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## IN THE SENATE

## SENATE BILL NO. 1160

## BY STATE AFFAIRS COMMITTEE

AN ACT RELATING TO ALCOHOL; AMENDING SECTION 23-217, IDAHO CODE, TO REVISE A PROVI-SION REGARDING A CERTAIN DISCOUNT AND TO PROVIDE EXCEPTIONS; AMENDING SECTION 23-902, IDAHO CODE, TO DEFINE TERMS, TO REMOVE A DEFINITION, AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 23-903, IDAHO CODE, TO PROVIDE CERTAIN REQUIREMENTS FOR QUOTA LICENSES AND TO PROVIDE FOR THE ISSUANCE OF A LICENSE TO AN EATING ESTABLISHMENT OR LODGING FACILITY; AMENDING CHAPTER 9, TITLE 23, IDAHO CODE, BY THE ADDITION OF A NEW SEC-TION 23-903c, IDAHO CODE, TO PROVIDE FOR CERTAIN REQUIREMENTS REGARDING EATING ESTABLISHMENT LICENSES; AMENDING CHAPTER 9, TITLE 23, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 23-903d, IDAHO CODE, TO PROVIDE FOR CERTAIN REQUIREMENTS REGARDING LODGING FACILITY LICENSES; AMENDING SECTION 23-904, IDAHO CODE, TO PROVIDE FOR CERTAIN FEES AND TO REMOVE A PROVISION REGARDING THE POPULATION OF MUNICIPALITIES; AMENDING SECTION 23-908, IDAHO CODE, TO PROVIDE A CERTAIN LIMITATION FOR ISSUANCE OF A LICENSE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 23-930, IDAHO CODE, TO PROVIDE THAT MINORS MAY ASSIST IN CERTAIN INSTANCES; AMENDING SECTION 23-942, IDAHO CODE, TO DEFINE A TERM; AMENDING SECTION 23-943, IDAHO CODE, TO PROVIDE FOR EATING ESTABLISHMENTS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 23-944, IDAHO CODE, TO PROVIDE FOR EATING ESTABLISHMENTS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 23-946, IDAHO CODE, TO PROVIDE FOR EATING ESTABLISHMENTS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 23-950, IDAHO CODE, TO PROVIDE FOR CERTAIN RESTRICTIONS AGAINST THE TRANSFER OF LICENSES; AND AMENDING TITLE 23, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 12, TITLE 23, IDAHO CODE, TO DEFINE TERMS, TO PROVIDE FOR APPROVED TRAINING, TO PROVIDE FOR MANDATORY TRAINING AND ON-PREMISES SALES, TO PROVIDE FOR VOLUNTARY TRAINING AND OFF-PREMISES RETAILERS, AND TO PROVIDE FOR ENFORCEMENT.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 23-217, Idaho Code, be, and the same is hereby amended to read as follows:

- 23-217. SURCHARGE ADDED TO PRICE OF ALCOHOLIC LIQUOR AND ALL OTHER MERCHANDISE SOLD -- COLLECTION AND REMISSION BY DIRECTOR. (1) The director of the division is hereby authorized and directed to include in the price of alcoholic liquor and all other merchandise sold in the division, and its branches, a surcharge equal to two percent (2%) of the current price per unit computed to the nearest multiple of five cents (5¢).
- (2) After the price of the surcharge has been included, the director of the division is hereby authorized and directed to allow a discount of  $\frac{\text{ten}}{\text{ten}}$  percent ( $\frac{510}{8}$ ) from the price of each order of alcoholic liquor and all other merchandise sold to any licensee, as defined in person holding a quota

license issued pursuant to section 23-9023(81), Idaho Code, and a discount of five percent (5%) to any person holding another type of license issued pursuant to chapter 9, title 23, Idaho Code; provided however, that no discount shall be allowed for a person holding an eating establishment license issued pursuant to section 23-903c, Idaho Code, or a lodging facility license issued pursuant to section 23-903d, Idaho Code.

- (3) The surcharge imposed pursuant to this section shall be collected and credited monthly to the drug court, mental health court and family court services fund, as set forth in section 1-1625, Idaho Code.
- SECTION 2. That Section 23-902, Idaho Code, be, and the same is hereby amended to read as follows:
- 23-902. DEFINITIONS. The following words and phrases used in this chapter shall be given the following interpretation:
- (1) "Club" includes any of the following organizations where the sale of spirituous liquor for consumption on the premises is made to members and to bona fide guests of members only:
  - (a) A post, chapter, camp or other local unit composed solely of veterans and their duly recognized auxiliary, and which is a post, chapter, camp or other local unit composed solely of veterans which has been chartered by the congress of the United States for patriotic, fraternal or benevolent purposes, and which has, as the owner, lessee or occupant, operated an establishment for that purpose in this state; or
  - (b) A chapter, aerie, parlor, lodge or other local unit of an American national fraternal organization, which has as the owner, lessee or occupant, operated an establishment for fraternal purposes in this state and actively operates in not less than thirty-six (36) states or has been in continuous existence for not less than twenty (20) years; and which has not less than fifty (50) bona fide members in each unit, and which owns, maintains or operates club quarters, and is authorized and incorporated to operate as a nonprofit club under the laws of this state, and which has recognized tax exempt status under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code, and has been continuously incorporated and operating for a period of not less than one (1) year. The club shall have had during that period of one (1) year, a bona fide membership with regular meetings conducted at least once each month, and the membership shall be and shall have been actively engaged in carrying out the objects of the club. The club membership shall consist of bona fide dues paying members, recorded by the secretary of the club, paying at least six dollars (\$6.00) per year in dues, payable monthly, quarterly or annually; and the members at the time of application for a club license shall be in good standing, having paid dues for at least one (1) full year.
- (2) "Convention" means a formal meeting of members, representatives, or delegates, as of a political party, fraternal society, profession or industry.
  - (3) "Director" means the director of the Idaho state police.
- (4) "Eating establishment" means a restaurant, cafe, dining room, coffee shop, cafeteria or other establishment that must utilize at least seventy-five percent (75%) of the gross floor area for the preparation,

cooking, and serving of complete meals, have and actively operate a commercial kitchen that includes a type 1 commercial hood and commercial cooking equipment, excluding microwave ovens and grills, capable of cooking complete meals, and be a public place kept, maintained, and advertised as a place where complete meals are served and where complete meals are actually and regularly served during the time the establishment is open to the public. Limited food service, such as is provided by luncheonettes, drive-ins, sandwich shops, and other similar uses, does not meet the requirements of this definition.

