol & Marijuana Control Office  
550 W 7th Ave, Ste 1600  
Anchorage, AK 99501

Dear Members of the Alcoholic Beverage Control Board,

I am a lifelong, year-round resident of the Cooper Landing community and I am writing to you with concerns about the recent changes to the Beverage Dispensary Tourism License Regulations relating to the Kenai Peninsula. Currently, a licensed holder is required to provide a number of guest rooms on the licensed premises based on their location's population. However, it is my understanding that the Alcohol and Marijuana Control Office has recently changed the way populations are counted. Under the new allocation all unincorporated areas have been counted together as one community; which, changes the way small town businesses can operate.

This is a concern for the residents of Cooper Landing because it changes the original population count requirement of 1,501 or less to the 15,001 to 25,000 bracket—requiring a business to install fifteen additional rooms to operate. Clumping the populations together is unrealistic and unattainable. Local businesses in small towns like Cooper Landing, Moose Pass, and Hope will not be able to keep their doors open because the cost of building additional rooms is not feasible.

Locally, we are impacted by the fear that Sunrise Inn will have to close. Built in 1958, it is the only open year-round restaurant, bar, and motel in the area. This business serves as the community's gathering place for weekly events, holidays, and get-togethers. They host many events in support of local non-profits and community volunteers including the Cooper Landing Library and School. The location is well known by tourists who stop here to see an original Alaskan Road House. The closing of Sunrise Inn would be detrimental to the entire community, tourism, and those passing through looking for a warm meal.

Thank you for your time and considering my concern. Feel free to contact me at 907-595-2022.

Sincerely,

Sean Norris

## Jan Osowiecki

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**From:** Jan Osowiecki [janoso@optonline.net]  
**Sent:** Sunday, January 21, 2018 6:34 PM  
**To:** 'ardenrankin@gmail.com'  
**Subject:** 1985 Law for Tourism Liquor Licenses State of Alaska

Dear Sirs,

It has come to my attention that AMCO has decided to change the manner in the way the population is counted on the Kenai Peninsula. This action would not allow small businesses to hold a liquor license.

I feel strongly that these businesses that now have liquor licenses under the former laws should have "Grandfather" rights for their liquor licenses.

Enforcing a business like Sunrise Inn in Cooper Landing to add 30 motel units to their existing 10 is ludicrous. The cost would be prohibitive and they would be forced to close.

These small businesses are vital to the integrity of the State, tourism and small communities.

In the mid 60's sport caught salmon were bringing into the State \$17.00 per pound for each salmon caught! Check your facts and figures and see what these small businesses bring to the State in revenue!

From 1964 to 1974 my family owned Sportsman's Lodge on the Russian River. We worked hard and made a living. We didn't get rich, but we contributed to the State and fulfilled an asset to our community. I have property in Cooper Landing and will retire there in a few years. I would like somewhere to go to for gas, dinner, a drink. Please reconsider your changing of these laws for the benefit of the State.

Respectfully,

Janice Olsen-Osowiecki

84 Litchfield St

Thomaston, Ct 06787

[janoso@optonline.net](mailto:janoso@optonline.net)

Subject: **Tourism Liquor License and Potential Impact on Sunrise Inn near Cooper Landing**

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From: kennish@live.com

To: ardenrankins@yahoo.com; Senator.Peter.Micciche@akleg.gov

Date: Monday, January 8, 2018, 2:06:12 PM AKST

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Mr. Rankins and Senator Micciche,

Without this license the Sunrise Inn will not make enough money to keep the doors open. It is a tourism town and without tourists our community would likely not exist. The Sunrise hires 19 summer employees and an additional 10 employees year round. The loss of the Sunrise would mean loss of jobs to the community and negatively impact tourism. This 1958 original Alaskan Roadhouse should not be put out of business because the AMCO folks are changing laws that have not been broken. This business is requesting that they be grandfathered or that their license be changed to dispensary licenses which most alcohol licenses are.

I have been a long time user of this business and It offers great food and a rest along the rural road as well as fuel in an emergency.

Please consider retention of this liquor license and help to keep this historic roadhouse open to the public.

John

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Subject: **Fwd: Sunrise Inn - Cooper Landing, Alaska**

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From: ladonnaherbert@gmail.com

To: ardenrankins@yahoo.com

Date: Sunday, January 28, 2018, 6:30:05 PM AKST

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**Subject: Re: Sunrise Inn - Cooper Landing, Alaska**

Senator Miccishe, I am writing to tell you what Sunrise Inn means to me as a permanent resident of CooperLanding. It would be a shame if Sunrise would have to close its doors to the public. Just to mention a few things - for the past couple of years (maybe more) Sunrise has been the only restaurant open in 50 miles. Sunrise many times has helped the local school with fund raisers such as serving a St Patrick's dinner and serving Thanksgiving dinner to Seniors and those who don't have a place to go- all free!! Everything happens at Sunrise even memorials - I could go on and on! I would like to request that Sunrise be "grandfathered" in or change their license to dispensary license or communities be connected with zip codes. Thank you for listening. Malcolm & Ladonna Herbert, Cooper Landing, Alaska

ALASKA DIVISION OF  
**LEGISLATIVE AUDIT**

**Audit Report**

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Department of Commerce,  
Community, and  
Economic Development

Alcoholic Beverage Control Board

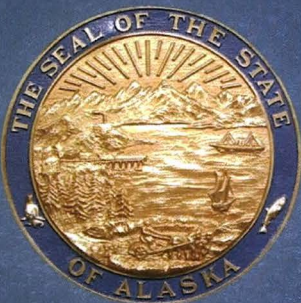
November 17, 2017

Audit Control Number: 08-20099-17

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Division of Legislative Audit  
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# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from the Senate and one from the House. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$12 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. Government Accountability Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's office in Juneau or on our website at [www.legaudit.akleg.gov](http://www.legaudit.akleg.gov).

