

A P R I L 2 0 0 7

I D A H O
LODGING
&
RESTAURANT
a s s o c i a t i o n

N E W S L E T T E R



RESTAURANTS

*Server Training
Protects Businesses*

*By Jennifer Heidt, Project
Manager for Boise Alcohol
Server Training Pilot Program*



EDITORIAL

This Tax is Personal

*By Mike Fitzgerald, Owner,
TableRock BrewPub & Grill and
ILRA Vice President*



LODGING

*More Travelers
in Idaho*

*By John May, General Manager
of the Owyhee Plaza Hotel and
ILRA Treasurer*



**FEDERAL
UPDATES**

*Stay Up-to-Date
on all legislation
that affects Idaho
hospitality*



E-BUSINESS

*10 Ways to Increase
Reservations and
Revenues*

By Mary Skinner, INNLINK.LLC



SPECIAL INSERT

*ILRA: "The Eyes, Ears
and Voice of the Idaho
Hospitality Industry"*

*By Pam Eaton, ILRA
Executive Director*

Server Training Protects Businesses

By Jennifer Heidt, Project Manager for Boise Alcohol Server Training Pilot Program

Restaurant and bar owners make critical decisions every day. Possibly the most critical decisions involve the service of alcohol. However, the stakes of the game are becoming even greater for owners and servers. Restaurants and bars are now pressed to consider their desire to build a stronger, autonomous business in terms of their legal responsibility for their guests. These interests may not be easy to balance, but Idaho businesses are finding a way to protect the industry and deal with ever-increasing liability: responsible alcohol server training. Restaurants and hotels across Idaho are investing in responsible alcohol server training as a way to protect their businesses and the industry. Such training instructs owners, managers, servers, security staff, and other related personnel in the difficult task of regulating alcohol consumption

in a restaurant or bar. It focuses on serving and selling procedures, signs of intoxication, methods for checking age identification, and intervention procedures. Most importantly, it helps staff understand their personal liability and their responsibility for the business' liquor license.

Properly trained servers can significantly decrease the potential risks and liability associated with alcohol service, and increase compliance with local and state laws and regulations. It can provide defense against service violations and civil claims, reduce insurance premium costs, and improve relationships with police and the community. As one owner stated, "Server training has definitely saved our business and saved us money in the long-run. I feel like servers pay more attention now. We've had far fewer problems."

There are a number of programs available to suit your unique needs. Visit the National Restaurant Association's ServSafe

program at www.servsafe.com/ Alcohol or TIPS at www.gettips.com for more information.

More Travelers in Idaho

By John May, General Manager of the Owyhee Plaza Hotel and ILRA Treasurer

The Idaho Department of Commerce and Labor recently released information on travelers to the state and their direct spending habits. The information is based on a national model and a travel tracking system model created by DK Shifflet and Associates. Direct spending includes what travelers pay for transportation, lodging, dining, entertainment, shopping and other miscellaneous expenses.

Direct spending by travelers in Idaho grew 6.1 percent to 3.82 billion in 2005. Spending by leisure travelers who tend to travel in larger parties and stay longer reached 2.9 billion and business travelers spent nearly 848 million.

In addition to direct spending the report looked at the total number of visitor room nights to our state. Overall the total number of

visitors to Idaho in 2005 reached 25.7 million up 4.5 percent. While leisure travelers make up the lions share of Idaho's visitors at 18 million, business travelers account for the largest percentage share of the increase up 19.5 percent to 7.6 million visitors. Leisure travelers also account for 58 percent of all Idaho room nights compared to business travelers at 42 percent.

A full copy of the 191 page report can be viewed and downloaded at www.cl.idaho.gov or tourism.idaho.gov/Portals/16/Documents/pdfs/2005_Idaho_Visitor_Profile.pdf

10 Ways to Increase Reservations & Revenues

By Mary Skinner, INNLINK.LLC

There is no question that the Internet has revolutionized the hospitality industry's communication channels. With more guests booking hotel rooms online each year, savvy innkeepers must stay knowledgeable on how to reach potential customers and maintain their fair share of the market.



FOOD SERVICES
OF AMERICA®

proudly supports the
Idaho Lodging & Restaurant Association.



