



On the afternoon of July 14, restaurateurs, lobbyists and a Chicago lawmaker hoisted drinks inside Moe's Cantina to toast the one-year anniversary of the return of happy hour to Illinois.

There was reason to celebrate: Happy hour's legalization has opened new revenue streams, helped restaurant and bar owners lure lucrative private parties and host exclusive, ticketed events—and removed fear they'll be slapped with a fine exceeding \$1,000 for a New Year's Eve Champagne toast, as happened to Girl & the Goat two years ago. Restaurant and bar owners say they also have more flexibility in how they advertise and promote their businesses.

“Before, we always wondered 'What rule are we going to break?' “ says Kevin Vaughan of Vaughan Hospitality Group, which operates six pubs in the Chicago area, including Emerald Loop and Corcoran's. “It was never clear what the real rules were in a constantly changing environment, and there was always a lot of potential for us to get ticketed. Now we know very clearly what the rules are.”

Drafted by Rep. Sara Feigenholtz, D-Chicago, with the help of the Illinois Restaurant Association, the bill came in response to outcry mostly from Chicago restaurateurs who complained of inconsistent application and enforcement of the state's liquor laws. The Culinary and Hospitality Modernization Act, known as the “Happy Hour Bill,” permits bars and restaurants to offer discounted beer, wine and spirits up to four hours a day and 15 hours a week.

Prior to the law's enactment, they could discount alcoholic beverages on a particular day of the week, but only for the entire day—no hours-long promotions that sliced a couple of dollars off a drink. Some restrictions remain in place, including volume discounts—two-for-ones are prohibited, for example—and a ban on deals after 10 p.m.

The changes have helped boost foot traffic and sales, restaurateurs and bar owners say. Though the effect so far is mostly anecdotal, at least one measure of liquor sales supports the theory that happy hour is helping: Through April, the latest month for which data are available, Illinois liquor tax collections are up 3.6 percent to \$93.6 million over the same four-month period of 2015, according to the Hospitality Business Association of Chicago.

Vaughan says a rotating list of happy hour specials at his taverns helps lure customers in the shoulder hours, such as the late afternoon and early evening, when workers are filtering out of offices.

'ALWAYS AFRAID'

The legislation also clarified rules on drink-and-food packages, allowing restaurants like Moe's Cantina to host ticketed special events, such as Chicago Bears viewing parties or political fundraisers that include food and alcoholic beverages for a single fixed price. "This was all illegal before," says Sam Sanchez, CEO of Samco Enterprises, a Chicago-based group that owns Moe's, John Barleycorn and Old Crow Smokehouse, among others. "We were always afraid of advertising because it was so hard to tell what we could say and what we couldn't say."

Such events are big business for larger properties, particularly those in busy nightlife districts like River North. The ability to host them "has been a big help to my business" and brought in incremental revenue, Sanchez says.

The law, which Gov. Bruce Rauner [signed last July](#), also allows restaurants to pair alcoholic beverages with meals, a practice long employed by Chicago's fine-dining establishments but not technically in accordance with previous law. It opened the door for house-infused spirits, another Prohibition-era no-no, and streamlined permitting and licensing for hotels that operate multiple venues that serve alcohol on one property.

Momotaro is embracing happy hour, says Ian Goldberg, vice president of Chicago's Boka Restaurant Group, which owns Momotaro, Girl & the Goat and others. "It's not going to pay the bills for the rest of our lives, but anything helps," he says. "We want the opportunity to get people in the door, so they'll come back again and again."




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