- (5) "Festival" means a period or program of festive activities, cultural events or entertainment lasting three (3) or more consecutive days.
- (56) "Gaming" means any and all gambling or games of chance defined in chapters 38 and 49, title 18, Idaho Code, or any section or sections thereof, whether those games are licensed or unlicensed.
- (67) "Interdicted person" means a person to whom the sale of liquor is prohibited under law.
- (78) "License" means a license issued by the director to a qualified person, under which it shall be lawful for the licensee to sell and dispense liquor by the drink at retail, as provided by law.
- (89) "Licensee" means the person to whom a license is issued under the provisions of law.
- $(9\underline{10})$  "Liquor" means all kinds of liquor sold by and in a state liquor store of the state of Idaho.
- (101) "Live performance" means a performance occurring in a theater and not otherwise in violation of any provision of Idaho law.
- (12) "Lodging facility" means a building with permanent bona fide overnight accommodations available to the general public that includes no fewer than twenty-five (25) rooms for lodging and at least one (1) room for events and conferences.
- (11) "Municipal license" means a license issued by a municipality of the state of Idaho under the provisions of law.
- (123) "Party" means a social gathering especially for pleasure or amusement and includes, but is not limited to, such social events as weddings, birthdays, and special holiday celebrations to include, but not be limited to, New Year's celebrations, Super Bowl Sunday, St. Patrick's Day, the Fourth of July and Labor Day.
- (134) "Person" means any individual, corporation, business corporation, nonprofit corporation, benefit corporation as defined in section 30-2002(1), Idaho Code, partnership, limited partnership, limited liability company, general cooperative association, limited cooperative association, estate, unincorporated nonprofit association, statutory trust, business trust, common-law business trust, estate trust, association, joint venture, public corporation, government or governmental subdivision, agency or instrumentality, any entity defined in section 30-21-102, Idaho Code, or any other commercial entity, whether conducting the business singularly or collectively.
- (145) "Premises" means the building and contiguous property owned, or leased or used under a government permit by a licensee as part of the business establishment in the business of sale of liquor by the drink at retail, which property is improved to include decks, docks, boardwalks, lawns, gar-

dens, golf courses, ski resorts, courtyards, patios, poolside areas or similar improved appurtenances in which the sale of liquor by the drink at retail is authorized under the provisions of law.

- (16) "Qualified applicant" means any person who has a valid retail beer license issued under the laws of the state of Idaho.
- (157) "Rules" means rules promulgated by the director in accordance with the provisions of law.
- (168) "State liquor store" means a liquor store or distributor established under and pursuant to the laws of the state of Idaho for the package sale of liquor at retail.
- (179) "Theater" means a room, place or outside structure for performances or readings of dramatic literature, plays or dramatic representations of an art form not in violation of any provision of Idaho law.
- (1820) "Brewery" means a place, premises or establishment for the manufacture, bottling or canning of beer.
- (1921) "Winery" means a place, premises or establishment within the state of Idaho for the manufacture or bottling of table wine or dessert wine for sale. Two (2) or more wineries may use the same premises and the same equipment to manufacture their respective wines, to the extent permitted by federal law.
- $(2\theta 2)$  All other words and phrases used in this chapter, the definitions of which are not herein given in this section, shall be given their ordinary and commonly understood and acceptable meanings.
- SECTION 3. That Section 23-903, Idaho Code, be, and the same is hereby amended to read as follows:
- 23-903. LICENSE TO RETAIL LIQUOR. (1) Quota licenses. The director of the Idaho state police is hereby empowered, authorized, and directed to issue licenses to qualified applicants, as herein provided, whereby the licensee shall be authorized and permitted to sell liquor by the drink at retail and, upon the issuance of such license, the licensee therein named shall be authorized to sell liquor at retail by the drink, but only in accordance with the rules promulgated by the director and the provisions of this chapter. No license shall be issued for the sale of liquor on any premises outside the incorporated limits of any city except as provided in this chapter and the number of licenses so issued for any city shall not exceed one (1) license for each one thousand five hundred (1,500) of population of said city or fraction thereof, as established in the last preceding census, or any subsequent special census conducted by the United States bureau of the census or by an estimate that is statistically valid including adding the number of new residential utility connections or including adding the population of areas annexed into the city after the last census or special census was conducted, except that upon proper application thereof not more than two (2) licenses may be issued for each incorporated city with a population of one thousand five hundred (1,500) or less, unless the retail licensing of liquor by the drink has been previously disapproved under the provisions of sections 23-917, 23-918, 23-919, 23-920 and 23-921, Idaho Code; provided however, that any license heretofore issued may be renewed from year to year without regard to the population or status of the city for which such license is issued. Any license issued and which has remained in effect at its lo-

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cation for a consecutive period of ten (10) years or more shall be deemed to have been validly issued and may be renewed from year to year provided however, that the applicant for the renewal of such license is not otherwise disqualified for licensure pursuant to section 23-910, Idaho Code, and, if the premises required special characteristics for original licensure, other than being either within or without the incorporated limits of a city, that said premises continue to have such special characteristics at the time of the application for renewal. The number of quota licenses shall be frozen on December 31, 2019, and no additional licenses shall be issued based upon population increases or new city incorporations; however, quota licenses revoked or surrendered to the director may be reissued to applicants on the priority lists. Applicants that have been on a priority list and have been officially offered a quota license prior to January 1, 2020, must notify the director and complete the process for issuance as set forth in rule.

