

STATEMENT OF PURPOSE

RS18772

This proposal is the product of work by the Governor's Task Force on Alcohol Beverage Laws, and has been presented to the Governor and accepted by him. The Task Force was convened by the Governor in 2007 to develop and recommend legislation to deal with issues concerning (1) licensure of persons and premises selling liquor-by-the-drink, and, (2) administration and enforcement of Idaho's laws relating to the sale of beverages containing alcohol. The accompanying legislation addresses concepts presented by the Governor, and provides the following recommendations:

- Remove the state from the issuance of new liquor-by-the-drink licenses, while grandfathering state licenses issued prior to the effective date of this legislation and preserving their existing rights to transferability;
- Empower cities and counties to issue non-transferable liquor-by-the-drink licenses, without reference to a state imposed population quota system, in accordance with the economic development needs of the community, while recognizing the self-determination rights of the cities and counties with regard to the issuance of liquor-by-the-drink licenses within their jurisdictions;
- Separate the law enforcement functions of the Department of Idaho State Police from administration of the licensure functions of the Department;
- Provide state administrative support for local license issuance by cities and counties;
- Create dedicated revenue sources for state enforcement activities of the Department of Idaho State Police, and for the administrative licensure functions of a new licensing agency;
- Require enhanced responsibility of servers who sell alcohol beverages to underage persons, or who serve alcohol beverages to obviously intoxicated adult consumers, as part of a regulatory framework including requirements for server training and graduated licensee civil penalties dependent upon training status of the licensee's employees.

It is the intent of this legislation to not only empower the cities and counties to determine their own needs with reference to the presence of additional premises for the sale of liquor by the drink, but also to eliminate the trafficking in the state licenses which has resulted from the state quota system imposed on the local government.

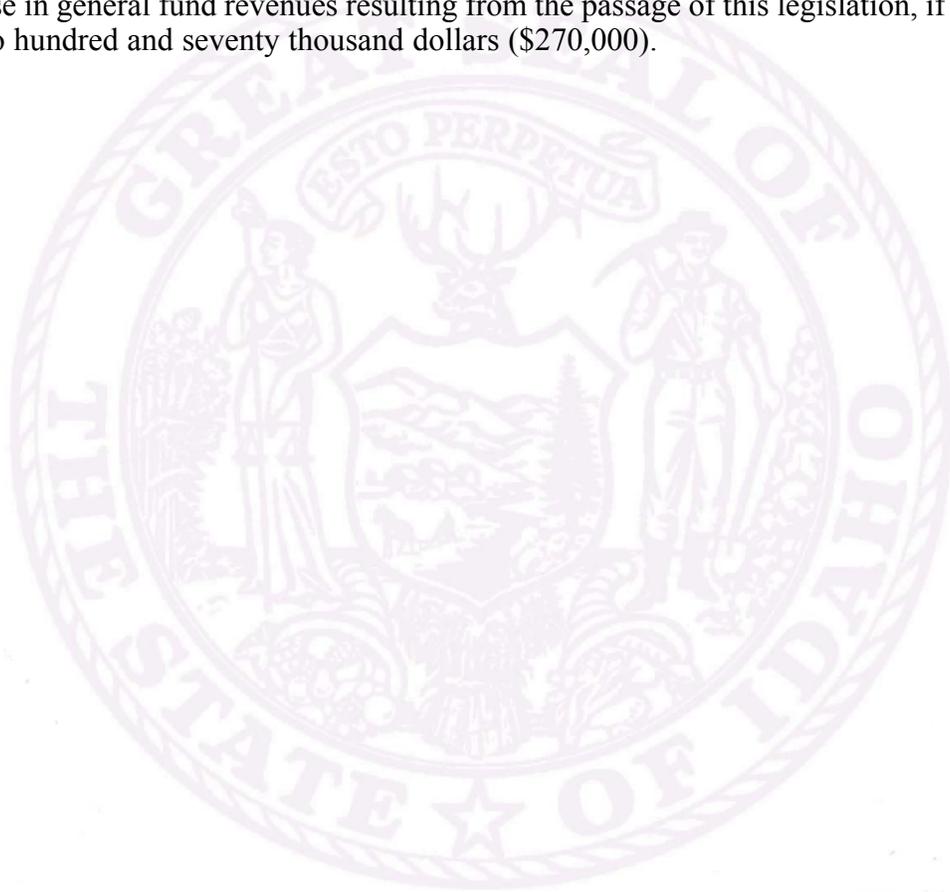
The bifurcation of law enforcement functions from the administration of the state licensing system is intended to enhance the ability of the Department of Idaho State Police to better assist local law enforcement agencies in preventing underage use of alcohol beverages and irresponsible use of those products by adult users, as well as greater enforcement of other good policy measures now in place at the state level. Transfer of the license and administrative functions related thereto to an independent licensing agency will relieve the Idaho State Police from administrative, non-law enforcement duties and, through utilization of an independent agency, will further the application of due process consideration which will benefit both the state and licensees.

An Executive Summary of the legislation is available and will be provided to each legislator and, upon request, to members of the public.

FISCAL NOTE

Pursuant to this proposal, all funds collected by the Division of Alcohol Beverage Licensing and Regulation will be dedicated as follows: 42.5% to the General Fund; 40% to the Department of Idaho State Police; and 17.5% to the Division of Alcohol Beverage Licensing and Regulation. At the present time funding to the Department of Idaho State Police for liquor law enforcement and licensure is through the state general fund. Dedication of funds to the Department of Idaho State Police for enforcement, and to the Division of Alcohol Beverage and Licensing, for licensing, as provided in this legislation, will relieve the state general fund obligation for those purposes.

This legislation will increase state beer license fees approximately 33% and liquor-by-the-drink license fees approximately 20-25%. As a result of the increase in state fees, and the removal of the obligation of general fund revenues for liquor law enforcement and licensure, it is estimated that the decrease in general fund revenues resulting from the passage of this legislation, if any, will not exceed two hundred and seventy thousand dollars (\$270,000).



Contact:

Name: David Hensley

Office: Governor's Office

Phone: (208) 334-2100