(800) 372-1515



www.fsfood.com

WE LOVE INSURANCE SO YOU DON'T HAVE TO

Specializing in restaurant and
lodging business protection



Trusted Choice™

PREMIER
INSURANCE

1-800-A-POLICY • premierinsur.com • 24-hour claims
BOISE • BLACKFOOT • IDAHO FALLS • TWIN FALLS

IDAHO LODGING & RESTAURANT ASSOCIATION

"THE EYES, EARS AND VOICE OF THE HOSPITALITY INDUSTRY IN IDAHO"

WORKING TO PROTECT YOUR BUSINESS & SAVE YOU MONEY

By Pam Eaton, ILRA Executive Director

For the remainder of 2007, the ILRA will be focusing on four big issues.

Alcohol - Governor Otter has formed a council to look at Idaho's alcohol laws and the division of Alcohol Beverage Control. The ILRA has been asked to serve on the council. Agenda items, among other things, will include liquor licensing and how compliance checks are completed.

Food Safety - ILRA sits on the Idaho Food Safety Advisory Council, which will be meeting to discuss possible changes to the food code and a fee increase, which ILRA is planning on fighting.

Business Personal Property Tax Elimination - Since the bill to eliminate the business personal property tax died in the Senate (after passing the House 47-20), a big push by the business community will be made this interim to ensure passage next session. The hospitality industry constitutes a large percentage of the businesses that would be impacted by this change and it's important that legislators hear from us throughout the entire interim on this issue.

Sales Tax Collection Allowance – The ILRA will be teaming up with the Idaho Retailers Association to begin an educational campaign for legislators about the expense of being the state's sales tax collector. The ultimate goal of this campaign is to pass legislation that would give us a collection allowance. 26 states and the District of Columbia give some type of credit or allowance back to businesses that collect and remit sales tax for the state. The average out-of-pocket cost to retailers to collect sales tax is 3.09% of the tax collected (ranging from 13.47% for small businesses to 2.17% for large businesses). Forcing retailers to bear the cost of collecting sales tax without reimbursement of even a portion of those costs amounts to an unfunded mandate—or a hidden additional tax that is imposed only on a narrow segment of businesses.

These are just some of the big issues that the ILRA worked on this session and will be working on over the interim. We will stay involved in all issues that potentially could impact the hospitality industry and keep all of our members posted as issues progress or emerge throughout the year.

POLITICS TO HELP YOUR BUSINESS

Legislative Session Wrap-Up: Tip Credit Saved and Improved!

By Pam Eaton, ILRA Executive Director

The First Regular Session of the 59th Idaho State Legislature adjourned Sine Die at 7:12 p.m. on Friday, March 30, 2007. During the Legislators' 12 weeks in Boise, 654 pieces of legislation were introduced and the ILRA worked overtime to stay on top of everything that could potentially impact the hospitality industry – legislation that could impact your business' bottom line.

In a session where not a lot was accomplished, ILRA's biggest success was passing a solid minimum wage bill. First, ILRA killed a Democrat proposed bill that would have increased the minimum wage to \$7.25, would have added a CPI inflator, and would have wiped out the tip credit over the next seven years. By killing this bill, ILRA saved you a minimum of \$3.90 per hour per tipped employee. ILRA then successfully got the House Republican leadership, after they had already introduced a bill tying the state minimum wage to the federal minimum wage, to pull that bill and introduce another bill freezing the tip credit. The original bill kept the tip credit at the current 35%. The new bill (which is the bill that passed and will become law) freezes the base wage, regardless of future increases in the federal/state minimum wage, at the current \$3.35 rate. When the federal minimum wage does pass, this change in state law will save you almost \$1.40 per hour per tipped employee.

ILRA also killed a bill that would have required all establishments that sell or serve alcohol, spirits, wine or beer to conspicuously post at least two signs that warn patrons that consumption of alcohol before conception or during pregnancy can cause birth defects, including fetal alcohol syndrome and fetal alcohol effects.

Other issues that ILRA was involved in this session included stopping a bill that would have resulted in a rate increase in unemployment insurance taxes, stopped and negotiated a physician fee schedule change in workers compensation insurance that will minimize a rate increase, and came close to passing a bill that would have eliminated the business personal property tax.

IDAHO LODGING & RESTAURANT ASSOCIATION

"THE EYES, EARS AND VOICE OF THE HOSPITALITY INDUSTRY IN IDAHO"

Membership Saves You Money!

