

## STATEMENT OF PURPOSE

### RS31626C1 / S1421

This legislation modifies the liquor licensing statute to clarify unintended consequences of Senate Bill 1120 in the 2023 session. This legislation “grandfathers” the prior practice for dual lessees (of both the premises and the liquor licenses) as it pertains to “legacy” licenses (issued prior to July 1, 2023), which have not expired, while also clarifying how this historic and existing practice may continue as specifically provided in this legislation.

This legislation provides that a liquor license issued prior to July 1, 2023, and under a lease to a restaurant/bar operator as of July 1, 2023, may continue to be used in the same way through expiration of the term of the lease, whereupon the lease reverts back to the possession of the owner of the license. Upon such reversion the owner may: transfer the license in a one-time-only transfer; retain the lease and apply to the Alcoholic Beverage Control (ABC) to become the named operator of the license on the leased premises; transfer the license under the regular rules of revised Idaho Code § 23-903(16); or proceed under new Idaho Code § 23-903(18), which allows, among other things, subsequent leasing to other tenants and transfers to third party purchasers of the licensed premises.

This legislation also provides for the loss of the right to a one-time-only transfer of a license once it is put to use pursuant to Idaho Code § 23-903(18). This legislation also adds new Idaho Code § 23-903(19) which provides that if there is a waiting list for applicants for a new liquor license, the applicant for whom a license becomes available may elect to have the license issued in the name of the original applicant or in the name of a qualified designee; designee qualifications are listed.

### FISCAL NOTE

This legislation would have no negative impact on the General Fund. However, because ABC funding relies on a 10% transfer fee, this legislation, by allowing certain transfers, may have a positive impact on ABC funding.

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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).