



State and Local Relations December 10, 2024

SUMMARY

This Trendspotting Forum discussed how state alcohol regulatory bodies currently partner with local municipalities and how local municipalities can have greater oversight on new alcohol-licensed businesses opening in their community.

SCOPE EXPANSION FOR STATE REGULATORY BODIES

Alcohol regulatory agencies throughout the U.S. and Canada have taken on additional areas of focus beyond alcohol to include gaming/gambling and cannabis. Despite the growth of these industries, there has not been a significant increase in staff resources. Several state regulatory agency leaders have recognized the need for more robust partnerships with local law enforcement.

STATE & LOCAL PARTNERSHIP EXAMPLES

The following are examples of how local enforcement agencies have partnered with state alcohol regulation and enforcement.

- **State of Michigan's Liquor Control Commission** gives back 50% of the revenue for each alcohol license to the local jurisdiction for local enforcement officers to regulate on-premise alcohol businesses.
- **City of Edmonton has been authorized** by the state Alberta Gaming, Liquor & Cannabis (AGLC) to write tickets under the AGLC act for violations to state-issued alcohol licenses.
- **Alberta Gaming, Liquor & Cannabis (AGLC)** has proven to be responsive to requests by local leaders in the city of Edmonton to not grant new alcohol licenses to business owners with a history of operating a venue in a high-risk manner, nor to any of their affiliates.
- **Venues in the District of Columbia (DC)** have unique access to regulatory agency staff for close partnership and coordination given the proximity (in contrast with a city that must petition the state capitol).

LOCAL OVERSIGHT OF VENUES

- **San Francisco, California has an entertainment permit scheme**, which enables the local municipality to place operational conditions on businesses that offer entertainment. Locally-issued permits such as business licenses and entertainment permits (unrelated to alcohol service) are one way for municipalities to have greater oversight of how businesses operate in their community.
- **Province of Alberta sets both minimum and maximum standards for venue operations**, from which municipalities can pick and choose how stringent conditions will be for their on-premise venues.

CONTINUUM OF INTERVENTIONS

A continuum of interventions is needed for businesses to address gaps in education and training, then enforcement as a last resort for continued violations after interventions have occurred.

CHALLENGES

- **Pop-up parties in unlicensed locations** (houses, warehouses, closed retail stores) continue to be a challenge for alcohol regulators.
- **Reluctance by some alcohol regulatory agencies to provide training** due to concerns over liability or legal repercussions.
- **Gap in community engagement and tools by local municipalities to provide input on new alcohol licenses**, particularly in states that have a more “pro-business, government hands-off” regulatory landscape. In these communities, RHI staff have heard statements like, “We’re just a pass through to the state for alcohol licenses. Our hands are tied, while the state has all the power.”