



House of Representatives

General Assembly

File No. 19

February Session, 2014

Substitute House Bill No. 5151

House of Representatives, March 18, 2014

The Committee on Public Safety and Security reported through REP. DARGAN of the 115th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING HOOKAH LOUNGES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) (a) For the purposes of
2 this section:

3 (1) "Hookah lounge" means space, in a suitable and permanent
4 building, kept, used, maintained, advertised and held out to the public
5 as a place where hookahs or water pipes are regularly made available
6 for use by the public;

7 (2) "Licensing authority" means the chief of police of the
8 municipality or the chief executive officer of the town in which there is
9 no police department; and

10 (3) "Operate" means to lease, rent or own space, in a suitable and
11 permanent building, that is open pursuant to a valid certificate of
12 occupancy.

13 (b) A licensing authority may grant a license to suitable persons to
14 operate a hookah lounge within the limits of such municipality or
15 town, and may suspend or revoke such license for good cause, which
16 shall include, but not be limited to, failure to comply with any
17 requirements for licensure specified by the licensing authority at the
18 time of issuance.

19 (c) An application for such license shall be made in writing, under
20 oath. The application shall contain: (1) The type of business to be
21 engaged in, (2) the applicant's full name, age, and date and place of
22 birth, (3) the applicant's residence addresses and places of employment
23 within the preceding three years, (4) the applicant's present
24 occupation, and (5) such additional information as the licensing
25 authority deems necessary to investigate the qualifications, character,
26 competency and integrity of the applicant. If the applicant is a
27 corporation, limited liability company, partnership or association, the
28 application shall contain the information required by this subsection
29 for each individual who is or will be an officer, shareholder, financial
30 backer or creditor, other than a financial institution, of such entity or
31 any other individual with a relationship to such entity similar to that of
32 an officer, shareholder, financial backer or creditor.

33 (d) The person so licensed shall pay to the licensing authority a
34 license fee of one hundred dollars, and fifty dollars per year thereafter
35 for renewal of such license.

36 (e) Each such license shall (1) designate the place where the hookah
37 lounge is to operate, (2) include the hours of operation, and (3) be in
38 effect for one year unless sooner suspended or revoked by the
39 licensing authority. Such license shall be displayed in a conspicuous
40 location in the place where the hookah lounge operates.

41 (f) A hookah lounge shall be subject to inspection by the licensing
42 authority or any person or persons designated by the licensing
43 authority.

44 (g) The licensing authority shall grant or deny an application for a

45 license not later than ninety days after the filing of such application
 46 with the licensing authority. A licensee seeking renewal of such license
 47 shall file an application for renewal at least sixty days before the
 48 expiration of such license and the licensing authority shall grant or
 49 deny such renewal not later than thirty days after the filing of such
 50 application for renewal. Failure of the licensing authority to act on
 51 such initial application or renewal application within the applicable
 52 period specified in this subsection shall be deemed to be a denial. The
 53 licensing authority may suspend, revoke or modify any license issued
 54 under this section at any time during the period of the license for good
 55 cause shown, upon notice to the licensee and following a hearing. The
 56 licensing authority shall hold any such hearing not later than five days
 57 after the date of issuance of such notice, and shall issue a decision not
 58 more than fourteen days after any hearing. Any person aggrieved by
 59 any action of the licensing authority in denying, suspending, revoking,
 60 modifying or refusing to renew a license pursuant to this section may
 61 appeal from such action to the Superior Court.

62 (h) Any person operating a hookah lounge without a license, or
 63 after notice that his or her license has been suspended or revoked, shall
 64 be fined not more than two hundred dollars. In the event of a
 65 continuing violation, each day of continuance shall be a separate and
 66 distinct offense.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	New section

PS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 15 \$	FY 16 \$
Various Municipalities	Potential Revenue Gain	Less than \$1,000	Less than \$1,000

Explanation

The bill requires operators of hookah lounges to be licensed and subjects the lounges and operators to municipal regulation. Under the bill, hookah lounges would be required to pay a one-time licensing fee of \$100 and an annual renewal fee of \$50.

