

LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU

711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249
PHONE: (808) 768-7300 or (808) 768-7355 • FAX: (808) 591-2700
E-mail address: liquor@honolulu.gov • INTERNET: www.honolulu.gov/liq

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March 3, 2009

Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
Committee on Finance

Hearing: Wednesday, March 4, 2009
10:30 am; Room 308

Position: Support HB311 Relating to Liquor

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission strongly support HB311 and urge its passage.

HB311 continues the progress begun with Act 168 of the 2008 Regular Session (HB2253 HD2 SD1 CD1) to clarify and expand provisions of law to improve certain practices and procedures relating to liquor licensing, industry practices, and the adjudication process. Among other things, the proposed bill will accomplish the following objectives:

- Enable the liquor control departments to extend relief to licensees who cannot obtain a tax clearance prior to license renewal or transfer.
- Expand the use of fine moneys to include public liquor-related educational or enforcement programs, subject to a quantified annual limit.
- Clarify procedures relating to liquor license transfers, to more accurately reflect modern business enterprise organization.
- Extend the time within which a liquor commission may grant or refuse a liquor license application following public hearing.

The proposed bill is the result of a comprehensive review of Chapter 281 conducted by the four county liquor control departments, including its commissions and adjudication boards and industry representatives. This process was begun at the 2007 Annual Liquor Conference, and continued at the 2008 Conference and through meetings with various industry groups. We submit that the proposed bill will improve liquor regulation with negligible negative impact to licensees.

The Committees on Consumer Protection & Commerce and Judiciary passed the proposed

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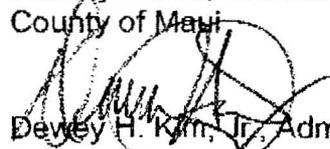
bill unamended. The Committees on Transportation, International & Intergovernmental Affairs and Commerce and Consumer Protection passed the Senate version of the proposed bill unamended.

We strongly support HB311 and respectfully request your favorable action on this important matter.

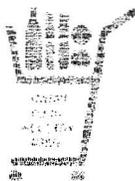
Janice Pakele, Director
County of Hawaii

Eric Honma, Director
County of Kauai

Franklyn Silva, Director
County of Maui



Dewey H. Kim, Jr., Administrator
City and County of Honolulu Liquor Commission



HAWAII FOOD INDUSTRY ASSOCIATION

8071 Mahanui St., Suite 810, Honolulu, Hawaii, 96816
Phone (808) 633-1286 - Fax (808) 639-2633 - Email LISHawaii@aol.com
Direct (808) 479-7935



March 4, 2009

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

By: Richard C. Botti, President
Lauren Zirbel, government Relations

Re: HB 311 RELATING TO LIQUOR

Chairs & Committee Members:

In support of HB 311

Two major changes in the law will affect retail liquor licensees.

- The first is the allowing the renewal of a liquor license even if taxes are owed, so long as the applicant has entered into and is complying with an installment plan agreement with the department of taxation for the payment of **delinquent taxes** in installments.
- The second allows for the use of fine revenues for purposes other than otherwise allowed, provided that the expenditure shall not to exceed ten per cent a year that may be used to **fund public liquor related educational or enforcement programs.**

We feel that the allowance of funds for public education is pushing the envelope with respect to what funds can be used for, yet it does place a limit.

Many liquor violations that the licensee receives is because a minor instigated the violation by attempting to purchase liquor. The minor should also be fined with that money being used for the same purpose as the liquor commissions are supporting amending Section 281-17 (a) (3) of HB 311. This is not addressed in HB 311.