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# Report Highlights

## Why DLA Performed This Audit

The purpose of the audit was to determine if there is a need for the board's continued existence and whether its termination date should be extended. The board is set to sunset June 30, 2018, and will have one year from that date to conclude its administrative operations.

## What DLA Recommends

1. The authority to renew licenses should be limited to the board.
2. The board should issue recreational site licenses in accordance with statutory requirements.
3. The board should issue beverage dispensary licenses in accordance with statutory requirements.
4. The board, AMCO director, and enforcement supervisor should work together to formally establish an enforcement plan to direct AMCO's limited enforcement resources.
5. The board and AMCO director should implement a process to monitor and track complaints to ensure they are assessed for follow up action and investigated in a timely manner.

(Continued on next page)

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Alcoholic Beverage Control Board (board)

November 17, 2017

Audit Control Number 08-20099-17

## REPORT CONCLUSIONS

In all areas except licensing, the audit found the board was operating in the public's interest. Meetings were conducted effectively, investigations were processed timely, and the board developed and adopted regulations necessary to implement statutes.

The audit concluded the board should improve its procedures for issuing renewals, recreational site licenses, and beverage dispensary licenses that encourage tourism. Testing found these licenses were not consistently issued in accordance with statutes. Additionally, operational improvements are needed in enforcing laws, monitoring board-related local law enforcement activity, and processing refunds to municipalities.

In accordance with AS 44.66.010(a)(1), the board is scheduled to terminate on June 30, 2018. We recommend the legislature extend the board's termination date to June 30, 2022.

# Report Highlights (Continued)

6. The board and AMCO director should develop written procedures for updating the statewide database with restricted purchasers.
7. The board and AMCO director should improve procedures to ensure municipalities report violations of alcoholic beverage laws.
8. The AMCO director should develop and implement procedures to ensure refunds to municipalities are appropriately reviewed.

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



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December 2, 2017

Members of the Legislative Budget  
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Alcoholic Beverage Control Board (board), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
ALCOHOLIC BEVERAGE CONTROL BOARD  
SUNSET REVIEW

November 17, 2017

Audit Control Number  
08-20099-17

The audit was conducted as required by AS 44.66.050(a). Per AS 44.66.010(a)(1), the board is scheduled to terminate on June 30, 2018. We recommend that the legislature extend the board's termination date to June 30, 2022.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA  
Legislative Auditor

## ABBREVIATIONS

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|       |                                                                |
|-------|----------------------------------------------------------------|
| AAC   | Alaska Administrative Code                                     |
| ACN   | Audit Control Number                                           |
| AMCO  | Alcohol and Marijuana Control Office                           |
| AS    | Alaska Statute                                                 |
| board | Alcoholic Beverage Control Board                               |
| CISA  | Certified Information Systems Auditor                          |
| CPA   | Certified Public Accountant                                    |
| DCCED | Department of Commerce, Community, and<br>Economic Development |
| DLA   | Division of Legislative Audit                                  |
| FY    | Fiscal Year                                                    |

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# ORGANIZATION AND FUNCTION

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## Alcoholic Beverage Control Board

The Alcoholic Beverage Control Board (board) is a regulatory and quasi-judicial board consisting of five members appointed by the governor, created for the purpose of controlling the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board consists of one member actively engaged in the public safety sector, one from the general public, one who has resided in a rural area within the last five years, and two actively engaged in the alcoholic beverage industry<sup>1</sup> (see Exhibit 1). The non-industry board members, and the members' immediate family, may not have a financial interest in the alcoholic beverage industry. Board members serve overlapping three-year terms. Statutes do not limit the number of consecutive terms a member may serve.

Three members of the board constitute a quorum for conducting business. A majority of the board membership must approve applications for new licenses, renewals, transfers, suspensions, and revocations of existing licenses.

Alaska Statute 04.06.090 establishes the powers and duties of the board, including the power to propose and adopt regulations and hear appeals from actions of the director, officers, and employees charged with enforcing alcoholic beverage control laws and board regulations. Statutes state the board shall:

- Review all license applications and may order the director to issue, renew, revoke, transfer, or suspend licenses and permits authorized under AS 04.06;

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<sup>1</sup>Alcoholic beverage industry board members may not be wholesalers.

## Exhibit 1

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### Alcoholic Beverage Control Board Members as of April 30, 2017

Robert Klein, Chair  
*Industry*

Robert Evans  
*Rural*

Ellen Ganley  
*General Public*

Rex Leath  
*Public Safety*

Thomas Manning  
*Industry*

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Source: Office of the Governor, Boards and Commissions website.

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- 
- Promptly notify all licensees and municipalities of major changes to statutes and regulations;
  - Maintain a statewide database that contains a monthly record of the alcohol purchased by, and shipped to, a person who resides in a municipality or established village that has restricted the sale of alcoholic beverages; and
  - Adopt regulations necessary to carry out the purpose of AS 04.06 in a manner that will protect public health, safety, and welfare.

**Department of Commerce,  
Community, and  
Economic Development  
(DCCED), Alcohol and  
Marijuana Control Office  
(AMCO or control office)**

AMCO provides assistance to the board in administering, licensing, and enforcing alcoholic beverage control statutes and regulations. AMCO staff provide similar support to the Marijuana Control Board. AMCO is led by a director appointed by the governor who also serves as the board's executive officer.

AMCO staff receive and process licensing applications, collect fees, maintain licensing records and files, publish notices of board meetings, prepare board member meeting packets, and draft board meeting minutes. AMCO staff also perform other administrative duties such as tracking revenues and expenditures and assisting with board regulatory projects.