There are approximately eight hookah lounges located in five towns. License fees would result in a minimal revenue gain to certain municipalities of less than \$300 in FY 15 and less than \$150 each year thereafter.

The bill also subjects anyone operating a hookah lounge without a license or under a suspended or revoked license to a fine of up to \$200 for each day of a violation. This may result in a minimal revenue gain.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of licensed hookah lounges.

OLR Bill Analysis**sHB 5151*****AN ACT CONCERNING HOOKAH LOUNGES.*****SUMMARY:**

This bill requires hookah lounge operators to be licensed by the municipality where the lounge is located and subjects the lounges and operators to municipal regulation. The bill defines a “hookah lounge” as any space in a “suitable” and permanent building, kept, used, maintained, advertised, and held out as a place where hookahs or water pipes are regularly made available for public use.

A hookah lounge operator’s license is valid for one year and costs \$100 initially and \$50 to renew. The licensing authority may revoke or suspend the license for good cause, including noncompliance with licensure requirements. He or she may also deny licenses on unspecified grounds, and a good cause showing is not required for denials.

The bill subjects anyone operating a hookah lounge without a license or under a suspended or revoked license to a fine of up to \$200 for each day of a violation. It allows people aggrieved by adverse license decisions to appeal to the Superior Court.

EFFECTIVE DATE: October 1, 2014

HOOKAH LOUNGE***Regulation***

The bill requires hookah lounge operators to be licensed by the municipal police chief or, where there is no police department, the municipal chief executive officer. The lounges are subject to inspection by the licensing authority, or his or her designees.

Information Required on License Application

An application for a hookah lounge operator's license must be made in writing and under oath. It must contain the:

1. type of business the applicant will operate;
2. applicant's full name, age, and date and place of birth;
3. applicant's residence addresses and places of employment within the preceding three years;
4. applicant's present occupation; and
5. any additional information the licensing authority deems necessary to investigate the applicant's qualifications, character, competency, and integrity.

Corporations, limited liability companies, partnerships, or associations, must include the above information for (1) each individual who is or will be an officer, shareholder, or financial backer or creditor, other than a financial institution, of the entity or (2) any other individual with a relationship to the entity similar to that of an officer, shareholder, financial backer, or creditor.

Information Required on Hookah Lounge Operator's License

The license must designate the location of the hookah lounge and its operating hours. It must be displayed in a conspicuous location in the hookah lounge.

Licensing Process

The licensing authority may take up to 90 days after the filing of an application to grant or deny an initial license application and up to 30 days to grant or deny a renewal application. A licensee seeking to renew a license must apply at least 60 days before his or her license expires. A licensing authority's failure to act on an application within the deadlines is deemed to be a denial.

License Validity

A hookah lounge operator's license is valid for one year, unless

sooner suspended or revoked.

Upon notice to a licensee and after a hearing, a licensing authority may suspend, revoke, or modify the license for good cause. The licensing authority must hold any such hearing within five days after the notice date and issue a decision within 14 days after the hearing.

Appeals

Anyone aggrieved by a licensing authority’s action in denying, suspending, revoking, modifying, or refusing to renew a license may appeal to the Superior Court.

Penalty for Violations

Anyone who operates an unlicensed hookah lounge, or after being notified that his or her license has been suspended or revoked, is subject to a fine of up to \$200. In the case of a continuing violation, each day is a separate and distinct offense.

BACKGROUND

Hookah

A “hookah” is a water pipe used to smoke “shisha,” a combination of tobacco and fruit or vegetable that is heated and the smoke is filtered through water. The hookah consists of a head, body, water bowl, and hose. The tobacco or shisha is heated usually using charcoal.

Hookah smoking is a centuries-old tradition and is often social, with two or more people sharing the same water pipe. If used in a commercial establishment, such as a café, lounge, or restaurant, the hookah is ordered, often from a menu of flavors, and prepared from in-house stock.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 25 Nay 0 (03/04/2014)