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# A BILL FOR AN ACT

RELATING TO LIQUOR.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Section 281-45, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "**§281-45 No license issued, when.** No license shall be  
4 issued under this chapter:

5       (1) To any minor or to any person who has been convicted  
6 of a felony and not pardoned, or to any other person  
7 not deemed by the commission to be a fit and proper  
8 person to have a license; provided that the commission  
9 may grant a license under this chapter to a  
10 corporation that has been convicted of a felony where  
11 the commission finds that the corporation's officers  
12 and shareholders of twenty-five per cent or more of  
13 outstanding stock are fit and proper persons to have a  
14 license;

15       (2) To a corporation the officers and directors of which,  
16 or any of them, would be disqualified under paragraph  
17 (1) from obtaining the license individually, or a



1 stockholder of which, owning or controlling twenty-  
2 five per cent or more of the outstanding capital  
3 stock, or to a general partnership, limited  
4 partnership, limited liability partnership, or limited  
5 liability company whose partner or member holding  
6 twenty-five per cent or more interest of which, or any  
7 of them would be disqualified under paragraph (1) from  
8 obtaining the license individually; provided that for  
9 publicly-traded companies or entities ultimately  
10 solely owned by a publicly-traded company, only the  
11 officers and directors designated as primary decision-  
12 makers shall be considered to determine  
13 disqualification under paragraph (1);

14 (3) Unless the applicant for a license or a renewal of a  
15 license, or in the case of a transfer of a license,  
16 both the transferor and the transferee, present to the  
17 issuing agency a tax clearance certificate from the  
18 department of taxation [~~and from the Internal Revenue~~  
19 ~~Service~~] showing that the applicant or the transferor  
20 and transferee do not owe the state [~~or federal~~  
21 ~~governments~~] government any delinquent taxes,



1 penalties, or interest; or that the applicant, or in  
2 the case of a transfer of a license, the transferor or  
3 transferee, has entered into an installment plan  
4 agreement with the department of taxation [~~and the~~  
5 ~~Internal Revenue Service~~] for the payment of  
6 delinquent taxes in installments and that the  
7 applicant is or the transferor or transferee is, in  
8 the case of a transfer of a license, complying with  
9 the installment plan agreement; provided that when the  
10 applicant or the transferor or transferee, in the case  
11 of a transfer of a license, is validly challenging a  
12 tax assessment, penalty, or other proceeding that  
13 prevents the issuance of a signed certificate from the  
14 appropriate federal or state tax agency, the  
15 commission shall issue a license that is valid for the  
16 period of time necessary to resolve the challenge;

17 (4) To an applicant for a class 2, class 4 except for  
18 convenience minimarts, class 5, class 6, class 11,  
19 class 12, class 13, class 14, class 15, class 17, or  
20 class 18 license unless the applicant for issuance of  
21 a license or renewal of a license, or in the case of a



1 transfer of a license, both the transferor and the  
2 transferee, present to the issuing agency proof of  
3 liquor liability insurance coverage in an amount of  
4 \$1,000,000; or

5 (5) To any applicant who has had any liquor license  
6 revoked less than two years previous to the date of  
7 the application for any like or other license under  
8 this chapter."

9 SECTION 2. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 3. This Act shall take effect on July 1, 2050.



**Report Title:**

Liquor; License; Tax Clearance

**Description:**

Eliminates the requirement that applicants for a liquor license or renewal of a license, or in the case of transfer of a liquor license, both the transferor and the transferee produce either a tax clearance certificate from the Internal Revenue Service or proof of entering into an installment plan agreement with the Internal Revenue Service. (SB2945 HD1)

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