STAND. COM. REP. NO. 672

Honolulu, Hawaii **FEB 1 9** RE: H.B. No. 137 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 137 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to:

- Remove the authority of the county liquor commissions to enforce the liquor tax law and require violations of the liquor tax law to be referred to the Director of Taxation for investigation;
- (2) Repeal the discretionary power of the county liquor commissions to deny a license to any person the county liquor commissions find is not fit and proper to hold a license;
- (3) Require applications for liquor licenses to be notarized;
- (4) Provide the administrators of the county liquor commissions discretion over whether to refer applications for investigation; and

2021-1872 HB137 HD1 HSCR HMSO

STAND. COM. REP. NO. 632 Page 2

(5) Repeal the requirement that investigative reports to the county liquor commissions include whether an applicant is a fit and proper person for licensure and any and all matters that are relevant to the application or license in the judgment of the investigator.

Your Committee received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the liquor laws are administered and enforced by the county liquor commissions. Your Committee further finds that the county liquor commissions jointly enforce the liquor tax laws. Your Committee notes that this measure is intended to streamline the licensing process and remove unnecessary or undefined statutory language.

Your Committee has amended this measure by:

2021-1872 HB137 HD1 HSCR HMSO

- Making conforming amendments to the liquor tax law to remove the authority of the county liquor commissions to investigate liquor tax law violations;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 137, H.D. 1, and be referred to your Committee on Finance.

STAND. COM. REP. NO. **632** Page 3

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

AARON LING JOHANSON, Chair

State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Il/Resolution No.:Committee Referral:HB 1371CPC , F1 N		Date:	Date: 2/17/2/		
□ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. KITAGAWA, Lisa (VC)				154603156350055396	
3. AQUINO, Henry J.C.					
4. HAR, Sharon E.					
5. HASHEM, Mark J.					
6. KONG, Sam Satoru					
7. MIZUNO, John M.					
8. MORIKAWA, Dee					
9. ONISHI, Richard H.K.					
10. TARNAS, David A.					
11. MATSUMOTO, Lauren					
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TOTAL (11)	10	0	0	1	
The recommendation is: Adopted D Not Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO					