

**Paper for the Legislative Council Bills Committee
on the Provision of Municipal Services (Reorganization) Bill**

Liquor Licensing Board

Purpose

This paper explains the establishment of the Liquor Licensing Board as provided in Schedule 5 to the Provision of Municipal Services (Reorganization) Bill (the "Reorganization Bill").

Background

2. The purpose of liquor licensing is to control the sale of liquor to public for consumption in public premises and to ensure that the premises so licensed are properly managed and controlled and are suitable to receive customers.

3. Under the Dutiable Commodities (Liquor) Regulations of the Dutiable Commodities Ordinance (Cap. 109), the Provisional Urban Council (PUC) and Provisional Regional Council (ProRC) are the designated authorities for issuing liquor licences.

4. For carrying out this function, each Council has set up a Liquor Licensing Board (LLB) within their respective areas of control. The PUC's LLB and the ProRC's LLB have 11 and 14 Council members respectively with the Chairman and Vice-chairman being appointed by the full Council from members of the LLB. The two LLBs handled a total of some 5,000 liquor licence applications in 1998. Most of them (about 80%) are renewal cases. Appeals against the LLB decisions are heard as appropriate by the Urban Services Appeals Board or the Regional Services Appeals Board established under the Municipal Services Appeals Boards Ordinance (Cap. 220).

5. In deciding whether a liquor licence should be granted, the LLBs adopt the following guidelines:

- (a) the applicant should be a fit and proper person in character and be able to supervise and manage the business personally;
- (b) the premises concerned are suitable for selling or supplying liquor in terms of its location, structure, fire safety and hygienic conditions; and
- (c) the business should not give rise to noise nuisance and disturbance to neighbouring residents.

6. For reference, the existing application procedures of liquor licences are set out in the flowchart at **Annex I**.

Consultant's recommendation

7. The Consultant's report on 'Food Safety and Environmental Hygiene Services in Hong Kong' recommended that upon dissolution of the two Municipal Councils, a new LLB be set up to replace the two existing LLBs of PUC and ProRC and be responsible for issuing liquor licences.

Legislative amendments

8. Schedule 5 of the Reorganization Bill (page C1966 - C1975) contains the legislative amendments to Cap. 109 and the Dutiable Commodities (Liquor) Regulations (Cap. 109 sub. leg.) which are required for the establishment of the new LLB. The Bill also provides that appeal against any decision of the LLB can be made to the new Municipal Services Appeals Board.

9. The Bill provides that the composition of the Board is to consist of a Chairman and 10 other members (a total of 11), all to be appointed by the CE. We also propose to amend the composition to include a Vice-chairman so that this person can deputise the Chairman as necessary. The overall number of members, however, will remain at 11 (i.e. a Chairman, a Vice-chairman and 9 members).

10. Upon establishment, the new LLB will be serviced by the Food and

Environmental Hygiene Department.

