



Legislative Update
For the week ending April 18, 2008

The NHLRA is pleased that our members and partner organizations find the information in our weekly Legislative Updates useful and a guide to current legislative matters that affect our industry. When recipients chose to share this information, we find it helpful in allowing us to reach more individuals regularly. For those groups that do forward our updates to their constituents, please identify and accredit the NHLRA so we may be able to best serve those who would like more information, details and possible follow ups.

ROOMS AND MEALS TAX GUIDELINES FOR HOTEL OPERATORS USING ON-LINE BOOKING

COMPANIES: Keep your eyes out for a revised interpretation by the NH Department of Revenue on its determination of the amount of meals and rooms tax due on room rates booked by on-line booking companies. Back in November, the Department released guidelines that said "amount the occupant pays to the on-line booking company for the room is the amount subject to the meals and rooms tax." It further said that, "as a practical matter, hotel operators are advised to address this issue directly in their contracts with on-line booking companies to be sure that the operator is provided with an accounting of the amount the on-line booking company collects for the room." NHLRA met with the Department soon after the guideline was released and expressed grave concerns that our industry would not be able to comply with the Department's interpretation. After more discussion, the Department agreed to change its guidelines and will soon issue a release that will say that since the hotel operator may be unaware of the rent charged to a guest by the on-line booking company, the hotel operator is only responsible to remit the amount of tax it receives from the on-line booking company. This was a great victory for NHLRA, and we appreciated the Department's willingness to address our concerns.

CIGAR BARS: The Senate Commerce Committee has voted 4-2 to recommend killing [HB 1457](#), which would allow smoking in cigar bars where more than 60 percent of total business income is derived from cigar-related products. Liquor Enforcement Chief Eddie Edwards delivered chilling news to the Senate Committee at the hearing on Tuesday. Edwards told the Committee that under current liquor laws, he could not issue a liquor license to this kind of establishment. Current liquor laws do not recognize "cigar bars." Edwards said he hopes to convene a group of people this summer to look at overhauling and simplifying the number of liquor licenses. Until then, Edwards says he can't issue such licenses. Under the bill, a cigar bar is being defined as "an establishment that occupies exclusively an enclosed indoor space that is engaged in the retail sale of cigar products for consumption on the premises, or other legally acceptable places, and derives revenue from the sale of food, alcohol, and other beverages for consumption on the premises, prohibits entry to a person under the age of 18, and holds a tobacco retailers license." The bill also requires employers to have all employees working in cigar bars to sign a form which states the

potential dangers of inhaling second-hand smoke and that the employee chooses to work in such cigar bar. Such forms are to be kept on file with the employee's records. The full Senate will vote on the bill next Thursday, April 24.

TAVERN LICENSE: On Tuesday, April 22 at 11:00 am the Senate Commerce Committee will hear [HB 432](#), which would establish a new tavern license. This new license would not allow anyone under the age of 21 in the establishment. It would not require the sale of food. Any establishment with a lounge to restaurant capacity ratio of 3 to 1 would be required to obtain a tavern license. No one under the age of 21 could be employed. Proof of at least \$300,000 in liability insurance would be required. The license fees would be \$12,000 for an establishment capable of seating less than 50 people; and \$24,000 for establishments that could seat 50 or more people. Full-service restaurant and cocktail lounge licenses would be tightened up by increasing the annual food sale requirements from \$75,000 to \$150,000. The amendment clarifies that restaurants open less than 6 months per year would only need to meet a \$75,000 food sales minimum. NHLRA will be asking the Committee to amend the bill to make sure that smoking is prohibited in taverns so that they are on a level playing field with restaurants and cocktail lounges.

ADVERTISING HAPPY HOURS: On Tuesday, April 29 at 10:55 am the Senate Commerce Committee will hear [HB 1197](#). The bill would eliminate the current restrictions on advertising "happy hours." Under current law, no liquor licensee can run advertising that references a "happy hour." The licensee may, however, post a happy hour schedule within the premises, not in any view of the public way. This bill would enable liquor licensees to advertise happy hours in any manner they deem appropriate.

MUSICIANS CONSUMING BEVERAGES OR LIQUOR WHILE PERFORMING: On Tuesday, April 29 at 11:25 am the Senate Commerce Committee will hear [HB 1242](#). The bill attempts to clarify that musicians are not to be considered "employees" of an establishment and therefore not prohibited from consuming liquor while working. The bill makes it clear that as long as the musician does not meet the definition of employee as defined in RSA 275:4, II, they are not prohibited from consuming alcohol while working.

LIQUOR LICENSES: On Monday April 21 at 2:00 pm the Senate Executive Departments Committee will hear [HB 1177](#). The bill would eliminate the prohibition on liquor and wine manufacturers, liquor and wine vendors, and liquor and wine representatives having an interest in the business of a holder of an on-premise liquor license.

UNEMPLOYMENT BENEFITS FOR PART-TIME WORKERS: On a vote of 219-113 the House passed [SB 502](#), which would enable workers who are laid off and only seeking part-time work to collect unemployment benefits. Under current law, only people who are searching for full-time work can collect unemployment benefits. [SB 502](#) states that any claim for unemployment benefits by someone only seeking part-time work shall be based on wages earned in part-time. This bill could increase the unemployment tax rate of businesses that tend to employ part-time workers. The bill now goes to the Governor.

HEALTH INSURANCE PURCHASING ALLIANCES: The Senate Commerce Committee has voted 6-0 to recommend killing [HB 461](#), which would allow businesses to form health insurance purchasing alliances. The full Senate will vote on the bill next Thursday, April 24.

HAZARDOUS MATERIALS REPORTING AND FEES: On Monday, April 21 the Senate Energy Committee will hear [HB 1594](#), which would require businesses that store as little as 500 pounds of hazardous materials (a gallon of home heating oil weighs about 6.3 pounds) to file an annual registration fee of \$50 and pay anywhere from \$25 to \$500, depending on the number of pounds stored. It is estimated that the average affected business will pay approximately \$420 annually.

For more information on these or other governmental matters, feel free to contact NHLRA's lobbyist, [Henry Veilleux](#) of Sheehan Phinney Capitol Group at 603-228-2370. You may also visit website of the [New Hampshire Lodging & Restaurant Association](#) or contact [Michelline Dufort](#) at 603-228-9585.

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