

# HOUSE BILL ANALYSIS

## HB 1698

**Brief Description:** Regulating motel liquor licenses.

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**Sponsors:** Conway and Clements

**Hearing:** February 18, 1999

### Brief Summary of Bill

- Allows a motel licensee to hold other liquor licenses.
- Allows all guest rooms in a motel to have honor bars containing individual containers of spirits, beer and wine rather than only one-half of the number of rooms in the motel.
- Allows a motel licensee to serve complimentary beer and wine to guests at a set time and place.
- Establishes the motel license fee at \$500 annually.

### BACKGROUND:

#### Motel Liquor License

The Liquor Control Board (LCB) may issue a motel retail liquor license to a facility that offers three or more self contained units to travelers for overnight lodging. The licensee may sell spirits, beer and wine in small containers through a locked honor bar located in the guest's room. An honor bar is a cabinet or refrigerator secured by a lock to which the guest has access. The honor bar must also contain snack foods.

A motel licensee may not hold any other liquor license. Typically, a motel license is issued to a facility that does not have a restaurant on the premises.

A guest must be 21 years of age or older to use a room with an honor bar and must verify that no one under the age of 21 will have access to the liquor in the honor bar.

No more than half of the guest rooms in a licensee's facility may have honor bars. The LCB

sets the fee for this license. The current fee is \$300. As of 1997, there was one motel licensee.

### Special Liquor Permit

The LCB may issue a special permit to allow a business not otherwise licensed by the LCB to serve liquor that is consumed on the business premises. All liquor purchased by the business for this purpose must be purchased at retail from a licensed retailer. Liquor provided to guests under this permit must be provided at no charge and in a specified location.

The permit is issued for one year and the permit fee is \$500.

### **SUMMARY OF BILL:**

The restriction against a motel licensee holding any other liquor license is removed. A motel facility may supply all its rooms with honor bars rather than being restricted to only half of its total number of rooms.

A motel license also allows the licensee to serve beer and wine by the individual serving to overnight guests without additional charge. The service must be on a regular date, at a regular time and place as set by the LCB. The beer and wine must be served by an employee who has received alcohol server training. No self-service is authorized.

The annual license fee is established by the Legislature rather than the LCB at \$500.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule making powers of an agency.

**FISCAL NOTE:** Requested February 17, 1999.

**EFFECTIVE DATE:** Ninety days after adjournment of a session in which bill is passed.