- Nothing herein contained shall prohibit the issuance of a license to the owner, operator or lessee of an actual bona fide golf course whether located within or without the limits of any city, or located on premises also operated as a winery or ski resort, or to the lessee of any premises situate thereon, whether located within or without the limits of any city. For the purpose of this section, a golf course shall comprise an actual bona fide golf course, which is regularly used for the playing of the game of golf, and having not less than nine (9) tees, fairways and greens laid out and used in the usual and regular manner of a golf course. Nine (9) hole courses must have a total yardage of at least one thousand (1,000) yards, and eighteen (18) hole courses must have a total yardage of at least two thousand (2,000) yards as measured by totaling the tee-to-green distance of all holes. The course must be planted in grass except that it may provide artificial tee mats. Where any such golf course is owned or leased by an association of members and is used or enjoyed by such members or their quests, none of the disqualifications contained in section 23-910, Idaho Code, shall apply to such association as a licensee where such disqualifications, or any of them, would apply only to a member of such association where such member has no interest therein except as a member thereof.
- (3) Also for the purpose of this section, a ski resort shall comprise real property of not less than ten (10) acres in size, exclusive of the terrain used for skiing and upon which the owner, operator or lessee of the ski resort has made available himself or through others, including, but not limited to, the owners of condominiums, permanent bona fide overnight accommodations available to the general public for one hundred (100) persons or more, and which real property is contiquous to or located within the area in which skiing occurs, and which real property is regularly operated as a ski resort in the wintertime, and where the owner, operator or lessee of the ski resort is also the owner, operator or lessee of the area served by a bona fide chair ski lift facility or facilities. Alternatively, for the purpose of this section, a ski resort may also be defined as a downhill ski area, open to the public, comprising real property of not less than two hundred fifty (250) skiable acres, operating two (2) or more chairlifts with a vertical lift of one thousand (1,000) feet or more, and capable of transporting a minimum of one thousand eight hundred (1,800) skiers per hour. A ski resort qualifying under this definition shall also have on the premises a lodge facility pro-

viding shelter and food service to the public, the operator of which shall also be the valid owner or lessee of the grounds and facilities upon which the ski resort offers downhill skiing services to the public. The fees for licenses granted to ski resorts shall be the same as those prescribed for golf courses as set forth in section 23-904, Idaho Code. Not more than one (1) licensed premises shall be permitted on any golf course or any ski resort or within the area comprising the same.

- (4) Nothing herein contained shall prohibit the issuance of a license to the owner, operator or lessee of an actual bona fide equestrian facility located on not less than forty (40) contiguous acres, with permanently erected seating of not less than six thousand (6,000) seats, no part of which equestrian facility or the premises thereon is situate within the incorporated limits of any city, and which facility shall have at least three (3) days per year of a professionally sanctioned rodeo. Not more than one (1) licensed premises shall be permitted at any equestrian facility or within an area comprising such a facility. The fees for licenses granted to equestrian facilities shall be the same as those prescribed for golf courses as set forth in section 23-904, Idaho Code.
- (5) Nothing herein contained shall prohibit the issuance of a license to the owner, operator or lessee of a restaurant operated on an airport owned or operated by a county or municipal corporation or on an airport owned or operated jointly by a county and municipal corporation, and which said airport is served by a trunk or local service air carrier holding a certificate of public convenience and necessity issued by the civil aeronautics board of the United States of America. Not more than one (1) license shall be issued on any airport.
- Nothing herein contained shall prohibit the issuance of one (1) club license to a club as defined in section 23-902, Idaho Code. The holder of a club license is authorized to sell and serve alcoholic beverages for consumption only within the licensed establishment owned, leased or occupied by the club, and only to bona fide members of the club, and to serve and to sell alcoholic beverages for consumption to bona fide members' quests. A club license issued pursuant to the provisions of this section is not transferable and may not be sold. Any club license issued pursuant to the provisions of this section will revert to the director when, in his judgment, the licensee ceases to operate as a bona fide club as defined in section 23-902, Idaho Code. No club may hold a liquor license and a club license simultaneously. A club which on July 1, 1983, holds a liquor license, may continue to possess that license. Any club that possesses a liquor license on January 1, 1983, or thereafter, and then sells that liquor license, may not obtain a club license, and the director shall not issue a club license to that club for a period of five (5) years following such sale. The fee for any license issued to a qualifying club within an incorporated municipality shall be as prescribed in subsections (1), (2) and (3) of section 23-904, Idaho Code. The fee for any license issued to a qualifying club not situate within an incorporated municipality shall be as specified for golf courses under section 23-904(6), Idaho Code. The provisions of section 23-916, Idaho Code, regarding county and city licenses, shall pertain to club licenses. The burden of producing sufficient documentation of qualifications for club licensure shall be with the club applicant.

