10.02 ALCOHOLIC BEVERAGE LICENSES

I. General

- A. The Idaho State Police Alcohol Beverage Control (ABC) office issues on-premises and off-premises licenses to dispense alcoholic beverages pursuant to Idaho Code Title 23. ABC issues or transfers liquor-by-the-drink on-premises licenses pursuant to <u>I.C. Title 23 Chapter 9</u>. ABC issues and transfers beer and wine licenses pursuant to <u>I.C. Title 23 Chapters 10 and 13</u>. Wholesale licenses are issued pursuant to <u>I.C. Title 23 Chapters 11 and 13</u>.
- B. All applications for new, change or transfer of a license are processed on a first-come, first-serve basis. Preference is not given to any applicant's application over another applicant's application.
- C. Licenses and permits cannot be released the same day the application and documents are received due to end of day accounting/auditing functions.

II. Issuance of Licenses

A. The prospective licensee:

- 1. completes and submits an <u>Liquor License Application</u>, or <u>Beer and Wine License Application</u>, or <u>Wholesale License Application</u>;
- 2. submits the necessary supporting documents required;
- 3. brewers, or brewers pub applicants also complete and submit <u>Certificate of Annual Production</u>;
- 4. out-of-state beer producers complete the Certificate of Approval License application;
- 5. submit the appropriate fees established in I. C. Title 23 as noted above.

B. ABC personnel:

- 1. verify the completeness and accuracy of the application and supporting documents;
- 2. complete a background check of the prospective licensee pursuant to I. C. Title 23;
- 3. visually inspect the business premises to verify:
 - (1) suitable premises for the sale of alcoholic beverages;
 - (2) consistency with description or function noted in the application;
- 4. process the application showing the name of the licensee; and
- 5. issue the license.
- C. All required documents listed on the instruction sheet must be submitted before the application can be accepted and processed.

D. Methods for License Transfers

1. The current license is signed-off by the current licensee and notarized.

- 2. The current license is signed-off by a person with power of attorney from the licensee, notarized and accompanied by a signed copy of the power of attorney.
- 3. Court documents award the license, including but not limited to wills, divorce decrees, and court orders.
- 4. A completed, signed and notarized Release of License Affidavit is submitted.
- 5. If the transfer of the license occurs after it has expired, the prior licensee or representative submits a completed, signed and notarized <u>Authorization to Transfer and Assignment of Privilege to Renew form.</u>

E. Liquor License Transfers

- 1. In accordance with <u>I.C. 23-908</u>, there are seven (7) different types of liquor license transfers:
 - a. sale of the license with a transfer fee of 10% of the purchase price or cost of good will, whichever is greater.
 - b. transfer between husband and wife in the event of property division with no transfer fee due.
 - c. transfer to a receiver, trustee in bankruptcy with no fee due.
 - d. transfer to heirs or personal representative of the estate in the event of death of the licensee with no fee due.
 - e. transfer from dissolution of partnership with license being transferred to one of the partners with no fee due.
 - f. transfer to a family member, whether individual, partnership or corporation with no fee due.
 - g. other than a sale of the license (i.e. lease agreement) with 50% of the annual renewal fee of the liquor license due.
 - ii. in the event of a "lease-to-own", "lease with option to purchase" or similar agreement, the transfer is considered a sale of the license and the full fees associated with the purchase price are collected in accordance with D.1.a above.
- 2. In accordance with <u>I.C. 23-903(16)</u> and (17), an incorporated city license may be sold or transferred to another location only once after July 1, 2023. The following exemptions do not qualify as a sale or transfer:
 - a. Estate planning/valid will;
 - b. Family gift;
 - c. Associated transfer (occupied location for 1 year prior to move and 1 year after the move); or
 - d. Transfer to another owned/operated business
- 3. At the end of leased license period, the license will revert to the lessor and they may: sell or transfer the license.

F. Temporary Permits

1. In accordance with <u>IDAPA 11.05.01.012.04</u>, a temporary permit may be issued in the transfer of an existing license.

- 2. The temporary permit is limited to:
 - a. no more than 30 days (unless otherwise approved by the ABC Captain or designee); and
 - b. the type of license already issued.
- 3. A temporary permit is issued by ABC upon receipt of a completed EHF 10 02-01 Liquor License Application, or a completed EHF 10 02-02 Beer and Wine License Application to transfer or modify current license.
- 4. A temporary permit is issued only for license types allowed under the current license; additional license types will not be added to a temporary permit.

G. Future Liquor Waiting List Applications

- 1. <u>IDAPA 11.05.01.013.01</u> requires ABC to maintain a list of priority applicants for each incorporated city where a liquor license is not currently available.
- 2. A separate list is kept for each incorporated city.
- 3. Priority on the waiting list is determined by the earliest application.
- 4. The prospective applicant:
 - a. completes and submits an Priority List Liquor License Application for each city;
 - b. pays the application fee of ½ the annual renewal fee of a liquor license for the city in which the applicant is applying; and
 - c. cannot hold more than one position on a city's waiting list at a time.

5. ABC personnel:

- a. verify the completeness of the application;
- b. enter the prospective applicant's information into the electronic waiting list;
- c. receipt the money paid; and
- d. create a new applicant folder for each city an application is received.

H. Priority List Offering Procedure

- 1. Mailings of license offers:
 - a. incorporated city liquor licenses for all available licenses are offered once per year after new census population or census projected population data is received by ABC, pursuant to <u>I. C. §23-903</u> for a period of 10 weeks or until October 1, whichever comes first;
 - b. in the event that an estimate to establish the population of a city or fraction thereof is submitted to ABC and is determined to be statistically valid by the ABC Captain, incorporated city liquor licenses for that city or fraction thereof will be offered in a timely manner;
 - c. license offers are mailed certified mail with restricted delivery to the applicant;
 - d. signing for the certified mail is considered receipt by the applicant.
 - i. if the applicant accepts the offered license, the applicant follows the procedures in IDAPA 11.05.01.13;
 - ii. if the applicant refuses the offered license a refund is sent and the license offer is provided to the next applicant on the priority list for the same incorporated city;

- iii. if the applicant does not respond within the ten (10) days, a refund is sent and the license offer is provided to the next applicant on the priority list for the same incorporated city.
- 2. If the certified mail is returned unsigned or undeliverable:
 - a. ABC verifies the address on file. If the offer was addressed incorrectly it is resent to the correct address; OR
 - b. ABC verifies the address on file. If the address is correct, a refund is sent.
 - c. ABC provides the license offer to the next applicant on the priority list for the same incorporated city.