

BOOZE QUANDARY AT BARROW

Issuance of Private Licenses May Mean Dry Status Once Again

Barrow went "wet" about seven months ago but now seems to be having second thoughts about its decision.

The voters approved the sale of alcoholic beverages in their city, a spokesman said, on the assumption that the city, represented by a non-profit corporation, could be the sole owner of liquor licenses in Barrow. All profits from the sales were to go toward the betterment of the community.

However, the legality of such a setup is now being questioned.

In Barrow, on February 24, 1970, the council denied applications for four licenses from private individuals in the community. Then, a fifth application, that of Barrow Liquor Sales, Inc., was approved by the council and submitted to the Alcoholic Beverage Control Board for approval. All profits earned by this corporation were to be deposited in the general fund of the city.

Final approval would make Barrow Liquor Sales, Inc, the sole owner of a liquor license in the city.

On this matter, the council seemed to have the backing of the community which in a general meeting March 13 voted 138 to 3 to support the application

of the non-profit corporation and oppose those of private individuals.

According to Alaska statutes, the ABC board is responsible for reviewing and issuing liquor licenses, but it is bound by the recommendation of the city council unless the Board determines that the Council was acting in an arbitrary and capricious manner.

On March 18 the ABC Board held a hearing on all five applications but said that it would make no decision until the attorney general ruled on the legality of city governments owning liquor licenses. The opinion was requested in January by the ABC Board when similar problems arose in Bethel.

According to Ray Hackstock, acting director of the Board, no decision has yet been made by

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Barrow Liquor Flap . . .

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the attorney general.

The legal question, he said, centers on whether a city can own a license and then sit in judgment on others applying for a license—a situation which can put the city in a monopoly position.

He added that he hoped the attorney general would cover the entire controversy in his decision and rule not only on whether the city can own a license but also on whether it can own all the licenses allowed in the community.

Barrow city council member, Eben Hopson said he felt that if the ruling is against the city, the residents will vote "dry" the first chance they get.

According to another spokesman, a number of people voted "wet" only after receiving written assurances from the ABC Board that profits from the sale of liquor could be used for the benefit of the community and that all applications from private individuals could be denied.

In explanation, Hackstock said that until recently the board thought that such was legal.

And, he added, if the attorney general rules adversely to cities owning licenses, the Board will have to deny renewal of similar licenses in other communities when they expire in December of this year. Cities to be affected by the ruling are Kotzebue, Fort Yukon and Yakutak, in addition to Barrow and Bethel.

On the basis of population, Barrow, with a little over 2,000 people would be allowed two retail licenses (package stores), two beverage distribution licenses (bars), two club licenses (non-profit organizations), and two restaurant licenses (beer and wine with meals only.)

According to a spokesman in the city, residents question whether the city can carry the additional police burden in the event bars and package stores are opened. Barrow Liquor Sales, Inc., had applied only for a retail license.