

STATEMENT OF PURPOSE

RS29776 / S1383

Idaho's current structure for issuing liquor licenses to Idaho businesses is unjust and discriminates against our vast rural areas. Each person who is qualified and wants to operate a business that serves liquor by the drink should have equal access, even if that access is stringent. Instead, a market unrelated to state issuance of this privilege has grown, and businesses are left scouring the expensive private market seeking a license which could cost over \$300,000 from a private citizen who has no intention of operating a business that sells liquor by the drink. Many people have been on a waiting list for well over 30 years. It is unclear when they will have the opportunity for a permit. Idaho's current liquor laws are a roadblock for local business owners. The regulations are preventing business owners from creating more jobs and contributing to the local economy. The lack of solving this unjust system has caused the problem to grow and if this difficult problem is not solved correctly, could hurt current license holders who have played by the rules to operate their businesses.

This legislation creates a balance that will protect the value the current license holders have in their state issued licenses, but it will create a new tier of licenses for restaurants that want to sell liquor by the drink. This legislation will allow counties and cities to issue these licenses, called municipal licenses, to restaurants that have full kitchens, and dedicate the vast majority of their business to serving food. This would remove restrictions that are preventing business owners from investing in Idaho and create certainty in the market.

Current business owners who hold a state liquor license will continue to see the value in their investment under this legislation. While restaurants operating under a new municipal license will have to meet certain requirements, follow strict guidelines, and pay \$6,000 to receive a license their first year and an annual renewal fee of up to \$5,250 every year thereafter; state license holders will not be subject to these same rules. State licenses will license bars and restaurants. This legislation also creates a fund to reimburse current license holders if they end up selling their license for less than they paid for it.

FISCAL NOTE

This legislation will have an increased fiscal impact on both the state and local level. Increased sales tax revenues and economic development in cities and counties will be positive. The impact depends on how many municipal licenses are issued.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).



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