AMCO investigators conduct inspections of licensed premises; investigate complaints; and issue notices of violation to establishments in violation of alcoholic beverage control statutes, regulations, or conditions or restrictions imposed by the board. The board may review a notice of violation in considering whether to suspend, revoke, or renew a license, but a notice of violation alone does not constitute grounds for suspension, revocation, or refusal to renew.

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## BACKGROUND INFORMATION

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### Statewide Database of Written Orders

Alaska Statute 04.06.095 requires the board to create and maintain a statewide database that contains a monthly record of the alcohol purchased by, and shipped to, a person who resides in a restricted area.<sup>2</sup> The law requires package store licensees to consult the database before selling and shipping alcoholic beverages to purchasers in restricted areas and immediately record every sale made therein. Persons residing in the restricted area who have alcoholic beverages shipped to them do so by submitting written orders to package stores.

Furthermore, regulation 3 AAC 304.645 requires the board to maintain a list of persons convicted of a violation of AS 04.11.010<sup>3</sup> and provide the listing of these restricted purchasers to package store licensees, which the board accomplishes through the statewide database.

Package store licensees are prohibited from selling alcoholic beverages to a person who is identified as a restricted purchaser in the statewide database, and may not ship an amount of alcoholic beverages to a purchaser in a restricted area that, when added to the amount already shipped, exceeds the monthly amounts authorized in statute.<sup>4</sup>

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<sup>2</sup>A *restricted area* is a municipality or an established village that has adopted a local option under AS 04.11.491 through an election process to control and impose certain limits on the availability of alcoholic beverages in the community.

<sup>3</sup>Alaska Statute 04.11.010 prohibits persons from manufacturing, selling, offering for sale, possessing for sale or barter, trafficking in, or bartering alcoholic beverages unless licensed by the board.

<sup>4</sup>A package store licensee may not ship to a purchaser more than 10 and one-half liters of distilled spirits or 24 liters or more of wine, or either a half-keg of malt beverages or 12 gallons or more of malt beverages in individual containers in a calendar month, or a lower amount of distilled spirits, wine, or malt beverages if the municipality or established village has adopted the lower amount by local option.

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# REPORT CONCLUSIONS

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In developing our conclusions regarding whether the board's termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A of this report. Under the State's "sunset" law, these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

In all areas except licensing, the audit found the board was operating in the public's interest. Meetings were conducted effectively, investigations were processed timely, and the board developed and adopted regulations necessary to implement statutes.

The audit concluded the board should improve its procedures for issuing renewals, recreational site licenses, and beverage dispensary licenses that encourage tourism. Testing found these licenses were not consistently issued in accordance with statutes. Additionally, operational improvements are needed in enforcing laws, monitoring board-related local law enforcement activity, and processing refunds to municipalities.

In accordance with AS 44.66.010(a)(1), the board is scheduled to terminate on June 30, 2018. We recommend the legislature extend the board's termination date to June 30, 2022.

Detailed report conclusions are as follows.

**The board operated in the public interest and does not duplicate the efforts of other entities.**

Board operations were conducted in an effective matter. The audit found that from July 2014 through April 2017, the board held 20 meetings and met in each judicial district of the state during calendar years 2015 and 2016 as required by statute. Board meetings were public noticed, each meeting allowed time for public comment, and a quorum was consistently met. The audit also determined that the board is the only entity in the state that issues licenses for selling alcohol, and as such does not duplicate the efforts of another governmental or private sector agency.

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The board was active in adopting, amending, and supporting regulatory changes. The board amended:

- Regulation 3 AAC 304.715 to add outdoor recreational lodge and destination resort licenses to the list of license types allowed to apply for designation as a bona fide restaurant, hotel, or eating place. According to the board chair, this change adds certain license types to the existing list and was adopted in the public interest.
- Regulation 3 AAC 304.225 to expand the license types for which the board may approve a portion of licensed premises to alternate as licensed or unlicensed premises. According to the board chair, the changes allows six additional license type holders<sup>5</sup> to apply for board approval to have alternating licensed premises, which promotes consistency between license types in order to operate in the public interest.
- Regulation 3 AAC 304.375 to implement statutes regarding distillery licenses. This change clarifies what activities constitute operating a distillery for purposes of obtaining a distillery license in Alaska.
- Regulation 3 AAC 304.980 to add requirements related to management agreements and clarify rules regarding prohibited financial interests as related to management agreements. According to the board chair, this addition clarifies regulations and helps ensure licensees continue to operate in the public interest.

Regulatory changes during the audit period were public noticed according to the Administrative Procedures Act.

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<sup>5</sup>The six license types include golf course license, common carrier dispensary license, recreational site license, outdoor recreation lodge license, destination resort license, and beverage dispensary licenses issued to encourage the tourist trade.

**Except for renewals, recreational site licenses, and beverage dispensary licenses to encourage tourism, the board licensed establishments according to statutes and regulations.**

As shown in Exhibit 2, there were a total of 1,885 licenses as of April 30, 2017.

A random sample of 40 active licenses<sup>6</sup> during the audit period was tested, and the audit found all were issued in accordance with statutes and regulations, except that 36 were renewed by control office staff when statutes require renewal by the board. (Recommendation 1)

**Exhibit 2**

**Alcoholic Beverage Control Board  
License Count by Type  
as of April 30, 2017**

|                            |       |
|----------------------------|-------|
| Beverage Dispensary        | 665   |
| Bottling Works             | 1     |
| Brewery                    | 27    |
| Brewpub                    | 14    |
| Club                       | 79    |
| Common Carrier             | 172   |
| Conditional Contractors    | 1     |
| Destination Resort         | 2     |
| Distillery                 | 11    |
| Golf Course                | 9     |
| Package Store              | 391   |
| Outdoor Recreational Lodge | 36    |
| Pub                        | 1     |
| Recreational Site          | 29    |
| Restaurant/Eating Place    | 413   |
| Wholesale                  | 26    |
| Winery                     | 8     |
| Total Licenses             | 1,885 |

Source: Compiled from AMCO's licensing database.

