

**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

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ASSISTANT ADMINISTRATOR

February 7, 2023

The Honorable Mark N. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair
and Members of the Committee on Consumer Protection & Commerce
House of Representatives
State Capitol, Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

SUBJECT: House Bill No. 596
Relating to Intoxicating Liquor

The Liquor Commission, City and County of Honolulu (Commission), appreciates the opportunity to submit testimony **providing comments** on the above-referenced measure. As a matter of principle, the Commission fully supports legislation that guides licensee operations so that licensees can responsibly co-exist with members of the public and the community. The Commission respectfully suggests, however, that features in the measure would at best be ineffective in increasing regulatory oversight in Honolulu County or, worst case scenario, be problematic to implement.

1. The Commission currently records all complaints against all licensees.

Section 2 of the measure proposes to amend Section 281-17(a)(10), Hawaii Revised Statutes (HRS), to require the county liquor commissions to record all complaints against all licensees, regardless of when the complaint is filed. As the Commission keeps hard copy and/or digital copy of *all* complaints filed as part of its current operating procedure, we do not anticipate any change to said procedure from the proposed requirement. In this regard, regulatory oversight in Honolulu County would not be increased by the proposed measure as the Commission already records all licensee complaints.


2. Review of complaints history should be discretionary, not mandatory, and specify the type of behavior being targeted.

Currently, HRS Section 281-61 authorizes the Commission to take action at

license renewal time based on complaints involving noise from departing patrons or from the premises itself or adjacent related outdoor areas, with specificity of the types of behaviors considered problematic. The measure as currently written would be both cumbersome and problematic to implement insofar as the term "complaints" is not described with any detail. Theoretically, an unsubstantiated complaint involving licensee behavior that is completely unrelated to noise or public health, safety, and welfare would trigger the requirement of Commission review. Therefore, the Commission believes this review should be discretionary, and/or provide greater specificity in terms of the types of complaints subject to Commission review.

Thank you for the opportunity to provide testimony on House Bill 596.

Sincerely,



Anna C. Hirai
Assistant Administrator

ACH:

Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

Robert H. Command
Deputy Managing Director



Gerald A. Takase
Director

County of Hawai'i

Department of Liquor Control

Hilo Lagoon Centre, 101 Aupuni Street, Unit 230, Hilo, Hawai'i 96720-4261
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February 8, 2023

The Honorable Mark N. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair
and Members of the Committee on Consumer Protection & Commerce
House of Representatives
State Capitol, Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Re: House Bill No. 596 Relating to Intoxicating Liquor

The Department of Liquor Control and its Liquor Commission concur in the testimony provided by the Honolulu Liquor Commission in opposition to HB596.

Sincerely,

GERALD TAKASE
Director

GT:de



info@beerlabhi.com
www.beerlabhi.com

Nicolas Wong

President
3266 Kalua PL
Honolulu, HI 96816

HB596– Requires the Liquor Commission to record all complaints against any licensee, regardless of whether the complaint is filed during or after the occurrence of the violation. Requires the Liquor Commission to review the history of complaints against any applicant at the time of application for a new license or renewal of an existing license.

February 9, 2023 at 2:00p.m Conference Rm 329

Rep. Mark M. Nakashima, Chair Rep. Jackson D. Sayama, Vice Chair and members of the House Committee on Consumer Protection and Commerce

STRONGLY-OPPOSE

My name is Nicolas Wong and I am the owner of Beer Lab HI. We are an independent craft brewery producing 100% of our beer in Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities.

I am a board member of the HCBG. Our brewery along with the other member breweries of the Hawaiian Craft Brewers Guild embrace the responsible consumption of alcohol.

I am also a board member of the Hawaii Restaurant Association.

Recording and using history of complaints against licensees for renewals

The intent of this bill is a good intent with multiple festivals and parades and the like. Many of these events are renewed with no chance for the community to speak on it.

However the unintended consequence is that long term licensees are put at risk.

From personal experience, during the pandemic there were a lot of individuals who thought opening for dine in service was not in the best interest of the community and we received over 20-30 "anonymous" complaints citing untrue events ranging from dangerous activity in our brewery to removing masks prior to receiving food at the table. These 20-30 complaints may have come from one individual but the system does not allow one to determine this. While these times have come and gone I urge the committee to strongly consider the ramifications if this bill were to pass to law. We would have 30 complaints in a span of 2 months and would not have been allowed to renew our liquor license and ultimately put out of business.

HB-596

Submitted on: 2/8/2023 10:54:11 AM

Testimony for CPC on 2/9/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Geoffrey Seideman	Honolulu BeerWorks	Oppose	Written Testimony Only

Comments:

OPPOSE

CRAFT *Ohana*

February 7, 2023

House Committee on Consumer Protection & Commerce
HB159 Relating to Liquor Licenses
Thursday, February 9th, 2023 at 2pm, Conference Room 329

Re: **IN OPPOSITION OF HB596**

Aloha Chair Representative Nakashima, Vice Chair Representative Sayama, and members of the Committee,

My name is Garrett W. Marrero, I live in Kihei, HI. Maui Brewing Co. has locations on Maui in Lahaina and Kihei, and on Oahu in Waikiki and Kailua. We distribute across the Hawaii, 23 other States, and 4 countries. We began in 2005 with 26 team members and have added more than 400 team members across Hawaii. I was selected as the National Small Business-Person of the year in 2017 for my work at Maui Brewing Co.


