

ALCOHOL-PANEL BILL SURVIVES DRY RUN, FACES STRONG OPPOSITION IN SENATE

Tony Semerad

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A proposal to add a member of Utah's alcohol industry to the panel regulating all liquor sales in the state narrowly survived its first airing Tuesday on Capitol Hill.

Senate Bill 109 passed out of the Senate Business, Labor and Economic Development Committee on a 4-3 vote, with the measure's sponsor, Sen. Bob Steiner, D-Salt Lake City, breaking the tie.

The bill now heads to the Senate floor, where many members have taken a dim view of any perceived loosening of Utah's liquor laws.

Representatives of the state's nearly 1,130 liquor-serving restaurants, taverns and private clubs have long urged more input into the Alcoholic Beverage Control Commission. Yet, SB109 is actively opposed by the five-member commission, whose chairman claimed Tuesday the measure threatens to create recurring conflicts of interest in alcohol regulation.

Chairman Jerry Fenn noted that Utah law strictly bans commission members from having business interests in any alcohol-related establishments, part of a sweeping reorganization in the aftermath of an influence-peddling scandal in the 1970s.

An industry member would be asked routinely to vote on matters affecting his or her own business -- or those of competitors, Fenn claimed.

Current state laws against conflicts of interest "are sound public policy and I would urge the committee not to tinker with them," he said.

Contrary to public perception, the chairman said, the liquor commission draws extensive input from the industry by consulting its staff, many of whom have operated liquor establishments.

But the wishes of the industry are not heard, said Kristine Winder, a representative of fine-wine distributors in Utah.

"This commission is all-powerful," Winder said. "Please let people who work in this industry have a say in the process."

Members of the quasi-judicial panel are appointed by the governor and control all alcohol sales, pricing, retail-outlet licensing and other liquor-law enforcement for what is a \$93 million-a-year industry.

In July 1994, Gov. Mike Leavitt broke with recent history and appointed Ogden real-estate executive Vickie McCall to fill one of two board vacancies. She became the panel's lone drinker, woman and non-Mormon.

Connie White, a former executive director of the Department of Commerce, which has responsibility for regulating thousands of licensed professionals, said industry involvement in regulations is beneficial. Members of the profession tend to add inside knowledge to board decisions, she said, as well as increase support within the regulated industry for specific regulations.

Sen. Rex Black, D-Salt Lake, likened placing a liquor proprietor on the Alcoholic Beverage Control Commission to putting a drug dealer on boards regulating substance abuse.