

Written In-Person Testimony of Melvin Dick on S 1381 before
the Senate State Affairs Committee on March 4, 2024

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I am representing myself as co-owner of the 219 Lounge in the
Resort City of Sandpoint Idaho.

I am against S 1381 as drafted. Pages 2 to 5 of this submittal
include the text of an email that was submitted to Senator
Guthrie and all members of the Senate State Affairs Committee
on March 1, 2024. It includes my comments and
recommendations for changes to S 1381. I would ask that it be
made part of the submitted testimony.

I will highlight my comments from the attached during my in-
person testimony.

Respectfully Submitted,
Mel Dick

Dear Senator Guthrie:

Senator Guthrie, we have met a few times in Boise during the last few months....at the Elevate Boise annual meeting in December 2023 when you were on a panel discussing S 1120 and again at a FARE Idaho reception in January 2024. I am writing to you today regarding S 1381 which I just became aware of. By way of background, I am from Sandpoint, currently an Idaho "Resort City" with a population of 9,000+. I am a small business owner and my wife, and I own the 219 Lounge, a historic bar that has been open continuously since 1937. We purchased the 219 Lounge and related liquor license in 2005. Our family is also involved with several other Sandpoint restaurants that also own quota liquor licenses. Collectively, we have invested significant sums to acquire and develop our hospitality related businesses.

I applaud your willingness to work with those resort cities that may need additional liquor licenses. I understand that there are smaller resort cities such as Victor and Driggs that may have very few liquor licenses under the population quota system. Larger resort cities such as Sandpoint do not have the same issues relative to the number of liquor licenses as smaller resort cities. Currently, Sandpoint, a resort city of 9,000+, has 9 quota licenses, two historical (continuous operations) liquor licenses with a third qualified but unissued historical license, 2 waterfront resort licenses, and the Eagles Club, a Fraternal Order with a liquor license.

I would ask that you and your committee consider some changes to S 1381 as follows:

1. Have S 1381 apply only to those smaller resort cities that have a limited number of liquor licenses. I would suggest a lower population threshold than the current resort city requirement of 10,000 or less. Another suggestion would be to allow smaller resort cities to grant additional restaurant liquor licenses based on metrics related to number of annual visitors, overnight visitor stays, proximity to major attractions in an adjacent state, etc. I understand there are approximately 20 designated resort cities in Idaho. Applying S 1381 to the approximately 20 existing resort cities in Idaho will collectively produce up to 60+ new liquor licenses. Some resort cities such as Sandpoint already have more liquor licenses than its population allows. Many owners and operators in resort cities "barely hang on" financially. They make money from mid-June to mid-September and then hope to have enough cash to make it to the next tourism season. To introduce up to 3 additional liquor licenses in each resort city and collectively another 60+ licenses will result in a significant economic challenge for existing resort city owners and operators.

2. Clarify what, if any, involvement the State of Idaho and Alcohol Beverage Control (ABC) will have in qualifying, granting and administering of a resort city restaurant liquor license. As I read the proposed bill, paragraph (1) grants the power to approve such licenses to resort city mayors and city councils and paragraph (2) refers to a "local licensing authority". Each

resort city could use different criteria and processes to approve and administrate restaurant licenses. While I am all for "local government" control, I believe S 1381 needs some safeguards to avoid the inevitable politics and cronyism that could develop.

3. The proposed bill does not reference any discussion of license fees or other costs associated with obtaining a resort city restaurant liquor license. Existing liquor licenses pay annual fees to the State and local municipalities. Will there be fees associated with resort city restaurant liquor licenses to cover the administrative and other costs associated with the monitoring and policing the requirements of paragraph (2) and paragraph (3) (a) and (b) related to insuring the qualifying restaurant maintains "sixty percent (60%) of gross sales....derived from food sales, liquor is dispensed and prepared only in areas approved by the local licensing authority, liquor sales cease at the time food sales and service cease and monitoring to insure that the restaurant is not promoted and operated as "a bar and lounge"?

4. Paragraph (4) (a) indicates that resort city restaurant liquor licenses should be issued on a "first-come, first-served basis" with "those that applied for a license within the incorporated city prior to July 1, 2024" receiving priority. Does this refer to the application list for quota licenses by incorporated cities maintained by ABC? I would suggest this be clarified.

5. Paragraph (4) (b) indicates that resort city liquor licenses shall not count toward the limitation on the number of licenses issued according to population. I would encourage you to revise the bill such that if a resort city already has more licenses than would be allowed under the current quota license population limits the resort city would not grant any new resort city restaurant liquor licenses until such time as the population of the city is sufficient to meet the existing quota license population requirements.

6. Paragraph (5) prohibits the sale, lease or transfer of the resort city licenses and it does not allow for transferability to any other location, facility, or premise. I would encourage you to revise this paragraph to allow for a transfer to another premise in the event of the existing premise being unavailable due to a catastrophic loss such as a fire, loss of a premise lease, etc.

Respectfully Submitted,
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