The Idaho Lodging and Restaurant Association can save your business thousands of dollars through what we accomplish in the governmental affairs arena. In the 2007 legislative session, ILRA successfully:

- Amended the minimum wage bill to protect the tip credit, saving you \$1.40 per hour per tipped employee when the federal bill goes into effect
- Stopped a requirement that all establishments post two fetal alcohol syndrome warning signs in conspicuous locations, with an undefined savings
- Stopped an unemployment insurance bill that would have increased UI taxes by \$13 to \$18 million over the next five years

In previous years, the ILRA succeeded in protecting your business interest by:

- Passing the nation's strongest tort reform law, lowering the limitation on the recovery of non-economic damages
- Passed legislation preventing trial lawyers from frivolously suing the restaurant and food industry
- Passed legislation that froze unemployment insurance taxes and then revamped the entire system, saving your business an average of \$42/eligible employee in 2002, 2003 and 2004, an average of \$63/eligible employee in 2005 and much more in future years
- Defeated legislation removing the requirement of physical injury in all psychological workers compensation injury claims, saving businesses from a 700% workers comp premium increase over 5 years
- Defeated an increased sales tax on liquor and an increase in the beer and wine tax
- Stopped damaging legislation that would have redefined the definition of restaurant by the ISP

Please fill-out and return to the address below.

ILRA APPLICATION FOR MEMBERSHIP

Company Name: _____ Address: _____

City: _____ State: _____ Zip: _____

Contact: _____ Phone: _____ Fax: _____ Email: _____

Billing Address (if different from above): _____

Dues Schedule	Annual
Allied Members:.....	\$350
Restaurants:.....	\$200 (gross sales under \$499,999.00) \$350 (gross sales over \$500,000.00)
Hotels:.....	\$200 (49 rooms or less) \$350 (50 or more rooms)
Multiple locations in either category:.....	Full price for first property. Half price for additional locations, not to exceed \$1,000.00.

Payment Method: Check Enclosed Please Invoice

Please complete this application and return to:

Idaho Lodging & Restaurant Association

P.O. Box 1822

Boise, ID 83701-1822

Phone: (208) 342-0010 Fax: (208) 342-0060

1. Add a booking engine to your Web site to allow customers to book directly and confirm reservations using a credit card.
2. Contract with a Reservation Services Provider to market your hotel to online travelers and travel agents.
3. Provide the consumer with detailed property and room descriptions and information on the travel Web sites.
4. Display plenty of clear, attractive, digital images of your property both on your Web site and on the travel Web sites.
5. Consider enrolling in the Opaque Models (Priceline.com and Hotwire.com).
6. Improve placement on the major travel Web sites by participating with the Merchant Models.
7. Routinely check your property's display on the major Web sites to ensure that you are open to receive reservations and are competitively priced in your market.
8. Put together "Special Packages" such as golf, Spa or Holiday packages to help increase length of stay.
9. Make sure to offer discounted rates such as AAA, AARP, Seniors, Corporate, Government and/or a Manager's Special as an alternative to rack rates.
10. Be sure you have multiple room types available. If you are going to be competitive you need to add variety to your property's offerings.

For more information on how to increase reservations and revenue please contact Mary Skinner at InnLink, 800-525-4658 or mary.skinner@innlink.com

This Tax is Personal

By Mike Fitzgerald, Owner, TableRock BrewPub & Grill and ILRA Vice President

The 2007 Legislative Session is over, and as usual, both political parties are complaining about what the other did or did not do. Concerning House Bill 245 as amended, personal property tax elimination, there is plenty of

blame to go around. After taking much longer than it should have, H245aa passed the House and was sent to its predetermined final resting place – the Senate Local Government and Taxation Committee that was in the throes of a myopia epidemic. In the political vernacular, myopia is defined as an elected official's inability to see past the next year or election, whichever comes first. Instead of encouraging existing Idaho businesses to expand and reinvest by eliminating an onerous arbitrary tax barrier, the Senate committee said "NO!" and sent the bill to the amending order to die. Wouldn't passing H245aa send a positive message to out-of-state businesses looking to re-locate or build satellite facilities? Wouldn't it send a positive message to businesses already in Idaho that they are appreciated and urged to stay and expand? According to the Senate committee members, I guess not. The fact that phasing out Idaho's personal property tax would encourage long term growth by making Idaho more business friendly was lost on these folks. Despite a "rainy day" state fund larger than Rosie's picnic basket, all they could think about was whose taxes they would raise to make up the difference.