I am writing on behalf of myself and our local family-operated business in opposition of **HB596** which adds to the burden of the county liquor departments and creates a law where a duty already exists.

HB596 does not serve the public in any way shape or form. In fact, it arms the liquor departments with more ammunition to use against small businesses unfairly. During the covid pandemic we watched as some operators or individual persons submitted false and misleading claims to the liquor departments in retribution or as a means to hurt the competition. Requiring the commissions to review these complaints WITHOUT having validated that these complaints are merited at the time of the submission is a ridiculous concept. This does not allow for due process of the licensee not the ability to defend itself.

Furthermore, I think we can all agree that a complaint IS NOT a violation. Also what is the time period that would be in question? 1 year? 5 years? 20 years? We need to have some common sense here and realize that this bill is flawed and is anything but in the interest of public good. We need to be finding ways to support local businesses rather than arming the departments with even more ways to work against licensees.

Thank you for the opportunity to offer these comments in opposition of **HB596**.

Sincerely,



Garrett W. Marrero
CEO/Founder

MAUI
HARD SELTZER

*Modern
Times*
BEER

MAUI
BREWING CO

*Modern
Times*
COFFEE

KUPU
— SPIRITS —



Lanikai Brewing Company
175 Hamakua Drive, Unit C
Kailua, Hawaii 96734
www.lanikaibrewing.com

1 February 2023

RE: HB596

Position: **OPPOSE**

Chair Nakashima, Vice Chair Sayama, and members of committee,

I am Steve Haumschild, CEO and founder of Lanikai Brewing Company located in Kailua Hawaii. We are an independent craft brewery producing 100% of our beer in Hawaii. In addition, we also operate a Distillery (Lanikai Spirits) as well as operate or are building multiple restaurants throughout Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities.

HB596 removes the ability for a licensee to have a fair and unbiased process through licensing. It further supports potential bad actors within county Liquor Commissions to use their power over licensees in a biased and threatening manner.

It is very significant to note that a COMPLAINT is not a violation. Complaints can be submitted anomalously thereby allowing a competitor, a bad acting enforcement agent, or any group to simply continue to issue complaints against a licensee with no determined merit to the claims. If this bill passes, these unfounded complaints (not adjudicated violations), could potentially impact a legal business owner their right to a license. Further, a complaint that is issued does not allow the licensee to face its accuser and said complaint does not have to be based in fact.

A complaint is simply hearsay, it is not substantiating proof of a violation. Using heresay to potentially deny a license goes against fair and unbiased due process and supports potential bad actors to control a biased market.

Mahalo for considering our testimony.

Steven R Haumschild

Steve Haumschild, MBA
CEO & Brewmaster, Certified Cicerone®
Lanikai Brewing Company,

HB-596

Submitted on: 2/8/2023 1:56:55 PM

Testimony for CPC on 2/9/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Kerns	Big Island Brewhaus LLC	Oppose	Written Testimony Only

Comments:

We strongly oppose this measure. We feel this opens the door for a Liquor commission to become punitive versus regulatory towards compliance. A liquor commission by nature should support lawful regulation and support compliance versus punitive actions towards licensees.

HB-596

Submitted on: 2/8/2023 9:20:00 AM

Testimony for CPC on 2/9/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Sobieralski	Individual	Oppose	Written Testimony Only

Comments:

There is too much corruption in the Liquor Commissions, too many issues with false complaints as well as too many issues of inconsistent documentation and no compliance to procedures.

There has to be checks and balances introduced as well as a hearing. The State needs to make laws on how the agencies are not how they wish they were operating.

Please vote a strong and loud "No" to this proposal.

Robert Sobieralski

HB-596

Submitted on: 2/8/2023 1:07:31 PM

Testimony for CPC on 2/9/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
robert baldwin	Individual	Oppose	Written Testimony Only

Comments:

Giving any additional power to the Honolulu Liquor Commission at this time is extremely reckless. Their organization is completely broken and involved in multiple lawsuits. They are also under scrutiny from the Honolulu City Council and haven't even responded to resolution 22-207. Their response was due in January. Until elected officials can decide the future of the Liquor Commission and safe guards for it not to abuse its power, which its currently doing, additions powers such as the bill should not even be considered.

HB-596

Submitted on: 2/8/2023 9:40:33 PM

Testimony for CPC on 2/9/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Guerber	Kauai Beer Company	Oppose	Written Testimony Only

Comments:

We oppose HB596, which would require the liquor commission to record and review all complaints against any licensee upon application for a new license or renewal. We believe that this bill would allow disengenuous parties to file complaints against a licensee, and thus use the power of the liquor commission to effectively harrass and possibly put a licensee out of business just by filing complaints. We feel that granting of new licenses and renewals already takes into account any violations made by the licensee, which is the metric which should be applied here.