<sup>6</sup>The random sample was pulled from the universe of licenses after excluding 29 recreational site licenses and 126 beverage dispensary licenses issued to encourage tourism which were tested separately.

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Testing of a judgmental sample of 10 recreational site licenses showed all 10 licenses did not meet the statutory definition of a recreational site license. (Recommendation 2) Moreover, testing of a sample of 16 beverage dispensary licenses issued to encourage tourism under AS 04.11.400(d) revealed five were transferred and six were renewed despite not meeting statutory requirements.<sup>7</sup> (Recommendation 3)

Based on the data provided, the board issued 2,720 catering permits from FY 15 to April 30, 2017. Testing of a random sample of 40 showed permits were issued according to statutes.

**Enforcement efforts have declined and operational improvements are needed.**

AMCO investigators have stopped conducting compliance checks as of April 2015. The board, through AMCO investigators, has historically conducted compliance checks where investigators employ underage individuals who attempt to purchase alcoholic beverages. Licensees who fail a compliance check receive criminal summons or citations. According to management, the federal grant funding for this program was terminated at the end of 2012, and the board received supplemental funds to keep the program going through June 2014. AMCO's enforcement section continued to conduct compliance checks funded by program receipts until April 2015. Although there is no statutory or regulatory requirement to conduct compliance checks, AMCO management reported it is an integral part of the enforcement of alcoholic beverage laws and is evaluating alternative means for providing the enforcement through shared services with other agencies.

The audit noted the board and AMCO management have not established a written enforcement plan to direct its limited enforcement resources. (Recommendation 4) For example, the board has not formally established how often licensed premises should be inspected. Furthermore, the control office does not monitor and track all complaints to ensure complaints are

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<sup>7</sup>Of 665 beverage dispensary licenses active as of April 30, 2017, 180 were issued to encourage tourism under AS 04.11.400(d). Of this number, sampling was isolated to 126 licenses which exclude duplicate and seasonal licenses.

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assessed for follow up action and investigated in a timely manner. (Recommendation 5)

As part of its enforcement efforts, AMCO investigators issue notices of violations to establishments that violate alcoholic beverage laws and board regulations. Based on the data provided, AMCO's enforcement section issued 53 notices of violations during the audit period. The audit tested a sample of seven notices of violations and found all were addressed by investigators in accordance with regulations.

As discussed in the Background Information, for communities designated as a restricted area for controlling the availability of alcoholic beverages, the board enforces limits on alcoholic beverages purchased from package stores. However, the audit found the board and control office staff have not maintained the list of restricted purchasers within the statewide database of written orders in accordance with regulation, potentially allowing persons convicted of illegally selling alcoholic beverages to continue purchasing alcohol via written order. (Recommendation 6)

To help fund the enforcement of alcoholic beverage laws by local law enforcement agencies, statutes require the board refund biennial licensing fees to the municipalities in which licensees operate on a semi-annual basis.<sup>8</sup> The refund is conditioned on whether local law enforcement actively enforce the laws relating to manufacture and sale of alcoholic beverages and report violations to the board. The audit found neither the board nor AMCO staff were ensuring municipalities receiving refunds reported violations of alcoholic beverage laws as required by statute. (Recommendation 7) Additionally, the refund amount calculated by AMCO staff was not separately reviewed for accuracy. (Recommendation 8)

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<sup>8</sup>This requirement excludes wholesale license fees.

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## FINDINGS AND RECOMMENDATIONS

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The prior 2014 sunset audit made five recommendations:

- The Alcoholic Beverage Control Board's (board) director should ensure that all board meetings are properly published on the State's Online Public Notice System.
- The board should notify local governing bodies of applications for new and transfer licenses within 10 days of receipt.
- The board should issue catering permits in accordance with statutory requirements.
- The board should issue recreational site licenses in accordance with statutory requirements.
- The board should implement a process to monitor and track all complaints to ensure they are resolved in a timely manner.

The prior audit recommendations regarding board meetings, notification of local governing bodies, and catering permits were resolved. Testing found board meetings were public noticed, local governing bodies were notified of new and transfer applications, and catering permits were issued according to statutes.

The prior audit recommendation regarding recreational site licenses was not resolved. License testing found the board continued to issue recreational site licenses that did not meet statutory requirements. The prior recommendation is reiterated as Recommendation 2 of this audit.

The prior audit recommendation to implement a process to monitor and track all complaints was not resolved. According to Alcohol and Marijuana Control Office (AMCO) staff, a process to log all complaints was implemented but halted due to new responsibilities associated with marijuana regulation. The prior recommendation is reiterated as Recommendation 5 of this audit.

In addition to reiterating two prior recommendations, the audit makes six new recommendations.

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**Recommendation 1:**

**The authority to renew licenses should be limited to the board.**

Of 40 license applications tested, four were new or transfer applications approved by the board. The remaining 36 were renewal applications issued by AMCO license examiners without board approval.

Per AS 04.11.070, only the board may issue, renew, transfer, relocate, suspend, or revoke a license under AS 04. Alaska Statute 04.06.080 states that notwithstanding AS 04.11.070, the board may delegate authority to the director to *temporarily* grant or deny the issuance, renewal, or transfer of licenses and permits. In a past board meeting, the board voted to delegate its authority to renew licenses to the director under the incorrect understanding that such delegation was legal. The AMCO director, in turn, assigned the function to license examiners. According to management, the delegation helps in processing the high volume of renewal applications.

