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Testimony

of

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Before the Joint Standing Committee on Veterans and Legal Affairs

LD 306 – An Act to Temporarily Waive Certain Requirements for Relicensing for Restaurants that Serve Liquor

February 22, 2021

Senator Luchini, Representative Caiazzo and members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Gregg Mineo and I am the Director of the Bureau of Alcoholic Beverages and Lottery Operations. I am providing the following written testimony neither for nor against LD 306.

Recognizing the struggles these businesses have faced this year, the Bureau has worked diligently to support the on-premises community through our guidance memos and follow up communications through our licensing and enforcement staff.

Most all on-premises establishments have a food gross sales requirement. Depending on the type of on-premises establishment this food gross requirement is either based on a simple 10% of all sales of the establishment or must have \$20,000 to \$50,000 in food gross sales depending on the population of the municipality in which the establishment is located – see sections [1061](#) for Hotels (10% standard), [1062](#) for Restaurants (10% standard), [1063](#) (population standard) for Class A Restaurants and Class A Restaurant Lounges (population standard), [1073](#) for Bowling Centers (10% standard) and [1076](#) for Qualified Caterers (population standard).

In sections [1062\(3\)\(A\)](#), [1063\(4\)](#) and [1076\(5\)](#), the statute states that the Bureau may not renew any license for the sale of liquor unless the licensee furnishes the Bureau with proof that the previous year's business conformed to the income requirements. In sections [1061](#) for hotels and [1073](#) for bowling center, while the statute does not specifically state that the Bureau may not renew, the practice has been to treat these licensees in the same manner.

The Bureau is concerned that the bill as crafted does not promote food service which is traditionally a component of responsible beverage service. Potentially, based on this, a licensee would not see the need to provide food as part of their regular service. The Bureau would recommend amending the bill to at least require the licensee to make an attempt to comply with this food gross requirement. Our recommendation would provide the licensee a one year grace period to come into compliance before the Bureau would take action not to renew the license. A permanent change to the law would benefit licensees during the current pandemic and other future situations where meeting any food gross requirement is not achieved due to any number of factors. Our proposed language reads as follows:

If the licensee fails to meet the food requirements of this Title during any non-consecutive licensure period, the licensee may be granted one additional licensure period to meet the minimum food sales requirement of this Title if approved by the Bureau. The Bureau shall not unreasonably deny a licensee request for a waiver under this section.

Thank you for allowing me to testify before the Committee today. I am happy to respond to any questions, and of course will be available for the work session.