

IN THE SENATE

SENATE BILL NO. 1169

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO LIQUOR; AMENDING CHAPTER 9, TITLE 23, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 23-903d, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING LICENSES ISSUED TO CITY RESTAURANTS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. That Chapter 9, Title 23, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 23-903d, Idaho Code, and to read as follows:

23-903d. LICENSES ISSUED TO CITY RESTAURANTS. (1) City restaurant liquor license. Upon a finding of proof by the mayor and city council and subject to approval of the mayor and city council and notwithstanding the population limitations set forth in section 23-903(1), Idaho Code, nothing in this chapter shall prohibit the issuance of a city restaurant liquor license to the owner, operator, or lessee for use at a qualifying restaurant within the incorporated limits of any city in this state, subject to the provisions of this section. "Restaurant" shall have the same meaning as provided in section 23-942, Idaho Code.

(2) Qualifying restaurant. To be eligible for issuance of a city restaurant liquor license, a restaurant shall demonstrate that the primary source of revenue from the operation of the restaurant to be licensed will be derived from food services and not from the sale of liquor. Subsequent license renewals shall be conditioned upon a showing that no less than sixty percent (60%) of gross sales from the preceding twelve (12) month operation of a licensed restaurant be derived from food services. A city restaurant liquor license may be issued to a food hall that houses multiple restaurants under its roof, provided that no less than sixty percent (60%) of combined gross sales from the preceding twelve (12) month operation from all restaurants in the food hall was derived from food services.

(3) (a) Restaurant operations. A restaurant selling liquor pursuant to a city restaurant liquor license shall abide by the following:

(i) Liquor shall be dispensed and prepared for consumption by a restaurant licensed pursuant to this section only in areas approved by the local licensing authority; and

(ii) All liquor sales shall cease at the time food sales and services cease. The local licensing authority may impose additional date and time restrictions on liquor sales.

(b) No city restaurant licensed pursuant to this section shall promote or operate the restaurant as a bar and lounge.

(4) (a) Licenses per city. The number of city restaurant liquor licenses issued for use within the incorporated limits of a single city shall be no fewer than three (3) but no more than the number of licenses

1 issued within a city pursuant to section 23-903(1), Idaho Code. In the
2 event the mayor and city council do not approve the proposed license, a
3 license shall not be issued. Priority shall be given on a first-come,
4 first-served basis according to date of application.

5 (b) City liquor licenses shall not count toward the limitation on the
6 number of licenses issued according to population, as provided in sec-
7 tion 23-903(1), Idaho Code.

8 (5) Sale, lease, and transfer prohibited. A city restaurant liquor li-
9 cense may not be sold or leased and shall not be transferable to any other lo-
10 cation, facility, or premises.

11 (6) The fees for licenses granted pursuant to this section shall be the
12 same as those set forth in section 23-904(1), (2), and (3), Idaho Code.

13 SECTION 2. An emergency existing therefor, which emergency is hereby
14 declared to exist, this act shall be in full force and effect on and after
15 July 1, 2025.