- (7) Nothing in this chapter to the contrary shall prohibit the issuance of a license to the owner, operator or lessee of an actual bona fide convention center that is within the incorporated limits of a city having a population of three thousand (3,000) or greater, and which city does not have located therein a convention center with a valid convention center license to sell liquor by the drink. For the purpose of this section, a convention center means a facility having at least thirty-five thousand (35,000) square feet of floor space or a facility having at least one hundred twenty (120) sleeping rooms and an adjoining meeting room that will accommodate not less than three hundred fifty (350) persons, whether or not such room may be partitioned into smaller rooms, and provided that such meeting room shall contain at least three thousand (3,000) square feet of floor space. Such license must be placed in actual use in said convention center within one (1) year from the date of its issuance. The fee for any license issued to a qualifying convention center shall be as prescribed in subsection (3) of section 23-904, Idaho Code. The holder of a convention center license shall not be eligible for the issuance of a license in the same city pursuant to any other provision of this chapter. For purposes of this section, the term "holder" shall include an owner, operator or lessee and shall include a stockholder, director or officer of a corporation or a partner in a partnership, which corporation or partnership has been issued a convention center license pursuant to this chapter. Not more than one (1) licensed premises shall be permitted on any convention center or within the area comprising the same, including convention centers that also comprise golf courses or ski resorts as herein defined.
- (8) Nothing in this chapter shall prohibit the issuance of a license to the owner, operator or lessee of a food, beverage and/or lodging facility that has been in continuous operation in the same location for at least seventy-five (75) years, except for temporary closings for refurbishing or reconstruction, or a food, beverage and lodging facility serving the public by reservation only, having a minimum of five (5) rooms operating in a structure that has been in existence for at least seventy-five (75) years and has been on the historic register for a minimum of ten (10) years, is situated within five hundred (500) yards of a natural lake containing a minimum of thirty-six thousand (36,000) acre feet of water when full with a minimum of thirty-two (32) miles of shoreline, and is located in a county with a minimum population of sixty-five thousand (65,000). The provisions of section 23-910, Idaho Code, shall apply to licenses issued to continuous operation facilities. The fees shall be the same as those prescribed for golf courses as set forth in section 23-904, Idaho Code.
- (9) Nothing in this chapter shall prohibit the issuance of a license to a federally recognized Indian tribe as defined in section 67-4001, Idaho Code, which is an owner, operator or lessee of a food, conference and lodging facility located within the boundaries of the Indian tribe's reservation and containing a minimum of thirty-five thousand (35,000) square feet and fifty (50) guest rooms. Licenses issued to Indian tribes are not transferable.
- (10) Nothing in this chapter shall prohibit the issuance of a license to the owner, operator or lessee of the lodging, dining and entertainment facilities owned by a gondola resort complex and operated in conjunction

with the other public services provided by a gondola resort complex located within the ownership/leasehold boundaries of a gondola resort complex.

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A gondola resort complex means an actual bona fide gondola capable of transporting people for recreational and/or entertainment purposes at least three (3) miles in length with a vertical rise of three thousand (3,000) feet, portions of which may be located within or over the limits of one (1) or more cities.

- (11) Nothing in this chapter shall prohibit the issuance of a license to the owner, operator or lessee of a winery also operating a golf course on the premises.
- (12) Subject to approval of the mayor and city council, nothing in this chapter shall prohibit the issuance of a license to the owner, operator or lessee of a food, conference and lodging facility constructed after May 1, 2000, containing a minimum of thirty-five thousand (35,000) square feet and fifty-five (55) guest rooms with a minimum taxable value of three million dollars (\$3,000,000) in a city with a population of less than five thousand (5,000) according to the most recent census.
- (13) Nothing contained in this chapter shall prohibit the issuance of a license to the owner, operator or lessee of a conference and event center that is within the city limits of a resort city as defined in section 50-1044, Idaho Code, that has enacted local option nonproperty taxes in accordance with section 50-1046, Idaho Code, including, at the time of issuance, a resort city tax on sales of liquor by the drink, wine and beer sold at retail for consumption on the licensed premises. There shall be only one (1) conference and event center license to sell liquor by the drink issued per resort city pursuant to this subsection. For the purposes of this section, a conference and event center means facilities situated on premises consisting of a building or buildings and the contiguous property owned or leased and under common ownership or control by the licensee. Such facilities must provide not less than four thousand (4,000) square feet of enclosed space for conference and event purposes, exclusive of space dedicated by the licensee to the commercial kitchen. The commercial kitchen must include a type 1 commercial hood and cooking equipment, exclusive of microwave ovens and grills. fee for any license issued to a qualifying licensee shall be as prescribed in section 23-904(1), (2) or (3), Idaho Code, depending on the population of the resort city in which the conference and event center is located and as prescribed in section 23-916, Idaho Code. A license issued pursuant to this section may be renewed without regard to the population or status of the city for which the license was issued and without regard for the continuation of local option nonproperty taxes by the city, provided the applicant for renewal is not otherwise disqualified from licensure pursuant to section 23-910, Idaho Code. Not more than one (1) license shall be issued to a conference and event center. A conference and event center license shall not be transferable and may not be sold. For the purpose of issuance and maintenance of a license under this subsection, such facilities may serve liquor only while such facilities are hosting a conference or event. Nothing in this subsection shall excuse a conference and event center from complying with actual use standards in title 23, Idaho Code, or administrative rules promulgated pursuant to statutory authority granted under this title.

(14) Nothing in this chapter shall prohibit the issuance of a license to the owner, operator, or lessee of an eating establishment or a lodging facility within the limits of any city.

- (15) The provisions of section 23-910, Idaho Code, shall apply to licenses issued under the provisions of this section. The fees shall be the same as those prescribed for golf courses as set forth in section 23-904, Idaho Code. Except for licenses issued pursuant to subsection (1) of this section, licenses issued under the provisions of this section are not transferable to any other location, facility or premises.
- SECTION 4. That Chapter 9, Title 23, Idaho Code, be, and the same is hereby amended by the addition thereto of a  $\underline{\text{NEW SECTION}}$ , to be known and designated as Section 23-903c, Idaho Code, and to read as follows:
- 23-903c. LICENSE TO RETAIL LIQUOR -- EATING ESTABLISHMENTS. If the director determines that an applicant or applicants are qualified to receive an eating establishment license, he shall notify the mayor in the city in which the eating establishment license is to be issued. The city council shall, within thirty (30) days after receipt of notification from the director, approve or disapprove the issuance of the license. In the event the city council does not approve the proposed license, a license shall not be issued.
- SECTION 5. That Chapter 9, Title 23, Idaho Code, be, and the same is hereby amended by the addition thereto of a  $\underline{\text{NEW SECTION}}$ , to be known and designated as Section 23-903d, Idaho Code, and to read as follows:
- 23-903d. LICENSE TO RETAIL LIQUOR -- LODGING FACILITIES. If the director determines that an applicant or applicants are qualified to receive a lodging facility license, he shall notify the mayor in the city in which the lodging facility license is to be issued. The city council shall, within thirty (30) days after receipt of notification from the director, approve or disapprove the issuance of the license. In the event the city council does not approve the proposed license, a license shall not be issued.
- SECTION 6. That Section 23-904, Idaho Code, be, and the same is hereby amended to read as follows:
- 23-904. LICENSE FEES. Each licensee licensed under the provisions of this act shall pay an annual license fee to the director as follows:
- (1) For each license in a city of one thousand (1,000) population or less, three hundred dollars (\$300) per annum.
- (2) For each license in a city of from one thousand (1,000) to three thousand (3,000) population, five hundred dollars (\$500) per annum.
- (3) For each license in a city having a population of more than three thousand (3,000), seven hundred fifty dollars (\$750) per annum.
- (4) For each railroad train for sale only in buffet, club or dining cars, fifty dollars (\$50.00) per annum of the scheduled run of such train within the state of Idaho; provided, that such license shall be in full, and in lieu of all other licenses herein provided for.