Delegating the renewal authority resulted in licenses being renewed without board oversight.

We recommend the authority to renew licenses be limited to the board to comply with statutes.

**Recommendation 2:**

**The board should issue recreational site licenses in accordance with statutory requirements.**

Ten of 29 recreational site licenses active during the audit period were judgmentally selected for testing. All 10 did not meet the statutory definition of a recreational site. Six of the 10 licensees were informed by the board that their license would not be renewed during the next renewal period since the business did not meet the statutory definition of a recreational site. This same finding was reported in the prior 2014 sunset audit.

According to AS 04.11.210(a), the holder of a recreational site license may sell beer and wine at a recreational site during and one hour before and after a recreational event that is not a school event. Alaska Statute 04.11.210(c) defines recreational sites as locations where baseball games, car races, hockey games, dog sled racing events, or curling matches are regularly held during a season. The 10 noncompliant licensees noted above included travel tour companies, bowling alleys, an art council, a pool hall, a

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movie theater, and a spa.

Review of board meeting minutes revealed that board members understood these businesses did not meet the definition of a recreational site license, yet believed it to be in the public interest to issue them. Furthermore, board members anticipated the criteria for recreational site licenses would be addressed in a future rewrite of AS 04.06. The issuance of these licenses expanded the number of establishments licensed to sell alcohol over the number allowed by statute.

We again recommend that the board issue recreational site licenses in accordance with statutory requirements.

**Recommendation 3:**  
**The board should issue beverage dispensary licenses in accordance with statutory requirements.**

In a sample of 16<sup>9</sup> of 126 beverage dispensary licenses issued to encourage tourism, the audit found five licenses were transferred and six were renewed despite not meeting statutory requirements.

Alaska Statute 04.11.400(d) states the board may approve the issuance or transfer of ownership of a beverage dispensary license without regard to statutory population limits if it appears that the issuance or transfer will encourage tourism. Statutes provide for the minimum number of rental rooms that must be met by a business in order to encourage the tourist trade. Alaska Statute 04.11.330(a)(4) states the renewal of a license shall be denied if the board finds the issuance of an existing license under AS 04.11.400(d) has not encouraged the tourist trade.

The board believed it was appropriate to approve the licenses, as the original licenses were issued before June 1985;<sup>10</sup> however, there was no statutory provision to “grandfather” the licenses. The issuance of the licenses expanded the number of establishments licensed to sell alcohol over the number allowed by statute.

We recommend the board issue beverage dispensary licenses in accordance with statutory requirements.

<sup>9</sup>Random sample of 13 and judgmental sample of three.

<sup>10</sup>Chapter 93, SLA 1985, Section 13 enacted AS 04.11.400(d).

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**Recommendation 4:**

**The board, AMCO director, and enforcement supervisor should work together to formally establish an enforcement plan to direct AMCO's limited enforcement resources.**

The audit identified that AMCO's enforcement section is operating without a formally established enforcement plan. Neither the board nor AMCO director had considered the need for or importance of establishing enforcement goals or plans to ensure the effective allocation of enforcement resources.

Per AS 04.06.090, the board is vested with the powers necessary to enforce laws related to alcoholic beverages, and may employ enforcement agents and staff it considers necessary to carry out its duties. The board has tasked the enforcement section with the responsibility of detecting violations and enforcing alcoholic beverage laws. By not formally establishing an enforcement plan, the enforcement section has no guidance for prioritizing its limited resources and runs the risk of not adequately protecting the public.

We recommend the board, AMCO director, and enforcement supervisor work together to formally establish an enforcement plan to direct AMCO's limited enforcement resources.

**Recommendation 5:**

**The board and AMCO director should implement a process to monitor and track complaints to ensure they are assessed for follow up action and investigated in a timely manner.**

The board and AMCO management have not maintained a process to monitor and track all complaints to ensure they are resolved in a timely manner. The board does have a process to receive complaints from licensees, law enforcement agencies, and the general public through their website, telephone, or emails; however, complaints are only tracked if the complaints result in an inspection or investigation. Furthermore, the basis for a decision not to investigate is not documented and maintained.

According to AMCO staff, a process to log all complaints previously existed; however, when the Marijuana Control Board was created, staff responsibilities were realigned, and the maintenance of the complaint log took a lower priority compared to new responsibilities associated with marijuana regulation.

The efficiency with which complaints are investigated is one of the sunset evaluation criteria used in the legislative oversight process. Alaska Statute 44.66.050(c)(6) specifies the sunset

---

review must evaluate:

*The efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.*

By not tracking complaints, there is an increased risk that AMCO staff may not investigate complaints and/or not investigate complaints in a timely manner. Such instances could reduce the board's ability to effectively enforce alcoholic beverage laws. Additionally, complaints received directly by AMCO staff via telephone or email may never be resolved in the event of staff turnover.

We recommend the board and AMCO director implement a process to monitor and track complaints to ensure they are assessed for follow up action and investigated in a timely manner.

## **Recommendation 6:**

**The board and AMCO director should develop written procedures for updating the statewide database with restricted purchasers.**

The board failed to maintain the statewide database of written orders according to statutes and regulations. Twenty-two of 25 individuals (88 percent) convicted of violations of AS 04.11.010 during the audit period were not entered in the statewide database, or were entered but not marked as restricted purchasers.

