

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

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Action: Do Pass  
Vote: 10 - 0 - 0  
Yeas: Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Thatcher, Witt, Schaufler  
Nays: 0  
Exc.: 0  
Prepared By: Theresa Van Winkle, Administrator  
Meeting Dates: 2/4

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**WHAT THE MEASURE DOES:** Allows the Liquor Control Commission to suspend or refuse to renew a liquor license for failing to comply with liquor liability insurance or surety bond requirements. Establishes that the commission can immediately suspend or refuse to renew a liquor license on the grounds of failing to supply proof of compliance, either at the time of license renewal or upon the request of the commission.

**ISSUES DISCUSSED:**

- Number of licensees that do not comply with insurance or bonding requirements
- Reasons for refusing to renew a liquor license
- Adequacy of current levels of insurance coverage and surety bond amounts
- Process for notifying the licensee or the commission regarding lack of an insurance policy or obtaining the surety bond
- Fines for violations by the licensee

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Most types of liquor licenses that allow on-site consumption are required to maintain either liquor liability insurance or a surety bond in an amount of no less than \$300,000. The requirement was established for the purposes of covering injuries that may result from over-serving alcoholic beverages to visibly intoxicated customers. All licensees required to maintain liquor liability insurance are also required to show proof of compliance when the license is issued or renewed, similar to the requirement for providing proof of insurance for licensing motor vehicles.

Current statute does not provide the ability immediately suspend a liquor license if the licensee fails to maintain either the insurance policy or bond. The process to resolve the issue could take up to nine months to resolve, and a licensee could still continue their operations. House Bill 2247 provides the Liquor Control Commission the authority to immediately suspend a license for failing to carry required liability insurance or surety bond until the licensee resolves the issue.