(5) For each common carrier boat line for sale only in buffet, club dining rooms, two hundred fifty dollars (\$250) per annum. Such license shall be in full, and in lieu of all other licenses herein provided for.

- (6) For each license issued to the owner, operator, or lessee of a golf course as described in section 23-903, Idaho Code, or to the lessee of any premises situate on such golf course, situate in any county having a population of:
  - (a) Less than twenty thousand (20,000), two hundred dollars (\$200) per annum;
  - (b) Twenty thousand (20,000) but less than forty thousand (40,000), three hundred dollars (\$300) per annum; and
  - (c) Forty thousand (40,000) or more, four hundred dollars (\$400) per annum.
- (7) For each common carrier airline for sale only in common carrier aircraft, two hundred fifty dollars (\$250) per annum. Such license shall be in full, and in lieu of all other licenses herein provided for.
- (8) For each license issued to the owner, operator, or lessee of a restaurant operated on an airport, as described in section 23-903, Idaho Code, situate within the corporate limits of a city, the fee shall be the same as provided in paragraphs (1) through (3), inclusive, of this section.
- (9) For each license issued to the owner, operator, or lessee of a restaurant operated on an airport, as described in section 23-903, Idaho Code, situate without the corporate limits of a city, the fee shall be the same as provided in paragraph (6) of this section. Licenses issued under and pursuant to the provisions of this act shall expire at 1:00 o'clock a.m. on the first day of January of the following year.
- (10) For each license issued to an owner or operator of a year-round resort as described in section 23-957, Idaho Code, a one (1) time fee of twenty-five thousand dollars (\$25,000), with a subsequent renewal fee of three thousand five hundred dollars (\$3,500) per annum. For each license issued to an owner or operator of a beverage, lodging or dining facility within the premises of a year-round resort as described in section 23-957, Idaho Code, a one (1) time fee of twenty-five thousand dollars (\$25,000) with a subsequent renewal fee of three thousand five hundred dollars (\$3,500) per annum. For each license issued to a lessee of a beverage, lodging or dining facility within the premises of the year-round resort as described in section 23-957, Idaho Code, a one (1) time fee of twenty-five thousand dollars (\$25,000) with a subsequent renewal fee of three thousand five hundred dollars (\$3,500) per annum.
- (11) For each license issued to an owner, operator, or lessee of an eating establishment or lodging facility, three thousand dollars (\$3,000) per annum with a nonrefundable application fee of four hundred dollars (\$400).

Provided that any licensee who operates for only a portion of a year may have his license fee prorated from the date he commences operation to the end of the calendar year, but in no event for less than six (6) months.

In the event a licensee who was previously issued a license on a prorated basis under the provisions hereof desires to have such license renewed for the same period for the next succeeding year, he shall file his intention to so apply for such license with the director, accompanied by the fee required

for the issuance of such license on or before December 31 of the year preceding.

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48 49 The license fees herein provided for are exclusive of and in addition to other license fees chargeable in the state of Idaho.

The basis upon which respective populations of municipalities shall be determined is the last preceding census or any subsequent special census conducted by the United States bureau of the census, unless a direct enumeration of the inhabitants thereof be made by the state of Idaho, in which case such later direct enumeration shall constitute such basis.

SECTION 7. That Section 23-908, Idaho Code, be, and the same is hereby amended to read as follows:

23-908. FORM OF LICENSE -- AUTHORITY -- EXPIRATION -- LIMITATIONS. (1) Every license issued under the provisions of this chapter shall set forth the name of the person to whom issued, the location by street and number, or other definite designation, of the premises, and such other information as the director shall deem necessary. If issued to a partnership, the names of the persons constituting such partnership shall be set forth in the application. If issued to a corporation or association, the names of the principal officers and the governing board shall be set forth in the application. Such license shall be signed by the licensee and prominently displayed in the place of business at all times. Every license issued under the provisions of this chapter is separate and distinct and no person except the licensee therein named except as herein otherwise provided, shall exercise any of the privileges granted thereunder. All licenses shall expire at 1:00 o'clock a.m. on the first day of the renewal month which shall be determined by the director by administrative rule and shall be subject to annual renewal upon proper application. The director will determine the renewal month by county based on the number of current licenses within each county, distributing renewals throughout the licensing year. The director may adjust the renewal month to accommodate population increases. Each licensee will be issued a temporary license to operate until their renewal month has been determined. Thereafter, renewals will occur annually on their renewal month. Renewal applications for liquor by the drink licenses accompanied by the required fee must be filed with the director on or before the first day of the designated renewal month. Any licensee holding a valid license who fails to file an application for renewal of his current license on or before the first day of the designated renewal month shall have a grace period of an additional thirty-one (31) days in which to file an application for renewal of the license. The licensee shall not be permitted to sell and dispense liquor by the drink at retail during the thirty-one (31) day extended time period unless and until the license is renewed. In any city of less than sixteen thousand (16,000) population, as established in the last preceding census or any subsequent special census conducted by the United States bureau of the census, no person shall be granted more than one (1) license in any city for any one (1) year; and no partnership, association or corporation in such city of less than sixteen thousand (16,000) population holding a license under the provisions of this chapter shall have as a member, officer or stockholder any person who has any financial interest of any kind in, or is a member of, another partnership or association or an officer of another corporation holding a license in the same city for the same year; provided that this section shall not prevent any person, firm or corporation, owning two (2) or more buildings on connected property in a city from making application for and receiving licenses permitting the sale of liquor by the drink in such building.

