

HB-2525

Submitted on: 2/22/2024 9:07:43 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Steve Haumschild	Lanikai Brewing Company LLC DBA Lanikai Spirits	Oppose	Written Testimony Only

Comments:

Aloha members of the committee,

This bill allows a licensee to be refused to relicense because of complaints. NOT violations of the law, but people that complain. This can also be anon, so you may not be able to meet your accuser or it could be a hostile business owner or former employee.

Businesses in our industry invest high risk funds to employ people and serve their community, they should not be at business risk from someone complaining without an actual violation.

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Submitted on: 2/23/2024 1:20:27 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

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

Comments:

Aloha,

We oppose HB2525 because this bill would basically allow the liquor commissions to deny a renewal of a license because of complaint (which can be anonymous) instead of adjudicated violation. This means an anonymous complaint could severely impact a business and all its employees. Please require more substantial evidence when the possibility of denying a license renewal is a possibility.

Mahalo for your consideration of this important matter,

Jayne Kerns

23 February 2024

Honorable Members of the Committee

I strongly urge you to oppose and vote NO against this bill.

We are in strong opposition to HB 2525. This bill is unfair to businesses because it lacks a basis for complaints and fails to provide any form of due process. Businesses would be at risk of losing their entire operation without proper justification or opportunity to defend themselves, which undermines the principles of fairness and justice in the business environment.

This is without question a bad bill for ALL liquor licensees in Hawai'i as it does not require any basis for the complaint, it also does not specify what "sufficient" means, nor adjudication as per current rules by the commission. The system already exists for LC to deny renewals but, as broken as the entire LC system is, at least there is investigation and adjudication. Further complaints can be filed anonymously, without ever having been to the establishment and even by unethical business owners wishing harm to their competition.

No to HB2525 is the only fair way to vote.

Mahalo,



Garrett W. Marrero, CEO
Garrett@craftohana.com

HB-2525

Submitted on: 2/23/2024 5:05:29 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
JACK LAW	Pacific Bar Association, Ltd. dba Hula's Bar & Lei Stand	Oppose	Written Testimony Only

Comments:

My name is Jack Law. I am the sole owner of the corporation which owns the Waikiki Bar and restaurant Hula's Bar and Lei Stand, for almost 50 years.

I am opposed to HB 2525.

When I relocated my business to the Waikiki Grand Hotel over 26 years ago I had a very vocal minority opposing our Liquor License in its new location. If the provisions in HB2525 were in effect I am sure our annual license renewal would have been opposed by this group.

It is very difficult to for small businesses to continue in Hawaii, please do not add to the difficulties by passing of HB2525.

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Submitted on: 2/24/2024 1:18:09 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

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

Comments:

We strongly oppose this bill, which would grant the Department of Liquor Control the power to effectively shut down businesses due to anonymous - or worse, malicious - complaints. There is already a rigorous process to vet new and renewing liquor license permits, and permit holders must already be compliant in a number of rules and laws in order to maintain their license. Businesses in compliance with the law should be allowed to continue to operate, as long as they are in good standing with their regulators. This bill could deny businesses their main source of revenue based on complaints made by competitors or bad actors, for which there would be no recourse.

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.

Thanks you for reading our testimony, and please vote no on this bill.

**Hawaii
Legislative
Council
Members**

Joell Edwards
Wainiha Country
Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family
Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Na Mea Hawaii
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life
Natural Foods
Hilo

Kim Coco Iwamoto
Enlightened Energy
Honolulu

Chamber of
Sustainable
Commerce
P.O. Box 22394
Honolulu, HI
96823

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice-Chair
Comm. on Consumer Protection & Commerce

Tuesday, February 27, 2024
2:00 PM, Room 329 or Via Videoconference

RE: **HB2525** Mandatory Denial of Liquor License - **Oppose**



Dear Chair Nakashima, Vice Chair Sayama & Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment. This is why we strongly oppose HB2525, which provides that the Liquor Commission or other licensing agency of each county shall deny the renewal of certain current liquor licenses upon receipt of sufficient protests.

The substance of this bill makes it too easy to scapegoat a specific bar or restaurant with a liquor license (bar) for all the collateral flaws of metropolitan living: compounded noise, architectural acoustic reverberation and higher pedestrian traffic.

A bar may have been operating in a retail or industrial area for decades and suddenly one residential tower is built on one side and then another tower goes up on another side, and the next year it is surrounded on all three sides. Perhaps the bar and its patrons did not get louder, instead the citing of the new towers bounced and amplified the sound up the three towers?

This could also be true for a new bar as well. Imagine investing millions of dollars to open your dream bar on the ground floor of one of these new residential towers. When you open for business, residents living above are dismayed by all the sounds of a pedestrian-friendly metropolis and they want to put all the blame on your bar.

Enactment of this bill will give extortionists the leverage they need to wrongfully collect money from a bar owner by threatening to file excessive anonymous complaints to the liquor commission directly or manufacturing scenarios that generate complaints from nearby residents.

Requiring the denial of a renewed liquor license, absent any opportunity to demonstrate mitigation or mistake, is over-reaching and may constitute a taking without due process. We urge this committee to consider the silent majority of residents who enjoy having access to local bars and the opportunity to build relationships and community in these social spaces.