All of you in business are familiar with the "personal property" declaration form you receive from your county auditor every year. After 16 years, my restaurant/brewery's list is down to three, small type, single spaced pages. The only bright spot for me is that next year the tax won't be as large ... that is, unless I want to upgrade any equipment or furnishings – which would start the cycle all over again. My new stapler is supposed to go on the list. So is your cell phone if you use it for business. And don't forget the 6% state sales tax you already paid on those items. In these days of low unemployment, where finding a good employee is difficult at best, I would much rather invest the tax paid to the state for personal

property in my workers. Raises, benefits, medical coverage – all of the things that help me retain good people.

The elimination of the personal property tax paid by Idaho businesses on machinery, tools, furnishings, equipment and fixtures was a main focus of the Idaho Association of Commerce & Industry this session. Next year, with the strong and influential voice of ILRA and those in the hospitality industry also working this issue, there is a heightened possibility that we can put this unfair tax in our rear view mirrors for good.

Federal Updates

By ILRA Staff

Tip Credit – The IRS has extended the 2007 deadline until June 30 for restaurant or beverage businesses to elect to participate in the Attributed Tip Income Program. To participate in the program for calendar year 2007, employers should have started to attribute tips under the provisions of Revenue Procedure 2006-30 beginning with the first payroll period on or after January 1, 2007. However, for calendar year 2007 only, employers will be granted until June 30, 2007, to begin the tip attribution process and make the election to participate in ATIP.

15-Year Depreciation – The Tax Relief and Health Care Act of 2006 extended the provisions allowing for a 15-year recovery period for qualified leasehold and restaurant improvements for 2 years through December 31, 2007. The Act classifies "qualified leasehold improvement property" and "qualified restaurant property" as 15-year property under MACRS depreciation if the property is placed in service after December 31, 2005 and before January 1, 2008.

Employee NO Choice Act – H.R. 800, which is being coined the "Employee Free Choice Act" or the "Card Check" bill, passed the House 241 to 185. It is now

on the Senate calendar to be considered. This legislation would allow workers to join unions by just signing an authorization card rather than through the protected elections process of a secret ballot. Because union representatives find secret-ballot elections an impediment to unionization, they introduced this so-called "card-check" system that would let a union organize if a majority of workers simply sign a card. Under the system, workers' signatures would be made public to the employer, the union organizers and co-workers – thus possibly leading to signing by intimidation.

This is a very dangerous piece of legislation for the hospitality industry and all of its allied members. Both Idaho Congressmen Bill Sali and Mike Simpson voted against the bill – and Senators Larry Craig and Mike Crapo will most likely vote against the bill. However, it's still important that they hear from you. In addition, if you have businesses or colleagues in other states, please contact those state Senators and ask them to vote no on H.R. 800.

To join or re-new your membership with the Idaho Lodging & Restaurant Association, fill out the form on the Insert.

SYSCO Food Services **iCare**

YOU'VE GOT CONNECTIONS.

SYSCO South! & SYSCO North...Proudly Supporting the Food Service and Hospitality Industry, in the Great State of Idaho!

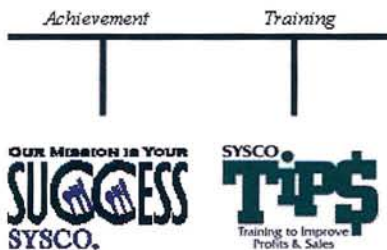
SYSCO: Boise, Idaho
 5710 Pan Am Avenue
 Boise, ID 83717
To contact us:
 Phone: 208-345-9500
 Fax: 208-387-2598

*The Original, Award-Winning
 Marketing Programs,
 developed by SYSCO Idaho,
 for Restaurants like yours!*

SYSCO: Post Falls, Idaho
 300 N. Baugh Way
 Post Falls, ID 83854
To contact us:
 Phone: 208-777-9511
 Fax: 208-777-6299

SYSCO Idaho's original, award-winning program was recognized by the International Food Distributors Association (IFDA) as "Best In Show" and (2) Diamond Awards for helping customers succeed!

Now is a great time to work with your SYSCO Marketing Associate to make sure that we are taking care of all your foodservice needs. SYSCO is your one source for all your foodservice needs. Ask Your SYSCO MA about our Proprietary Business Reviews process!



*Leading The Way,
 For Your Success!*