- (2) An application to transfer any license issued pursuant to chapter 9, title 23, Idaho Code, shall be made to the director. Upon receipt of such an application, the director shall make the same investigation and determinations with respect to the transferee as are required by section 23-907, Idaho Code, and if the director shall determine that all of the conditions required of a licensee under chapter 9, title 23, Idaho Code, have been met by the proposed transferee, then the license shall be indorsed over to the proposed transferee by said licensee for the remainder of the period for which such license has been issued, and the director shall issue a license to the transferee.
- (3) The director, in his discretion, may deny the transfer of a license during the <u>pendancy</u> <u>pendency</u> of any proceedings for suspension or revocation which were instituted pursuant to the terms of this chapter.
- (4) Each new license issued on or after July 1, 1980, shall be placed into actual use by the original licensee at the time of issuance and remain in use for at least six (6) consecutive months or be forfeited to the state and be eligible for issue to another person by the director after compliance with the provisions of section 23-907, Idaho Code. Such license shall not be transferable for a period of two (2) years from the date of original issuance, except as provided by subsection (5) (a), (b), (c), (d) or (e) of this section.
- (5) The fee for transferring a liquor license shall be ten percent (10%) of the purchase price of the liquor license or the cost of good will, whichever is greater; except no fee shall be collected in the following events:
  - (a) The transfer of a license between husband and wife in the event of a property division; or
  - (b) The transfer of a license to a receiver, trustee in bankruptcy or similar person or officer; or
  - (c) The transfer of a license to the heirs or personal representative of the estate in the event of the death of the licensee; or
  - (d) The transfer of a license arising out of the dissolution of a partnership where the license is transferred to one (1) or more of the partners; or
  - (e) The transfer of a license within a family whether an individual, partnership or corporation.
- (6) The fee for transferring a liquor license for other than a sale shall be fifty percent (50%) of the per annum license fee set forth in section 23-904, Idaho Code; except no fee shall be collected for transfers as outlined in subsection (5) (a), (b), (c), (d) or (e) of this section.
- (7) In addition to any other disqualification for licensure provided for in this chapter, no license shall be issued to an eating establishment if the applicant has transferred, assigned, leased, or sold any license issued pursuant to this chapter in the city in which the applicant is applying within two (2) years prior to the application.

SECTION 8. That Section 23-930, Idaho Code, be, and the same is hereby amended to read as follows:

- 23-930. OFFICERS MAY EXAMINE PREMISES. (1) The director or his duly authorized representative, the sheriff of any county, a constable, or other police officer, shall have the right at any time to make an examination of the premises of any licensee as to whether the laws of the state of Idaho, the rules and regulations of the director, and the ordinances of any city are being complied with and shall also have the right to inspect the cars of any railroad system licensed under this act.
- (2) Minors may assist with random, unannounced inspections with the written consent of a parent or legal guardian. When assisting with these inspections, minors shall not provide false identification or make any false statements regarding their age.
- SECTION 9. That Section 23-942, Idaho Code, be, and the same is hereby amended to read as follows:
- 23-942. DEFINITIONS. The following definitions shall apply in the interpretation of the enforcement of this act:
- (a) "Eating establishment" means a restaurant, cafe, dining room, coffee shop, cafeteria, or other establishment that must utilize at least seventy-five percent (75%) of the gross floor area for the preparation, cooking, and serving of complete meals, have and actively operate a commercial kitchen that includes a type 1 commercial hood and commercial cooking equipment, excluding microwave ovens and grills, capable of cooking complete meals, and be a public place kept, maintained, and advertised as a place where complete meals are served and where complete meals are actually and regularly served during the time the establishment is open to the public. Limited food service, such as is provided by luncheonettes, drive-ins, sandwich shops, and other similar uses, does not meet the requirements of this definition.
- (b) "Licensee" shall mean any person licensed to sell liquor by the drink at retail pursuant to the provisions of chapter 9, title 23, Idaho Code, and any person licensed to sell beer for consumption on the premises where sold pursuant to the provisions of chapter 10, title 23, Idaho Code, or county or municipal ordinance.
- ( $\underline{bc}$ ) "Place," as used in this act, means any room of any premises licensed for the sale of liquor by the drink at retail wherein there is a bar and liquor, bar supplies and equipment are kept and where beverages containing alcoholic liquor are prepared or mixed and served for consumption therein, and any room of any premises licensed for the sale of beer for consumption on the premises wherein there is a bar and beer, bar supplies and equipment are kept and where beer is drawn or poured and served for consumption therein.
- $(\underline{ed})$  "Restaurant," as used in this act, means any restaurant, cafe, hotel dining room, coffee shop, cafeteria, railroad dining car or other eating establishment having kitchen and cooking facilities for the preparation of food and where hot meals are regularly served to the public.

SECTION 10. That Section 23-943, Idaho Code, be, and the same is hereby amended to read as follows:

23-943. PERSONS UNDER SPECIFIED AGES FORBIDDEN TO ENTER, REMAIN IN OR LOITER AT CERTAIN LICENSED PLACES. No person under the age of twenty-one (21) years shall enter, remain in or loiter in or about any place, as herein defined, licensed for the sale of liquor by the drink at retail, or sale of beer for consumption on the premises; nor shall any licensee of either such place, or any person in charge thereof, or on duty while employed by the licensee therein, permit or allow any person under the age specified with respect thereto to remain in or loiter in or about such place.

