Legislative Analysis



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HOOKAH LOUNGE SMOKING EXEMPTION

House Bill 5554 as introduced Sponsor: Rep. Mike Harris

House Bill 5555 as introduced Sponsor: Rep. Alabas Farhat

Committee: Regulatory Reform

Complete to 6-15-24

SUMMARY:

<u>House Bill 5555</u> would amend the Public Health Code to exempt certain *hookah lounges* from the prohibition on smoking in public places under the code.

Specifically, under the bill, a hookah lounge would be exempt as a hookah lounge, and not as a tobacco specialty retail store, and could allow smoking on its premises if the lounge's owner or operator files an affidavit with the Department of Health and Human Services (DHHS) by the thirtieth day immediately after the bill's effective date and then annually by January 31 each following year. The affidavit would have to certify that the hookah lounge meets all of the following requirements:

- On the bill's effective date, it was exempt from the smoking prohibition as a tobacco specialty retail store.
- It is located on premises that are *physically separated* from any areas of the same or adjacent establishment in which smoking is prohibited under Part 126 or 129 of the code and where smoke does not infiltrate into those nonsmoking areas.
- It prohibits entry to an individual who is less than 21 years old during the time it is open for business.

Finally, the bill would specify that the above provisions do not prohibit a cigar bar or hookah lounge from obtaining a liquor, food, or restaurant license if it meets the above requirements to be exempt from the smoking prohibition.

MCL 333.12606a

House Bill 5554 would add the following definitions:

Hookah lounge would mean an establishment or area within an establishment that is open to the public and is designated for the smoking of hookah tobacco, purchased on the premises or elsewhere.

Physically separated would mean an area that is enclosed on all sides by any combination of solid walls, windows, or doors that extend from the floor to the ceiling.

MCL 333.12601

The bills are tie-barred and would not take effect unless both are enacted.

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FISCAL IMPACT:

House Bills 5554 and 5555 would have an indeterminate but likely minimal fiscal impact on state expenditures to the Department of Health and Human Services and no fiscal impact on local units of government. The fiscal impact of the bills would be dependent on the administrative cost to DHHS to process an affidavit filed by a hookah lounge to be exempt from the smoking prohibition under the act.

Legislative Analyst: Alex Stegbauer Fiscal Analyst: Sydney Brown

[■] This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.