# Review of the Hotel and Guesthouse Accommodation Ordinance Public Consultation Highlights







# Please send your views to us by :

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# Review of the Hotel and Guesthouse Accommodation Ordinance

Operation of hotels and guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). The Ordinance aims to regulate the building and fire safety of hotels or guesthouses so as to safeguard the lodgers and public.

This leaflet highlights the proposals to enhance the Ordinance and the licensing regime with a view to minimising the nuisance and inconvenience caused to the local residents by licensed guesthouses, and better facilitating related enforcement actions against unlicensed guesthouses.

# **Enhancing the Licensing Regime**

Deed of Mutual Covenant (DMC)

- To refuse to issue or revoke a guesthouse licence if the court has granted an injunction order against the use of a premises as guesthouse on grounds of non-compliance with the DMC.
- To suspend the processing of an application when the owners or the OC concerned file a case to the court of law on grounds of breaching the DMC.
- To empower the Hotel and Guesthouse Accommedation Authority (the Authority) to refuse to issue a guesthouse licence if the DMC of the building concerned contains <u>explicit restrictive</u> <u>provisions</u> stipulating that guesthouse operation or commercial activities are not allowed, or the premises in the buildings are for "private residential use" only.

#### Local Consultation

- To empower the Authority to take into account local residents' views in the licensing process.
- · Three possible options:

Option I: to conduct local consultation through District Officers. The power to decide an application is still vested with the Authority.

Option II: to set up an independent panel, comprising unofficial members, to collect local views and consider objections. The Authority shall take into account the advice and recommendations of the independent panel in making a decision.

Option III: to set up a new statutory body, comprising unofficial members, to consider licence applications and issue the licences. Public hearings will be held, if necessary, to listen to the views of the objectors.

#### Other Enhancements

- To require applicant of the guesthouse licence to be a "fit and proper" person.
- To require licensees to procure third party risk insurance for their guesthouses.
- To require licensees to provide a 24-hour manned counter in their guesthouses.
- To issue "hotel licence" to purpose-built hotels and "guesthouse licence" to other types of short-term sleeping accommodation located in residential buildings.

# Enhancing Enforcement against Unlicensed Guesthouses

"Deeming Provisions"

- To provide for "deeming provisions" in the Ordinance to enhance instigating prosecutions against the owner and operator of the unlicensed guesthouse.
- Any premises offering or having provided short-term sleeping accommodation at a price shall be deemed to be used as a guesthouse.
- The property owner, tenant or occupier of the premises concerned shall also be deemed to be the operator of the guesthouse.

### Entry to a Suspected Unlicensed Guesthouse

 To empower the Authority to apply to the Magistrate's Court for warrants to allow public officers to enter into, and break in if necessary, suspected unlicensed guesthouses for enforcement actions.

# Imposing heavier penalties

- To increase the maximum fines for operating unlicensed guesthouses from \$200,000 to \$500,000 and imprisonment from 2 years to 3 years.
- To provide for the court, upon second conviction of an unlicensed guesthouse, to issue a Closure Order against the relevant premises for six months.

Please submit your views on these proposals by e-mail (review\_hagao@had.gov.hk), mail (Division IV, Home Affairs Department, 31/F, Southorn Centre, 130 Hennessy Road, Wanchai, Hong Kong) or facsimile (2147 0984) on or before 28 August 2014.

Full version of the consultation document is available at all Public Enquiry Service Centres of District Offices or the website of the Home Affairs Department (http://www.had.gov.hk).

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