 Provided, however, it is lawful for persons who are musicians and singers eighteen (18) years of age or older, to enter and to remain in any place or eating establishment as defined in section 23-942, Idaho Code, but only during and in the course of their employment as musicians and singers. Provided further, that it is lawful for persons who are nineteen (19) years of age or older to sell, serve, possess or dispense liquor, beer or wine in the course of their employment in any place or eating establishment as defined in section 23-942, Idaho Code, or in any other place or eating establishment where liquor, beer or wine are is lawfully present, so as long as such place or eating establishment is the place of employment for such person under twenty-one (21) years of age. However the foregoing shall not permit the sale or distribution of any alcoholic beverages to any person under the ages specified for sale of alcoholic beverages.

SECTION 11. That Section 23-944, Idaho Code, be, and the same is hereby amended to read as follows:

- 23-944. EXCEPTIONS FROM RESTRICTION ON ENTERING OR REMAINING. It shall not be unlawful for, nor shall section 23-943, Idaho Code, be construed to restrict, any person under the age of twenty-one (21) years from entering or being:
- (1) Upon the premises of any restaurant, as herein defined, <u>any eating establishment</u>, as herein defined, or in any railroad observation or club car or any airplane of a commercial airline, notwithstanding that such premises may also be licensed for the sale of liquor by the drink or for the sale of beer for consumption on the premises or that <u>alcohol</u> <u>alcoholic</u> beverages, or beer, or both, are prepared, mixed or dispensed and served and consumed therein;
- (2) In any building, a part or portion of which is used as a place, as herein defined, provided such place is separated or partitioned from the remainder of said building and access to such place through a doorway or doorways or other means of ingress can be controlled to prevent persons under the ages specified with respect thereto in section 23-943, Idaho Code, from entering therein;
- (3) In any baseball park, sports arena, convention center, multipurpose arena, theater that is presenting live performances or fairgrounds, notwithstanding that such premises or any portion thereof may be licensed for the sale of liquor by the drink, wine or beer for consumption on the premises or that such products are dispensed and served and consumed therein; provided, that the person under the age of twenty-one (21) years is attending a lawful activity, show, exhibition, performance or event on the premises or is required to be present as a condition of his employment. It is lawful for persons under the age of twenty-one (21) years to enter and remain

in a baseball park, sports arena, convention center, multipurpose arena, theater that is presenting live performances or fairgrounds  $\frac{1}{100}$  as the activity, show, exhibition, performance or event is lawful and the person does not violate section 23-949, Idaho Code;

- (4) Upon the premises of any licensed brewery or winery notwithstanding that such premises or any portion thereof may also be licensed for the sale of beer or wine for consumption on the premises or that beer or wine is dispensed and served and consumed therein;
- (5) Upon the licensed premises of a wine retailer, wholly owned and operated by a licensed winery  $\frac{\text{which}}{\text{that}}$  retails exclusively the products of that winery;
- (6) At a location, other than a liquor, beer, or wine licensed premises, authorized to serve <u>alcoholic</u> beverages under a valid alcohol beverage catering permit; or
- (7) In any movie theater that is allowed to sell beer or wine for consumption on the premises pursuant to a valid license and which movie theater had a license that was valid and not suspended or revoked on January 1, 2006. No films, still pictures, electronic reproductions or other visual reproductions which that are in violation of chapter 41, title 18, Idaho Code (indecency and obscenity), or are in violation of federal law regarding pornography, indecency or obscenity shall be shown or displayed on the premises. As used in this subsection, "movie theater" means a motion picture theater that is being utilized solely for exhibition of a motion picture.

SECTION 12. That Section 23-946, Idaho Code, be, and the same is hereby amended to read as follows:

23-946. STATEMENT MADE BY LICENSEES OF PREMISES OPERATED AS RESTAU-RANTS AND EATING ESTABLISHMENTS -- INDORSEMENT UPON LICENSE. (a) Every applicant for a state license for the sale of liquor by the drink or for the sale of beer for consumption on the premises claiming that the premises for which such license is sought constitute and are operated as a restaurant or eating establishment, as herein defined, shall, on each application for state license and on each application for renewal of license, state that such premises constitute and are operated as such restaurant or eating establishment. Upon issuance of state license for the sale of liquor by the drink or for the sale of beer for consumption on the premises, for premises constituting and operated as a restaurant or eating establishment, the licensee of which has made the proper statement on the application, the director shall indorse on the face of the license the fact that it has been issued to a restaurant or eating establishment as herein defined. Unless such statement shall have been filed with the director and his said indorsement shall appear on the face of the license, the restrictions contained in section 23-943, Idaho Code, shall apply, notwithstanding that such premises may in fact constitute and be operated as a restaurant or eating establishment, and the posting of signs as provided for in section 23-945, Idaho Code, shall be required. The filing of any false statement on the application as herein required shall be grounds for suspension or revocation of license. If premises, licensed as a restaurant or eating establishment under this act, subsequently ceases to meet the qualifications of a restaurant or eating establishment, as defined in section 23-942, Idaho Code, the restrictions

contained in section 23-943, Idaho Code, shall apply and the posting of signs as provided for in section 23-945, Idaho Code, shall be required. In such event the licensee shall advise the director, by mail, that his premises no longer constitute a restaurant or eating establishment, so that the license may be modified accordingly.