3 AAC 304.645(1) states that:

*The board will, in its discretion, maintain a list of persons who, under AS 04.16.200, are convicted after 10/24/87 of a violation of AS 04.11.010, and will, in its discretion, provide this list to package store licensees. A licensee who receives the list may not sell alcoholic beverages by written order to a person whose name appears on it until the board gives written notice to the licensee that such sales are no longer prohibited.*

---

The board has no written procedures for updating the list of restricted purchasers in the statewide database of written orders. Additionally, control office staff was not aware the statewide database should be updated timely. AMCO staff stated that reports of convictions of AS 04.11.010 violations were not being consistently provided by the court system. By not updating the statewide database with restricted purchasers, the board is potentially allowing those who have been convicted of illegally selling alcoholic beverages to continue purchasing alcoholic beverages via written order, putting the public's health and safety at risk.

We recommend the board and AMCO director develop written procedures for updating the statewide database with restricted purchasers. Procedures should include working with the court system to receive reports of violations in a timely manner.

### **Recommendation 7:**

#### **The board and AMCO director should improve procedures to ensure municipalities report violations of alcoholic beverage laws.**

The audit found that neither the board nor AMCO staff were ensuring municipalities report violations of alcoholic beverage ordinances, laws, and regulations as required by statute.<sup>11</sup> Per review of AMCO's website, only four of 40 locations submitted reports in FY 17 regarding enforcement efforts by municipalities.

3 AAC 304.610(a)-(b) states that:

*For the purposes of AS 04.11.610 a municipality's failure to actively enforce local ordinances, laws of the United States and the state, and the provisions of this chapter relating to the manufacture and sale of alcoholic beverages in the state includes the failure of the municipality's peace officers to comply with AS 04.21.070. The director shall recommend that the commissioner of commerce, community, and economic development deny the refund of biennial license fees under AS 04.11.610 if the director determines that the municipality's peace officers have not provided the director with quarterly reports of violations of AS 04 occurring on licensed premises within the municipality.*

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<sup>11</sup>Per AS 04.21.070, peace officers shall investigate and report to the board violations of this title.

---

AMCO management reported that turnover in key personnel as well as limited staff resources contributed to the lack of monitoring.

By not ensuring municipalities report violations, AMCO staff could not determine whether municipalities actively enforced alcoholic beverage laws and may have inappropriately refunded license fees.

We recommend the board and AMCO director improve procedures to ensure municipalities report violations of alcoholic beverage laws.

**Recommendation 8:**

**The AMCO director should develop and implement procedures to ensure refunds to municipalities are appropriately reviewed.**

The audit found one employee in the control office was responsible for calculating the amounts to be refunded to municipalities, and the calculation was not reviewed prior to processing the refund. AMCO management did not consider the need for a separate review. During FY 17, \$865,400 in fees were refunded to municipalities.

Alaska Statute 04.11.610(a) requires the board to refund biennial license fees, excluding wholesale fees, collected within a municipality, to the municipality, on a semi-annual basis. AMCO management is responsible for ensuring refunds are accurate and complete. By not having procedures that require a separate review, the risk that refunds are inaccurate is increased.

We recommend the AMCO director develop and implement procedures to ensure refunds to municipalities are appropriately reviewed.

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# OBJECTIVES, SCOPE, AND METHODOLOGY

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In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Alcoholic Beverage Control Board (board) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 44.66.010(a)(1), the board will terminate on June 30, 2018, and will have one year from that date to conclude its administrative operations.

## Objectives

The three central, interrelated objectives of the report are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public interest.
3. To determine the status of recommendations made in the prior sunset audit.

## Scope

The assessment of operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities from July 2014 through April 2017.

## Methodology

During the course of our audit, we reviewed and evaluated the following:

- The prior sunset audit report (ACN 08-20088-14) to identify issues affecting the board and to identify prior sunset audit recommendations.

- 
- Applicable statutes and regulations to identify board functions and responsibilities, determine whether statutory or regulatory changes enhanced or impeded board activities, and help ascertain if the board operated in the public interest.
  - The State's online public notice system to verify the board meetings were adequately public noticed.
  - Board meeting minutes to gain an understanding of board proceedings and activities, goals and objectives, the nature and extent of public input, and whether a quorum was maintained.
  - Various State and news related websites to identify complaints against the board or other board related concerns.
  - Public comments presented at board meetings to gain an understanding of concerns and evaluate the board consideration of the comments and complaints received.
  - Internal controls over the licensing database and enforcement records management system to determine if controls were properly designed and implemented.

To identify and evaluate board activities, we conducted interviews with Alcohol and Marijuana Control Office staff and board members. Specific issues of inquiry included board operations, regulations, duplication of effort, and complaints against the board.

During the course of the audit, the following samples were selected:

- Random and judgmental samples of new, transfer, and/or renewal licenses were selected from 1,885 licenses active as of April 2017 and assessed for statutory and regulatory compliance. Sample sizes were selected based on low control risk, low/moderate inherent risk, and low/moderate audit risk. Testing results for the random samples were projected to the population. The samples included the following:

- 
- 
- A random sample of 40 of 1,730 licenses other than recreational site licenses and beverage dispensary licenses issued to encourage the tourist trade;
  - A judgmental sample of 10 of 29 recreational site licenses; and
  - A random sample of 13 and a judgmental sample of three of 126 beverage dispensary licenses issued to encourage the tourist trade.
- A random sample of 40 of 2,720 catering permits issued between July 2014 and April 2017 and assessed for statutory compliance. The sample size was selected based on low control risk, low/moderate inherent risk, and low/moderate audit risk. Testing results of the random sample were projected to the population.
  - A random sample of six and a judgmental sample of one were selected from 53 notices of violations issued between July 2014 through April 2017 and assessed for regulatory compliance. The sample size was selected based on low control risk, low/moderate inherent risk, and low/moderate audit risk. Testing results were projected to the population.