Procedural matters

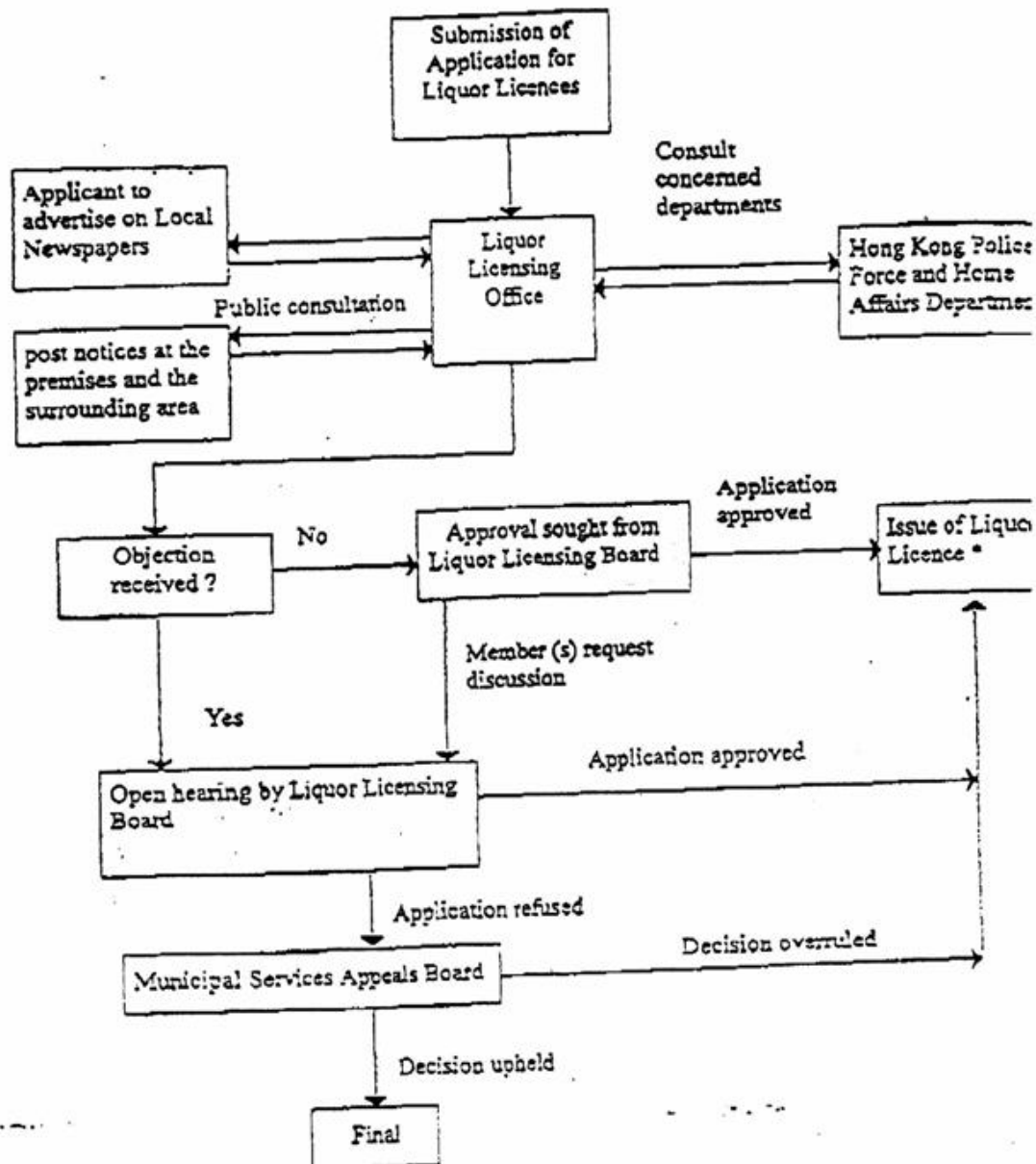
11. There are no major changes in policy for liquor licensing due to establishment of the new Liquor Licensing Board. We are, however, examining the current working procedures and licensing conditions of the two LLBs (such as number of newspapers for placement of advertisement of applications and size of notice to be displayed inside and outside the premises) with a view to standardizing and, where possible, improving them for the new LLB.

Comparison

4. For members' reference, a table setting out the main features of the existing LLBs and the new LLB is at **Annex II**.

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Flowchart Showing the Existing Liquor Licensing Procedures



* Premises already issued with a valid restaurant licence/Certificate of Compliance.

Comparison between the existing LLBs and the proposed LLB

Features	Existing LLBs	Proposed LLB
No. of Boards	• two in the names of PUC LLB and ProRC LLB	• one in the name of LLB
Functions	• authority to grant, renew, suspend, revoke liquor licence and to approve transfer of liquor licence	• no change
Membership	• made up of PUC/ProRC members through voluntary participation	• made up of non-official members appointed by the CE
Quorum	• not less than 1/4 of the members in the case of PUC LLB and not less than 1/3 of the members in the case of PRC LLB	• not less than half of the members
Channel of appeal	• to the Urban Services Appeals Board or the Regional Services Appeals Board as appropriate	• to the combined MSAB