- (b) The powers of the director to make, promulgate and publish rules and regulations as set forth in section 23-932, Idaho Code, shall apply to sections 23-941 to through 23-946, Idaho Code.
- SECTION 13. That Section 23-950, Idaho Code, be, and the same is hereby amended to read as follows:
- 23-950. RESTRICTION AGAINST TRANSFER OF LICENSE. (1) No license issued under the provisions of this chapter shall be renewed, transferred, assigned, leased or sold if:
  - (a) The state tax commission has notified the director and the licensee in writing that any tax imposed by chapters 30 and 36, title 63, Idaho Code, interest, penalty, and additional amount, which has accrued as a result of the operation of the licensed premises has been assessed as that term is defined in section 63-3045A, Idaho Code, against the licensee or any person operating the licensed premises with the permission of the licensee; or
  - (b) The department of labor has notified the director and the licensee in writing that a lien has been filed against the licensee or any person operating the licensed premises with the permission of the licensee, as a result of the operation of the licensed premises securing amounts due pursuant to chapter 13, title 72, Idaho Code.
- (2) At such time as the state tax commission or the department of labor has notified the director and licensee as herein provided, the license issued for the premises the operation of which has resulted in the accrual of the tax for which the warrant or lien is outstanding shall be subject to levy and distraint pursuant to chapter 30, title 63, Idaho Code, or seizure pursuant to section 72-1360A, Idaho Code.
- (3) No license issued to an eating establishment or lodging facility under the provisions of this chapter shall be transferred, assigned, leased, or sold. A quota license issued pursuant to section 22-903(1), Idaho Code, may be transferred, assigned, leased, or sold only within the limits of the city where the premises of the licensee are currently located.
- SECTION 14. That Title 23, Idaho Code, be, and the same is hereby amended by the addition thereto of a  $\underbrace{\text{NEW CHAPTER}}_{\text{chapter}}$ , to be known and designated as Chapter 12, Title 23, Idaho Code, and to read as follows:

## CHAPTER 12 CLERK AND SERVER TRAINING

- 23-1201. DEFINITIONS. The following words and phrases used in this chapter shall be given the following interpretation:
- (1) "Alcoholic beverage" or "alcohol beverage" means any beverage containing alcohol which is a product of distillation of any fermented liquor or

synthetic ethyl alcohol, including, but not limited to, beer, wine, spirits or any liquid containing beer, wine or spirits.

- (2) "Approved alcohol training program" means a program that is designed to educate clerks or servers of alcohol on laws and rules regarding the sale and service of alcoholic beverages, the effects of alcohol on the human body, methods of identifying intoxicated persons and refusing to sell or serve alcohol to those persons, and methods for checking and identifying legal identification, and is either approved by the director or listed in section 23-1202, Idaho Code.
- (3) "Clerk" means an individual who, as an employee of a grocery store, convenience store, or general retail outlet, can legally sell alcoholic beverages for consumption off-premises.
  - (4) "Director" means the director of the Idaho state police.
- (5) "Licensee" means the person to whom a beer, wine or municipal or state liquor by the drink license is issued under the provisions of law.
- (6) "Off-premises retailer" means any place alcoholic beverages are sold but cannot be consumed on the premises. Off-premises retailers include, but are not limited to, grocery stores, convenience stores and general retail outlets.
- (7) "Premises" means the building and contiguous property owned, leased or used by a licensee as part of the business establishment for the sale of alcoholic beverages at retail.
- (8) "Server" means any person serving or selling any alcoholic beverages, including spirits, wine or beer for consumption on a licensed premises as a requirement of employment, and any person managing those employees. Servers include, but are not limited to, waiters, waitresses, bartenders, and managers of waiters, waitresses and bartenders.
- 23-1202. APPROVED TRAINING. (1) Only the alcohol training programs listed in this section or equivalent programs as approved by the director will be recognized as complying with the provisions of this chapter.
- (2) Approved alcohol training programs must include an examination covering the following topics: monitoring a patron's behavior, recognizing intoxicated patrons, checking identification, recognizing false and altered identification, providing alternatives to alcoholic beverages, problem-solving in dealing with intoxicated or belligerent patrons and familiarity with Idaho laws and rules pertaining to alcoholic beverages.
- (3) "ServSafe alcohol" programs of the national restaurant association are found to comply with the requirements of this chapter.
- (4) "Training for intervention procedures" (TIPS) programs of health communications, inc. are found to comply with the requirements of this chapter.
- 23-1203. MANDATORY TRAINING -- ON-PREMISES SALES. (1) Any person employed as a server on the effective date of this chapter must complete an approved alcohol training program within one hundred twenty (120) days of the effective date of this chapter or be able to provide proof that they have received a current valid certificate from an approved training program within the past three (3) years.

(2) Any person who is hired after the effective date of this chapter as a server shall complete an approved alcohol training program within sixty (60) days.

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- (3) The licensee shall ensure that each server employed on the premises is trained or completes an approved alcohol training program in the appropriate time frame pursuant to this section and maintains documentation of such training, and provides such documentation at the request of the director.
- 23-1204. VOLUNTARY TRAINING -- OFF-PREMISES RETAILER. (1) Any person employed as a clerk on or after the effective date of this act for off-premises sales pursuant to the provisions of this title is encouraged to complete an approved alcohol training program outlined in section 23-1202, Idaho Code.
- (2) The clerk shall maintain documentation of such training, and provide such documentation at the request of the director.
- 23-1205. ENFORCEMENT. (1) Any server who violates section 23-1203 Idaho Code, shall be subject to an administrative fine imposed by the director not to exceed five hundred dollars (\$500) plus costs of prosecution and administrative costs of bringing the action including, but not limited to, attorney's costs and fees and costs of hearing transcripts.
- (2) Any licensee who violates section 23-1203(3), Idaho Code, shall be subject to an administrative fine imposed by the director not to exceed one thousand dollars (\$1,000) plus costs of prosecution and administrative costs of bringing the action including, but not limited to, attorney's costs and fees and costs of hearing transcripts.
- (3) Nothing in this section shall be construed as barring criminal prosecutions for violations of this title where such violations are deemed criminal offenses.
- (4) All final decisions by the director shall be subject to judicial review pursuant to the procedures of the administrative procedure act.