Reports of AS 04.11.010 convictions were obtained from the Alaska Court System and compared to the list of purchasers in the statewide database of written orders to determine regulatory compliance.

Inquiries regarding board-related complaints were made of the following organizations:

- Office of the Ombudsman;
- United States Equal Employment Opportunity Commission;
- Department of Administration's Division of Personnel and Labor Relations; and
- Governor's Office of Boards and Commissions.

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## APPENDIX SUMMARY

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In developing our conclusion regarding whether the board's termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A of this report. Under the State's "sunset" law, these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

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# APPENDIX A

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## Analysis Of Public Need Criteria (AS 44.66.050(c))

A determination as to whether a board or commission has demonstrated a public need for its continued existence must take into consideration the following factors:

- (1) the extent to which the board or commission has operated in the public interest;
- (2) the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters;
- (3) the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest;
- (4) the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided;
- (5) the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions;
- (6) the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved;
- (7) the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public;

- 
- 
- (8) the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission to its own activities and the area of activity or interest;
  - (9) the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection;
  - (10) the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated; and
  - (11) the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

# Agency Response from the Office of the Governor

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gov.alaska.gov  
Governor@alaska.gov

December 20, 2017

Governor Bill Walker  
STATE OF ALASKA

Kris Curtis  
Legislative Budget and Audit Committee  
Alaska State Legislature  
P.O. Box 113300  
Juneau, AK 99811-3300

RECEIVED

DEC 22 2017

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the opportunity to respond to the Legislative Budget and Audit Committee regarding the preliminary audit reports for the Alcohol Beverage Control Board under the Department of Commerce, Community and Economic Development.

Your findings and recommendations did not directly address Boards and Commissions, but I would like to provide some information regarding current board training and recruitment.

The ABC board has had basic board training with Robert's Rules to encourage proper parliamentary procedure and public engagement. The training also included a discussion regarding the importance of a full analysis of an option and taking the legal opinion of staff under thoughtful consideration before making a final regulatory decision.

While recruiting and vetting for open seats on the ABC, we will continue to look for applicants with past board and management experience in order to make timely decisions that follow statute to the best of their ability.

As for the other findings of the Committee, we agree that the Board is functioning in the best interest of the public and that the board's termination date should be extended.

Sincerely,

A handwritten signature in black ink, appearing to read "Shirley Marquardt".

Shirley Marquardt  
Director  
Boards and Commissions

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# Agency Response from the Department of Commerce, Community, and Economic Development



THE STATE  
of ALASKA  
GOVERNOR BILL WALKER

Department of Commerce, Community,  
and Economic Development

OFFICE OF THE COMMISSIONER

P.O. Box 110800  
Juneau, AK 99811-0800  
Main: 907.465.2500  
Fax: 907.465.5442

January 5, 2018

Kris Curtis, CPA, CISA  
Legislative Auditor  
Division of Legislative Audit  
PO Box 113300  
Juneau, AK 99811-3300

RECEIVED

JAN 05 2018

LEGISLATIVE AUDIT

RE: Confidential Preliminary Report, Department of Commerce, Community, and Economic Development, Alcoholic Beverage Control Board Sunset Audit

Dear Ms. Curtis:

In the matter of the confidential draft audit conclusions regarding the Alcoholic Beverage Control Board Sunset Audit, I concur with seven of the eight recommendations presented in your letter. The Alcohol and Marijuana Control Office will adjust its procedures to comply with the eighth recommendation (Recommendation 1), but we note that the statutes are contradictory on that issue as explained below.

Recommendation 1: The authority to renew licenses should be limited to the board.

AMCO will adjust its procedures so that all license renewals are brought before the board.

The statutes provide conflicting direction on this issue and alternative interpretations are reasonable. While AS 04.11.070 states, "Only the board may issue, renew, transfer, relocate, suspend, or revoke a license under this title," AS 04.06.080 states that the board "may delegate to the director any duty imposed by this title except its power to propose and adopt regulations." Research into the legislative intent of these sections may or may not provide clarity on which statement overrules the other. The board has previously interpreted statute to mean that it can delegate its authority to renew licenses to the director, and it did so over two decades ago. Going forward, all renewals will be brought to the board.

Recommendation 2: The board should issue recreational site licenses in accordance with statutory requirements.

We concur that the board should implement the statute. Staff can assist the board in this by ensuring that all recreational site licenses are brought to the board for renewal, and by analyzing the application and making a recommendation to the board.

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Ms. Curtis, Division of Legislative Audit  
January 5, 2018  
Page 2

Recommendation 3: The board should issue beverage dispensary licenses in accordance with statutory requirements.

We agree that the board should issue licenses according to statutory requirements. As with the previous recommendation, the staff can assist the board by bringing all beverage dispensary – tourism licenses to the board for renewal, and by providing more comprehensive background information to the board with applications for transfer or renewal. The board is responsible for resolving this issue, or seeking legislative changes to resolve it, and the staff will provide the necessary support to the board in order to meet that requirement.

Recommendation 4: The board, AMCO director, and enforcement supervisor should work together to formally establish an enforcement plan to direct AMCO's limited enforcement resources.

We agree with this recommendation. With only eight investigators to administer the marijuana and alcohol laws across the entire state and with over 2,000 licensees, it is vital that priorities are established for the workload. To date, the enforcement staff have prioritized the initial inspection of newly approved licensed facilities and investigations of alleged violations, in order to protect the health and safety of the public. The director and enforcement supervisor are working to re-establish the compliance check program using existing funding and partnerships with other agencies. These priorities and efforts have been emphasized to the board by the enforcement supervisor, who reports on the section's work and focus at each board meeting, and the board sometimes directs the enforcement section's attention to certain issues. However, there has been no formal written statement of enforcement priorities. A formal enforcement plan to set the priorities of AMCO's enforcement section will not only provide clear guidance to the staff, but will also inform the public and licensees of the enforcement section's focus. It is our intent to present a draft enforcement matrix to the board by the summer of 2018.