HB-2525

Submitted on: 2/26/2024 9:04:46 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Kopf	Mahalo Brewing Co LLC DBA Mahalo Aleworks	Oppose	Written Testimony Only

Comments:

To Whom it may concern:

Testimony for HB2525

STRONGLY OPPOSE

This Bill, HB2525, poses a significant risk to owners, employees and investors of liquor licensed establishments who provide significant amounts of tax revenue and employ many thousands of people in the state of Hawaii. Great risk and investment is taken in opening a new food or alcohol establishment, usually taking many years of planning and in many instances many hundreds of thousands or millions of dollars. Part of this process is obtaining a liquor license, and upon doing so, having a sense of security in your ability to renew that license if your establishment plays by the rules and follows the laws established. Licenses are renewed annually, and this proposed bill, HB2525 would give unscrupulous competitors, bad actors or other unrelated parties the ability to torpedo a business that has followed all of the rules under which it was allowed to open. This would cause a catastrophic loss to the owners and investors of all monies invested, and the loss of jobs for everyone employed at the establishment.

Imagine spending your entire life savings and then taking multiple mortgages out on your home in order to open your business (like I did), following all the rules and not violating any laws (like we do), only to be told that you could not continue operating next year because someone didn't like you being there after all, AND after they agreed to allowing you to open in the first place. It is not fair to apply this rule to liquor establishments while no other service business carries this risk, to my knowledge. For instance, a small take-out noodle or sandwich shop that becomes so popular it has loads of noisy patrons out front at all hours of the day, every day (of which I can think of several) would only be subject to the same noise and hazard obligations we as liquor license holders are already held to as well, but they would not be in fear of being required to go out of business the following year if a neighbor did not like the lines on the sidewalk. There are mechanisms in place to control and limit noise, extraneous activities etc., that ALL businesses must comply with and utilize. To have the ability to revoke a liquor license renewal, (with NO laws having been broken) thus guaranteeing the shuttering of a business is not a fair or practical solution.

It is likely this bill was created in response to feedback from people upset by activities occurring at or nearby liquor establishments. Other mechanisms exist for dealing with those issues without

having every law abiding liquor license holder living in constant fear of being able to lose their entire livelihood each year based on the preferences or whims of an anonymous disgruntled citizen, or as mentioned earlier, a bad actor or unscrupulous competitor.

Thank you,
Benjamin Kopf
Mahalo Brewing Co LLC DBA Mahalo Aleworks



Village Bottle Shop & Tasting Room
675 Auahi St. #121
Honolulu, HI 96813

26 February 2024
RE: HB2525

Position: **OPPOSE**

Speaker Saiki and members of the Committee,

I am Timothy Golden, co-owner of Village Bottle Shop & Tasting Room, a small locally owned business in Kaka'ako that is widely known for selling the best beer from around the world. We **STRONGLY OPPOSE** this bill and any bill that increases the Honolulu Liquor Commission's authorities to make discretionary judgements on licensees. The Liquor Commission needs more oversight, not more unchecked power.

HB2525 removes the ability for a licensee to have a fair and unbiased process through licensing. This Bill does not provide legal due process for license holders and essentially allows any public citizen to shut down a business by just calling in anonymous complaints. 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 anonymously 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 hearsay 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.

Timothy Golden
Partner
Village Bottle Shop & Tasting Room

Village Bottle Shop & Tasting Room
675 Auahi St., #121
Honolulu, HI 96813
808-369-0688

LATE

HB-2525

Submitted on: 2/27/2024 7:05:31 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
robert baldwin	Scarlet Honolulu Inc	Oppose	Written Testimony Only

Comments:

Oppose

HB-2525

Submitted on: 2/25/2024 3:55:26 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

As a longtime resident of a high rise in urban Honolulu, I can attest to noise emanating from liquor establishments. When they apply for a license, they present only the good side, and offer to control noise. When they apply, registered voters who live within 500 feet can protest the granting of the license, but have no recourse when a license is renewed.

Often the noise occurs when the inebriated are outside, in the street. We who live nearby are awakened in the early morning hours, deprived of getting a full night of uninterrupted sleep. This can lead to health issues. Also, once the establishment is in operation, other problems can arise and currently we have no recourse.

In years past, the liquor commission has deferred to the businesses, ignoring the complaints of residents. This bill will help.

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Submitted on: 2/26/2024 7:02:37 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tina Wildberger	Individual	Oppose	Written Testimony Only

Comments:

I can't imagine what specific issue this bill is trying to address. But, the ramifications for small businesses on Maui are dier. We are already in economic crisis from fire fall out. So many business have shuttered. The legislature promised to fix the problems with Maui's anti-business Liquor Commission and didn't. Now this bill creates a regular threat of being shut down every time a license renewal comes up. Please, defer this very bad bill.

HB-2525

Submitted on: 2/26/2024 9:01:00 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Colleen Nicholas	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill

HB-2525

Submitted on: 2/26/2024 9:25:39 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Reiger	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to this over-reaching bill. It prohibits consideration of any kind of mitigation or alternative resolution to complaints

As you know, complaints can be made anonymously, by one individual, over and over again, or by a competitor of the business.

As written, there is no reasonable way for businesses to defend themselves in any way.

LATE

HB-2525

Submitted on: 2/26/2024 5:11:08 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Oppose	Written Testimony Only

Comments:

Hello,

My name is Nanea Lo. I'm born and raised in the Hawaiian Kingdom. I live in Mō'ili'ili. I'm writing in opposition of HB2525.

me ke aloha 'āina,
Nanea Lo, Mō'ili'ili, O'ahu