



Legislation Text

File #: 20-801, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Adopt a resolution approving the waiver of certain liquor license and tobacco license renewal fees for 2020-2021.

DEPARTMENT: Legal Department

SUBMITTED BY: Jennifer Lutzke, Senior Assistant City Attorney

BOARD/COMMISSION REVIEW:

On June 4, 2020, in response to the global health pandemic, the Liquor Commission unanimously approved waiving certain liquor license and tobacco license renewal fees for 2020-2021.

BACKGROUND:

On March 13, 2020, a national emergency was declared in the United States concerning the COVID-19 Outbreak. Thereafter, the Illinois Governor, J.B. Pritzker ("Governor") issued a series of executive orders requiring residents to stay at home and completely or partially suspending non-essential business operations. On March 16, 2020, the Governor suspended service of food and beverages for on-premises consumption; restaurants and bars could sell food and drink for carryout. On-premises consumption was restricted until outdoor seating was permitted on May 29, 2020. As of June 26, 2020, restaurants and bars can offer indoor dining with groups of 10 or less, with tables spaced 6 feet apart in seated areas and with standing areas at no more than 25% of capacity.

On March 18, 2020, the Liquor Commissioner, Mayor Chirico ("Mayor") suspended the City's liquor license renewal process and associated late fees. The Mayor also issued Executive Order 2020-03 ("EO-3"). EO-3 allows Class A - Restaurants, Class B - Restaurant and Tavern, Class J - Hotel/Motel and Tavern, and Class P - Manufacturer to sell packaged alcoholic liquor and mixed cocktails for delivery and carryout. The Class P - Manufacturer was included to allow licensees to conduct third party-delivery. EO-3 also allows Class B - Restaurant and Tavern license holders to sell growlers consistent with the state law.

Moreover, the pandemic impacted certain cigarette and tobacco dealers. In response, the Mayor issued Executive Order 2020-06, which *inter alia*, suspended the Cigarette and Tobacco Dealer's license renewal process. On May 1, 2020, tobacco and alternative nicotine stores reopened with curbside pickup and delivery. As of May 29, 2020, these retail businesses reopened with capacity restrictions.

DISCUSSION:

In recognition of the burden that the complete and partial suspension of operations of all but a few essential businesses has imposed on on-premises liquor license holders and certain tobacco and

cigarette dealer's licenses, the Liquor Commission recommended a waiver of the liquor license fees for on-premises licenses, permit fees, and tobacco and cigarette dealers for the upcoming (May 1, 2020-April 30, 2021) license year. Businesses will still be required to complete renewal applications, have proper insurance, and comply with all other code requirements. The waiver is limited to on-premises liquor licenses and certain tobacco licenses because these businesses were directly impacted by the closure and suspension orders. Off-premises liquor licenses and certain tobacco licensees, *e.g.* grocery store and liquor stores, were not included, because these businesses were deemed essential and allowed to remain open.

FISCAL IMPACT:

A loss in revenue of \$235,000.