Recommendation 5: The board and AMCO director should implement a process to monitor and track complaints to ensure they are assessed for follow up action and investigated in a timely manner.

Steps are already being taken to implement this suggestion. Because of the limited number of staff and the increased workload with the onset of marijuana control, enforcement staff have recently documented clearly only those complaints which have been investigated by the staff. Although the number of emails and phone calls are logged to document workload, the staff has not been recording the resolution of a complaint that they have not been able to verify. AMCO recently was approved to hire a Criminal Justice Technician I to provide administrative support to the enforcement section. The addition of this support, along with a modification of procedures, will enable the enforcement section to document ALL complaints received along with their resolution, even for those complaints that do not result in an inspection or investigation. Currently the ARMS program (Alaska Records Management System) is used to document investigations. This program will likely be used to document all complaints received.

Ms. Curtis, Division of Legislative Audit  
January 5, 2018  
Page 3

Recommendation 6: The board and AMCO director should develop written procedures for updating the statewide database with restricted purchasers.

We agree that this is an area where processes can be improved. The database of restricted purchasers has not been kept up for two reasons: staff resources/turnover and lack of reporting from the court system. As noted above, a Criminal Justice Technician I position in the enforcement section will take charge of the administrative tasks related to enforcement of the statutes and regulations, including maintaining the restricted purchasers database. By developing written procedures, AMCO will be able to maintain continuity in this task even as staff changes occur.

Ms. Lumba, auditor-in-charge, provided the AMCO director with the appropriate contacts in the court system so that AMCO can maintain better communications with the courts to ensure the information required to be maintained in our database is provided to us.

Recommendation 7: The board and AMCO director should improve procedures to ensure municipalities report violations of alcoholic beverage laws.

A reduction in resources at all levels of government have contributed to a lack of enforcement of 3 AAC 304.610 which requires quarterly reports from local law enforcement of Title 4 violations. The director will reach out to municipalities to remind them of this requirement, will offer assistance in developing a reporting format, and will establish procedures for informing me of non-compliance with this requirement.

Recommendation 8: The AMCO director should develop and implement procedures to ensure refunds to municipalities are appropriately reviewed.

This is an area where improvements can be made. As was stated in the audit findings, with a single person calculating fees to municipalities, the potential for error is definitely a concern. As AMCO reorganizes its internal staff structure, the director will work with the Administrative Services Division of the Department of Commerce, Community, and Economic Development to develop procedures to review the calculations for refunds to municipalities, so that the risk of errors is reduced.

Please feel free to contact me if you have any questions regarding this audit response.

Sincerely,



Mike Navarre  
Commissioner

Cc: Erika McConnell, Director, AMCO  
Catherine Reardon, Director, DCCED Administrative Services Division  
Micaela Fowler, DCCED Legislative Liaison

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# Agency Response from the Alcoholic Beverage Control Board

Robert Klein, Chair  
Alcoholic Beverage Control Board  
6560 Lakeway Drive  
Anchorage AK 99502

January 3, 2017

Kris Curtis, CPA, CISA  
Legislative Auditor  
Alaska State Legislature  
Legislative Budget and Audit Committee  
Division of Legislative Audit  
PO Box 113300  
Juneau, AK 99811-3300

**RECEIVED**  
**JAN 03 2018**  
**LEGISLATIVE AUDIT**

Dear Mr Curtis,

I have reviewed your recommendations contained in the November 17, 2017 Audit of our Board, and below are my comments on each:

**Recommendation 1**

I agree with the recommendation and will work with staff to implement the improved renewal process.

**Recommendation 2**

I agree. Following the 2014 sunset audit, the Board no longer issued new recreational site licenses that did not strictly adhere to the statute. With respect to licenses already issued, the Board is aware that a bill revising Title 4 will be before the current Legislature. Included in that current version of the bill is a method of rescinding licenses that do not strictly adhere to the definition. It includes a period of time to phase out the license. We have decided to wait to see if the Legislature passes this or some similar method, before taking action as the Board.

**Recommendation 3**

I disagree with your reading of the statute, and our Board feels that allowing for grandfathering in the case of tourism licensed issued before June 1985 is appropriate.

**Recommendation 4**

I agree and staff will be working to establish the plan.

**Recommendation 5**

I agree. There is a logging system, and staff is working to improve its use to insure both timeliness and completeness.

Recommendation 6

I agree, and staff will be taking steps to implement the suggestions.

Recommendation 7

I agree, and staff will be taking steps to implement the suggestions.

Recommendation 8

I agree. I believe the review suggested has already been put in place.

Thank you for the opportunity to respond.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Klein', written in a cursive style.

Robert Klein

# Legislative Auditor's Additional Comments

## ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
legaudit@akleg.gov

January 8, 2018

Members of the Legislative Budget  
and Audit Committee:

I reviewed the Alcoholic Beverage Control Board's (board) response to the audit report. Nothing contained in the response causes me to revise or reconsider the report conclusions and recommendations. However, there is a section of the board's response that warrants further comments.

In response to Recommendation 3, the board chair disagrees with the auditor's interpretation of statute, and states that the board feels that allowing for grandfathering in the case of tourism licenses issued prior to the law taking effect in 1985 is appropriate. However, the board chair provides no legal basis for this comment. Statutes do not address grandfathering licenses or the transfer or sale of licenses in existence prior to the law passing in 1985.

In summary, I reaffirm our report conclusions and recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Curtis".

Kris Curtis, CPA, CISA  
Legislative Auditor

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